



CABRERA CAPITAL MARKETS

MUNICIPAL MARKET UPDATE

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PRIMARY MARKET ACTIVITY

With another week of vacillating priorities and directives from the White House, the municipal market continued to show data-dependent resilience, with solid reception for transactions and trading in a relatively narrow band. Supply was light given the Fed non-decision last Wednesday, and favorable economic news (GDP and Core PCE), along with a flight to quality mid-week helped to buoy municipal benchmarks. Federal Reserve Chair Jerome Powell said in his FOMC press conference “We need to let those policies be articulated before we can even begin to make a plausible assessment of what their implications for the economy will be.” MMD rates moved only slightly on the rate decision (Source: Powell Says Fed Doesn’t Need to Be in a Hurry to Lower Rates). Municipal fund flows also supported the positive tone last week, with inflows of approximately \$742 million.

President Trump imposed tariffs on Mexico, Canada and China over the weekend, sending equities markets lower and US Treasuries higher on the short end of the curve and lower 10 years and longer, making the Treasury curve flatter. This volatility will certainly spill over to the municipal market.

INTEREST RATE SNAPSHOT

MMD Week of the January 27th				UST Week of the January 27th			
Term	Starting (1/27)	Ending (1/31)	Change	Term	Starting (1/27)	Ending (1/31)	Change
2yr	2.69%	2.67%	-2bp	2yr	4.17%	4.22%	5bp
5yr	2.79%	2.77%	-2bp	5yr	4.24%	4.27%	3bp
10yr	3.00%	2.97%	-3bp	10yr	4.32%	4.36%	4bp
20yr	3.76%	3.76%	0bp	20yr	4.53%	4.58%	5bp
30yr	3.96%	3.97%	1bp	30yr	4.76%	4.83%	7bp

Reinvestment money and lighter supply will set the tone for the first week of February, with deals on the calendar this week including \$985 million Florida Development Corporation Brightline Rail Remarketing (NR/NR), \$776 million Dallas ISD PSF (Aaa) and \$544 million Lower CO River Auth Trans TX (A1/A). Other deals scheduled include \$370 million Tarrant County TX Hosp (Aa2/AA), and \$233 million Round Rock TX ISD PSF (Aaa) among others.



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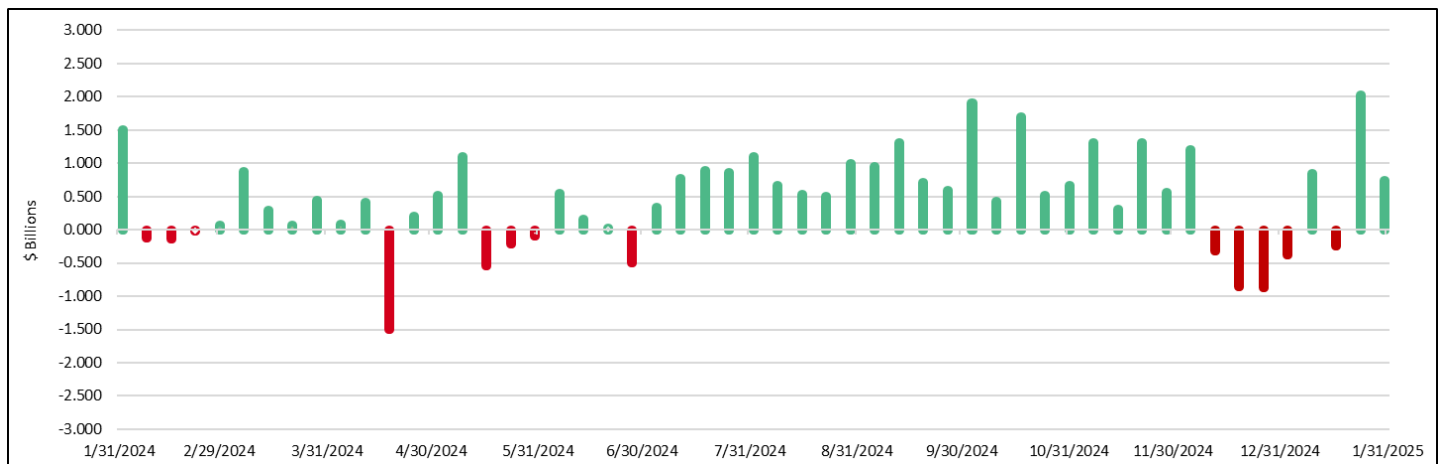
DEALS LAST WEEK:

