



**CABRERA CAPITAL
MARKETS**

MUNICIPAL MARKET UPDATE

Public Finance

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Last week's inflation data showed mixed signals, with CPI remaining sticky (0.2% vs. 0.3% expected) while producer prices surprised to the upside (-0.5% vs. 0.2% expected). Market participants largely held to expectations for a prolonged Fed pause, with futures pricing not optimistic about a rate cut until September at the earliest. Despite ongoing geopolitical noise, including unresolved U.S.–China trade discussions following the 90-day tariff pause, risk sentiment remained relatively stable.

Primary municipal issuance picked up in volume last week, and municipals continued to outperform Treasuries amid firm demand and supportive technicals. Fund flows remained positive for the third consecutive week, with \$769 million in inflows reported on May 15. The SIFMA Municipal Swap Index reset to 3.34%.

The coming week's focus is on jobless claims and commentary from Fed speakers ahead of the June FOMC meeting. Municipal issuance will be measured, with the largest negotiated transaction being a \$730 million State of Kansas Department of Transportation issue.

INTEREST RATE SNAPSHOT

MMD 1-Week Change				UST 1-Week Change			
Term	9-May	16-May	Change (BPs)	Term	9-May	16-May	Change (BPs)
2-year	2.86%	2.84%	-2	2-year	3.88%	3.98%	10
5-year	2.94%	2.90%	-4	5-year	4.00%	4.06%	6
10-year	3.29%	3.27%	-2	10-year	4.37%	4.43%	6
20-year	4.15%	4.19%	4	20-year	4.86%	4.92%	6
30-year	4.38%	4.43%	5	30-year	4.83%	4.89%	6

Approximately \$13 billion of municipal bonds are expected to be priced this week. This week Cabrera will serve as Lead Manager on two transactions, a \$270 million Fort Bend Toll Road Authority- TX - deal on Wednesday and a \$14 million Trinity River Authority of Texas Denton Creek (Justin – Northlake Interceptor System) -TX - deal on Tuesday and as Co-Manager for the \$85 million City of Phoenix Civic Improvement Corporation Airport. This week's largest deals include:

- ✦ \$1.3 billion Sutter Health Taxable Bonds (A1/A+/AA-)
- ✦ \$730 million State of Kansas Department of Transportation Highway Revenue and Refunding Series 2025A (Aa2/AA)
- ✦ \$705 million New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2025 Series A&B (Aaa/AAA)





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NOTABLE DEALS LAST WEEK

- ✦ The Dormitory Authority of the State of New York (NR/AA/NR/NR BAM Insured, Aa3/NR/AA-/NR) (Cabrera Co- Manager) priced \$1.036 billion of school district revenue bonds. The transaction garnered \$1.2 billion in retail orders. Two of the largest series were oversubscribed throughout and bumped as much as 6 basis points; the smallest series had a long first coupon date (10/1/2026) and a one-month forward settlement date (7/2/2025) increased yields by 3 basis points and balances remained.
- ✦ The New York Transitional Finance Authority priced \$340 million Taxable and \$1.156 billion Tax-Exempt (Aa1/AAA/AAA/NR) (Cabrera Co-Manager) Future Tax Secured Subordinate bonds. The Taxable deal was oversubscribed throughout and tightened spreads 6-15 basis points. The Tax-Exempt deal garnered \$406 million in retail orders. Before entering the institutional order period, maturities 2046 and longer were cheapened as much as 5 basis points or restructured with higher coupons. The bonds were oversubscribed in spots and bumped 0-6 basis points through 2035 and 0-3 basis points 2036 and longer.
- ✦ The Harris County Hospital District, Texas priced \$807 million of limited tax bonds (Aa1/NR/NR/AA+). Spreads were widened 2-3 basis points from 2041-2055 from the pre-marketing scale. The deal had mixed results with the bonds through 2035 oversubscribed and bumped 2-6 basis points and maturities 2046 and longer cheapened by 3-4 basis points or restructured using 5.50% coupons.
- ✦ The City of Seattle, Washington (Aaa/AA+/NR/NR) priced \$231 million of water system improvement and refunding revenue bonds. The transaction was well received and bumped 0-5 basis points through 2035, 0-3 basis points through 2046 and unchanged 2047 and longer.
- ✦ The Northside Independent School District, Texas (Aaa/NR/AAA/NR-PSF, Aa1/NR/AA+/NR) priced a \$200 million general obligation unlimited tax 3-year put transaction. The deal was 5x oversubscribed and bumped 5 basis points. The par put premium was approximately 50 basis points.



