



**CABRERA CAPITAL
MARKETS**

MUNICIPAL MARKET UPDATE

Public Finance

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Monday, April 7, 2025

This morning, Treasury and municipal bond benchmark rates are up substantially with the ongoing threats of additional China tariffs. Last week markets were rattled by President Trump's sweeping tariffs announcement, further fueled by China's retaliatory tariffs and comments from Fed Chairman Powell. During a conference on Friday, Mr. Powell said "tariffs are likely to have a significant impact on the US economy, including slower growth and higher inflation", causing widespread recession fears amongst investors. The S&P 500 Index declined ~10% over the last two trading sessions of the week, while the 10-year US Treasury yield declined by 19 basis points over the same period. The municipal bond market saw a sizeable rally with bumps across the curve every day except Wednesday. The 2-year, 5-year, 10-year, and 30-year MMD rates ended the week significantly lower, declining by 30, 34, 33, and 29 basis points, respectively. Most municipal bond transactions performed well with strong oversubscriptions and an aggressive reprice. The confluence of the flight to safety regarding tariffs and last week being the first of the month as it relates to bond redemptions, played a primary role in the rally. Prior to the tariff's announcement, Lipper reported -\$232 million in municipal bond fund outflows (the fourth week in a row of outflows), and the SIFMA Municipal Swap Index Yield reset to 2.72%, down 15 basis points from the prior week.

This week, the escalating trade war will continue to drive market sentiment and investors will be looking ahead to the Fed's meeting minutes on Wednesday, and the CPI and PPI numbers release on Thursday and Friday.

INTEREST RATE SNAPSHOT

MMD 1-Week Change				UST 1-Week Change			
Term	March 28 th	April 4 th	Change	Term	March 28 th	April 4 th	Change
2yr	2.75%	2.45%	-30bp	2yr	3.89%	3.68%	-21bp
5yr	2.93%	2.59%	-34bp	5yr	3.98%	3.72%	-26bp
10yr	3.30%	2.97%	-33bp	10yr	4.27%	4.01%	-26bp
20yr	4.10%	3.81%	-29bp	20yr	4.65%	4.44%	-21bp
30yr	4.28%	3.99%	-29bp	30yr	4.64%	4.41%	-23bp

Approximately \$10.3 billion is expected to be priced this week, \$1 billion more than the 2025 weekly average of \$9.3 billion. Cabrera will serve as Sole Manager on the City of Santa Fe Springs (CA) \$31mm, and Co-Manager on transactions for the City of New York (\$1.5bn), State of OR Lottery Revenue Bonds (\$600mm), State of CA State Public Works Board (\$720mm), and the City of Terrell (\$16mm). This week's largest deals include:

- ✦ \$1.570 billion City of New York, General Obligation Bonds, Fiscal 2025 Series G, Subseries G-1, Fiscal Series 2012 Series D, Subseries D-3A (Reoffering) (Aa2/AA/AA/AA+)
- ✦ \$705.700 million Bon Secours Mercy Health Inc., Hospital Revenue Bonds, Series 2025A (A1/A+/AA-)
- ✦ \$585.920 million State Public Works Board of the State of California, Lease Revenue Bonds, 2025 Series A (Various Capital Projects) (A3/NR/NR/NR)





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SELECT DEALS LAST WEEK

- ✦ The Illinois Finance Authority (NR/AAA/AAA/NR) (Cabrera Co-manager) priced \$857 million of Clean Water Initiative Revolving Fund Revenue Bonds across three series, one of which had a forward settlement. The \$750 million bonds with regular settlement had good reception during the retail order period and garnered around \$380 million of retail orders. Entering the institutional order period, the scale remained mostly unchanged except for a 1-2 basis point bump on the short end. The transactions were oversubscribed for throughout with the heaviest oversubscription in 2041-2045. Spreads were bumped 1-8 basis points excluding 2029 and 2038-2040. The forward settlement series did very well during the order period and was bumped 1-4 basis points. The transaction settles in October with an approximate forward premium of 23 basis points.
- ✦ The State of California (Aa2/AA-/AA/NR) priced \$2.6 billion of General Obligation and General Obligation Refunding Bonds across two series. The transaction did very well during the retail order period and received over \$1.3 billion in retail orders. Spreads remained as is entering the institutional order period, excluding a 2 basis point bump on the long end. Both series were oversubscribed for and bumped 2-11 basis points following the institutional order period, excluding 2027-2029.
- ✦ Frenship Independent School District (PSF Aaa/NR/AAA/NR | Underlying Aa3/NR/AA+/NR) priced \$145 million of Unlimited Tax School Building Bonds. Following premarketing on Monday, the District incorporated 4% and 4.125% coupons 2040-2043 as opposed to 5% coupons, increasing spreads to accommodate the adjustments. The deal did very well in the order period and spreads were lowered 1-10 basis points with the largest adjustment on the long end after 2044.
- ✦ City of Cleveland Airport System (A2/A/A-/NR) priced \$159 million of Non-AMT Airport System Revenue Bonds. The transaction was structured short through 2033 with an optional Make-Whole Call provision. Following the order period, spreads were lowered 1-4 basis points throughout, excluding 2033.