- ✦ The Oklahoma Turnpike Authority (Aa3/AA-/AA-/NR) priced \$1.12 billion of Second Senior Revenue Bonds and \$151 million of Forward Delivery Refunding Second Senior Revenue Bonds. The \$1.12 billion transaction was tightened 1 basis point 2041-2047 and 2 basis points in 2055 as it entered the market. The transaction performed very well in the order period with heavy oversubscription levels. It was bumped throughout the scale 2-17 basis points. The forward series also did very well and was bumped 14-19 basis points throughout from premarketing to final pricing. The 2025B series had an 8 month forward, resulting in a premium of approximately 29-33 basis points.
- ✦ Elgin School District Number 46, IL (NR/AA+/NR/NR) (Cabrera Co-Manager) priced \$55 million General Obligation Bonds. Spreads remained unchanged following the premarketing period but yields were adjusted lower by 5-7 basis points before release, taking MMD movements. The transaction did well in the order period with subscription levels ranging from 1x-4x throughout. The scale was bumped 2-4 basis points, excluding where subscription levels were lower in 2034, 2037, and 2040.
- ✦ Columbus Regional Airport Authority (A2/A/NR/NR) priced \$836 million AMT Airport Revenue Bonds and \$187 Non-AMT Airport Revenue Bonds. The AMT series did very well in the order period and was upsized to \$1 billion and bumped 2-7 basis points throughout the scale, excluding the 2050 term. The Non-AMT series also did very well with high oversubscription levels and bumps 2-11 basis points throughout the scale.
- ✦ The Regents of the University of California (Aa2/AA/AA/NR) (Cabrera Co-Manager) accelerated institutional pricing the remaining \$500 million of the General Revenue Bonds from the \$2 billion transaction they downsized the week prior. Spreads remained unchanged following the order period; however, the 37 and 39 maturities were upsized and the 36 and 40 maturities were downsized to accommodate investor interest.

MUNICIPAL FUND FLOWS

Week Ended 1/31/2025 saw inflows of \$742 million

Source: Lipper





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UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
776.050	Dallas Independent School District	TX	School Building and Refunding Bonds
544.820	Lower Colorado River Authority	TX	Transmission Contract Refunding Revenue Bonds
370.540	Tarrant County Cultural Education Facilities Finance Corporation	TX	Hospital Revenue Bonds
299.000	North Carolina Housing Finance Agency	NC	Home Ownership Revenue Bonds
232.610	Round Rock Independent School District	TX	School Building Bonds
205.000	Riverside Community College District	CA	Election of 2024 General Obligation Bonds
134.230	Massachusetts Development Finance Agency	MA	Refunding Revenue Bonds
130.220	Kentucky Bond Development Corporation	KY	Hospital Revenue Bonds
90.000	State of Ohio	OH	Higher Educational Facility Revenue Bonds
87.795	Redtail Ridge Metropolitan District	CO	General Obligation Limited Tax Capital Appreciation Turbo Bonds
87.005	Carlsbad Unified School District	CA	Election of 2018 General Obligation Bonds
86.440	California Educational Facilities Authority	CA	Revenue Refunding Bonds
75.000	Oklahoma Housing Finance Agency	OK	Single Family Mortgage Revenue Bonds
70.000	Minnesota Housing Finance Agency	MN	Residential Housing Finance Bonds
61.685	Community Housing and Economic Development Corporation	TX	Residential Development Senior Lien Revenue Bonds
61.620	Community Consolidated School District No. 64 (Park Ridge-Niles)	IL	General Obligation School Bonds
57.605	Cumberland Valley School District	PA	General Obligation Bonds
44.999	National Finance Authority	TX	Special Revenue Capital Appreciation Bonds

NOTABLE FIXED DEALS FROM LAST WEEK

Notable Fixed-Rate Negotiated Municipal New Issue Results from Last Week

School District Number 46* (Elgin, Illinois) 1/1/2034 Tax-Exempt 55.710 NR/AA+/NR/NR				City of Grand Prairie* TX 2/15/2035 Tax-Exempt 43.475 NR/AAA/NR/NR				Oklahoma Turnpike Authority OK 1/1/2035 Tax-Exempt 1,122.690 Aa3/AA-/AA-/NR (2055 AGC Insured A1/AA)			
Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
2026-2040	5.000	2.910-3.800	24-48	2027-2044	5.000	2.880-3.980	14-23	2035-2045	5.000	3.150-4.060	15-30
2041	4.000	4.120	70					2046-2047	5.250	4.120-4.140	29-30
								2050	5.250	4.220	33
								2054	5.500	4.250	30
								2055	4.250	4.450	49

*Cabrera served as Co-Manager

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
3-Feb	4-Feb	5-Feb	6-Feb	7-Feb
9:45 AM S&P final U.S. manufacturing PMI	10:00 AM Job openings	8:30 AM U.S. trade deficit □	8:30 AM Initial Jobless Claims	8:30 AM U.S. employment rate
	10:00 AM Factory orders	9:45 AM S&P final U.S. services PMI	8:30 AM U.S. productivity	8:30 AM U.S. unemployment rate
				3:00 PM Consumer credit
10-Feb	11-Feb	12-Feb	13-Feb	14-Feb
None scheduled	3:30 PM New York Fed President Williams speaks	8:30 AM CPI year over year	8:30 AM Initial Jobless Claims	8:30 AM Import price index
		8:30 AM Consumer price index	8:30 AM PPI year over year	8:30 AM US retail sales
		2:00 PM Monthly U.S. federal budget	8:30 AM Core PPI year over year	10:00 AM Business inventories