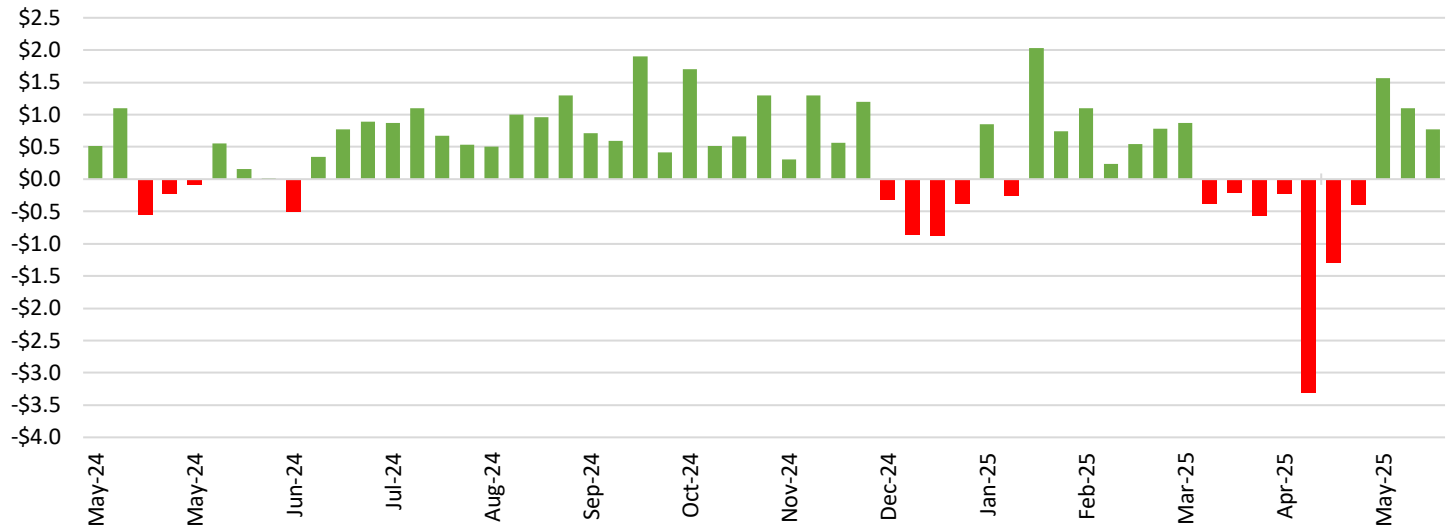


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MUNICIPAL FUND FLOWS

Week 5/8/2025 – 5/15/25 saw inflows of \$769 million

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
1,300.000	Sutter Health	CA	Taxable Bonds
730.765	State of Kansas Department of Transportation	KS	Highway Revenue and Refunding Bonds
705.045	New Jersey Educational Facilities Authority	NJ	Princeton University Revenue Bonds
641.170	Washington Health Care Facilities Authority	WA	Multicare Health System Revenue Bonds
520.362	Leander Independent School District	TX	Unlimited Tax School Building and Refunding Bonds
460.825	City of Boston	MA	General Obligation Bonds
450.000	Aurora Public Schools Joint School Dist. No. 28J	CO	General Obligation Bonds
307.000	City of Charlotte	NC	Airport Revenue Bonds
304.410	Williamson County	TX	Unlimited Tax Road Bonds, Limited Tax Refunding and Park Bonds
271.180	Fort Bend County*	TX	Senior Lien Toll Road Revenue and Refunding Bonds
237.830	Polk County	IA	General Obligation Capital Loan Notes
206.555	North Carolina Housing Finance Agency	NC	Home Ownership Revenue Bonds
195.000	Pleasanton Unified School District	CA	General Obligation Bonds
192.165	College Station Independent School District	TX	Unlimited Tax School Building and Refunding Bonds
155.000	Community Development Administration	MD	Residential Revenue Bonds
148.585	City of Tempe	AZ	General Obligation and Refunding Bonds
85.210	City of Phoenix Civic Improvement Corp.**	AZ	Junior Lien Airport Revenue Refunding Bonds
14.890	Trinity River Auth. of Texas, Denton Creek*	TX	Revenue and Refunding Bonds (Justin - Northlake Interceptor System)

*Cabrera will serve as Senior Manager

**Cabrera will serve as Co-Manager



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NOTABLE FIXED-RATE NEW ISSUE RESULTS FROM LAST WEEK

Dormitory Authority of the State of New York* NY 10/1/2034 Tax-Exempt 980.420 Aa3/NR/AA-/NR AGC Insured				Harris County Hospital District TX 2/15/2035 Tax-Exempt 808.890 Aa1/NR/NR/AA+				New York City Transitional Finance Authority* NY 5/1/2035 Tax-Exempt 650.000 Aa1/AAA/AAA/NR			
Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
2026-2041	5.000	3.080-4.280	20-44	2028-2046	5.000	3.100-4.660	22-45	2041-2047	5.000	4.240-4.670	38-43
2042	4.375	4.570	60	2047	5.250	4.660	42	2048	5.250	4.650	38
2043	4.500	4.620	57	2050	5.500	4.760	43	2050	5.000	4.760	43
2044	4.500	4.710	60	2050	5.250	4.800	47	2053	5.500	4.690	31
2045	4.500	4.720	55	2055	5.000	4.910	51	2055	5.250	4.780	38
				2055	5.250	4.870	47				

*Cabrera served as Co-Manager
DASNY priced 3 series of tax exempt bonds.
Aggregating \$1.02 Billion in par simultaneously with
the Series listed above

*Cabrera served as Co-Manager
NYC TFA priced 3 series of tax exempt bonds.
Aggregating \$1.15 Billion in par simultaneously with
the Series listed above

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
19-May	20-May	21-May	22-May	23-May
10:00 AM U.S. leading economic indicators	None scheduled	None scheduled	8:30 AM Initial Jobless Claims	10:00 AM New home sales
			9:45 AM S&P final U.S. manufacturing PMI	
26-May	27-May	28-May	29-May	30-May
Memorial Day holiday	8:30 AM	2:00 PM	8:30 AM	8:30 AM
	Durable-goods orders	Minutes of Fed's May FOMC meeting	Initial Jobless Claims	PCE
	10:00 AM Consumer confidence		8:30 AM GDP (First revision)	8:30 AM Personal income
				10:00 AM Consumer sentiment (final)



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