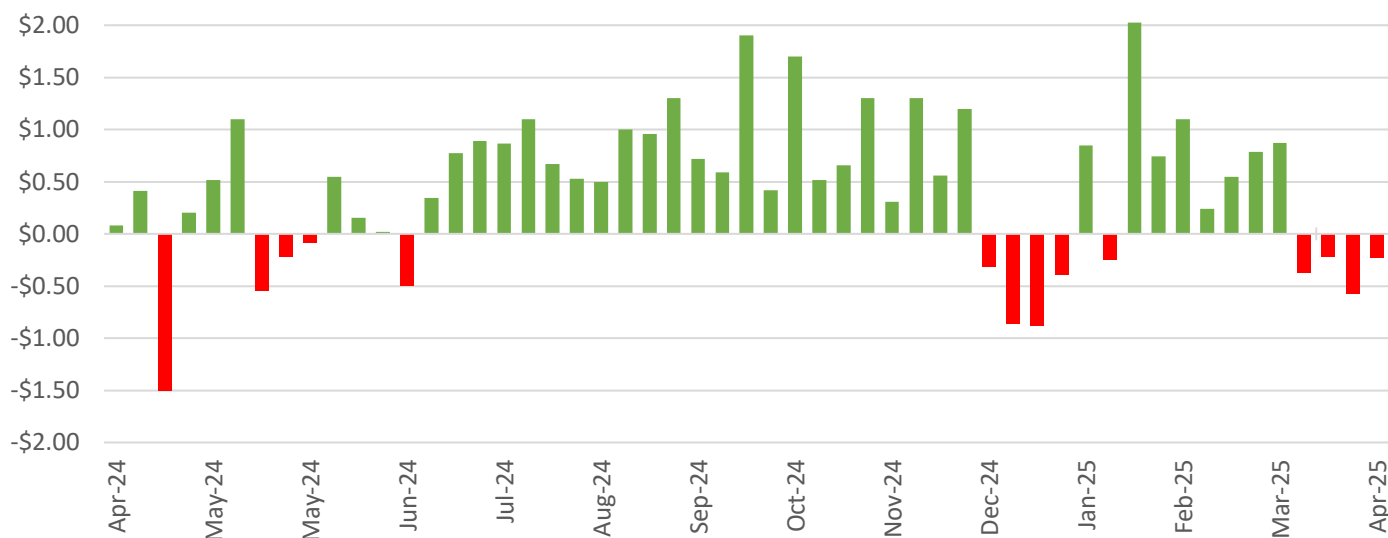


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MUNICIPAL FUND FLOWS

Week 3/26/2025 – 4/3/2025 saw outflows of \$232 million

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
585,920	State Public Works Board of the State of CA*	CA	Lease Revenue Bonds
523,435	PUC of the City and County of San Fran.	CA	San Francisco Water Revenue Bonds
446,095	Oregon State Dept. of Admin. Services*	OR	Oregon State Lottery Bonds
125,000	San Bernardino City USD	CA	Certificates of Participation
103,710	State Public Works Board of the State of CA*	CA	Lease Revenue Bonds
84,665	Oregon State Dept. of Admin. Services*	OR	Oregon State Lottery Bonds
36,615	Harvest-Monrovia W&S and Fire Pro. Auth. Inc.	AL	Water and Sewer Revenue Bonds
31,110	City of Santa Fe Springs**	CA	Special Parcel Tax Revenue Bonds
28,895	Crestwood School District	MI	School Building and Site Bonds
16,300	City of Terrell*	TX	Comb. Tax and WWSS (Limited Pledge) Rev. C/O
15,500	City of Delaware	OH	Various Purpose Bond Anticipation Notes
13,650	Lynden School District No. 504	WA	General Obligation Refunding Bonds
8,320	Val Verde Unified School District	CA	2025 Refunding Certificates of Participation
4,500	City of Kirtland	OH	Various Purpose Notes
3,460	Marquette County	WI	General Obligation Promissory Notes
3,035	Clay County	NE	General Obligation County Road Bonds
1,945	Western Technical College District	WI	General Obligation Promissory Notes

*Cabrera will serve as Co-Manager

**Cabrera will serve as Sole Manager



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NOTABLE FIXED-RATE NEW ISSUE RESULTS FROM LAST WEEK

State of California CA 3/1/2035 Tax-Exempt 1,215.000 Aa2/AA-/AA/NR				Illinois Finance Authority* IL 7/1/2035 Tax-Exempt 500.000 NR/AAA/AAA/NR				Frenship Independent School District TX 2/15/2035 Tax-Exempt 145.475 PSF Aaa/NR/AAA/NR			
Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
2028-2029	5.000	2.790-2.830	10-12	2026-2045	5.000	2.760-4.400	10-30	2026-2039	5.000	2.760 - 3.750	15 - 25
2042-2044	5.000	3.920-4.050	10-15					2040-2042	4.000	4.040 - 4.200	38 - 43
2049	4.125	4.370	27					2043	4.130	4.270	35
2049	5.000	4.190	9					2044-2046	5.000	4.180 - 4.280	18
2055	5.000	4.270	8					2051	5.000	4.360	17
								2055	5.000	4.390	15

*Cabrera served as Co-Manager

State of California priced 2 series of bonds aggregating \$2.64 Billion in par simultaneously with the New Money Series listed above

Illinois Finance Authority priced 3 series of bonds aggregating \$857.955 Million in par simultaneously with Series A listed above

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
7-Apr	8-Apr	9-Apr	10-Apr	11-Apr
3:00 PM Consumer credit	6:00 AM NFIB optimism index	10:00 AM Wholesale inventories	8:30 AM Initial Jobless Claims	8:30 AM PPI
		2:00 PM Minutes of Fed's March FOMC meeting	8:30 AM CPI	10:00 AM Consumer sentiment (prelim)
			2:00 PM Monthly U.S. federal budget	
14-Apr	15-Apr	16-Apr	17-Apr	18-Apr
6:00 PM Philadelphia Fed President Patrick Harker speaks	8:30 AM Import price index	8:30 AM US retail sales	8:30 AM Initial Jobless Claims	None scheduled
7:40 PM Atlanta Fed President Bostic speaks		9:15 AM Industrial production	8:30 AM Building permits	



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