



CABRERA CAPITAL MARKETS LLC

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MUNICIPAL MARKET WEEKLY UPDATE

Thursday, October 8, 2020

Primary and Secondary Market Recap

By John Kozak, Managing Director and Head of Municipal Sales and Trading

HEAVY VOLUME IN THE PRIMARY MARKET

In the primary market, the competitive calendar was lead by the New York Dormitory Authority's six new issues that totalled \$2.5 billion. The system chose four different senior managers to lead the deals. On the negotiated calendar, New York City's general obligation fund came with a \$1.1 billion tax-exempt deal, despite their recent downgrade by Moody's from Aa1 to Aa2. Compared to their August deal, spreads ended a couple of basis points wider through ten years and five or more basis points wider for maturities eleven years and longer. Hawaii Airport priced nearly \$600 million in tax-exempt, AMT, and taxable bonds. Spreads were in line with other airport deals that have come in the last few weeks, although AMT spreads were slightly tighter than the Hartsfield-Jackson issue last week. Other notable deals include \$700 million San Fransisco (taxable), \$600 million Hampton Roads Transportation Commission in Virginia, \$400 million Mansfield ISD, Texas (taxable), \$329 million University of Massachusetts Building Authority (taxable), and \$330 million Oregon State University (taxable).

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97) Options ▾ 100) Settings		Negotiated Calendar: Deal Details						
HAMPTON ROADS TRANSP COMM		St VA	Tax	FED TAX-EXEMPT	Type	NEG	93) Financials	93) Attachments
Summary		Maturity		Amt(M)	Cpn	P/Y	CUSIP	FIGI
Sale Date	10/05/20	1)	07/01/2027	8185.0	5.000	0.640	409328AA9	BBG00XS0PDB8
Amount	614,615,000.00	2)	07/01/2028	8595.0	5.000	0.840	409328AB7	BBG00XS0PDC7
Manager	BANK OF AMERICA MERRILL	3)	07/01/2029	9025.0	5.000	1.010	409328AC5	BBG00XS0PDD6
Bond Type	REVS	4)	07/01/2030	9475.0	5.000	1.110	409328AD3	BBG00XS0PDG3
Dated Date	10/22/20	5)	07/01/2031	9950.0	5.000	1.240	409328AE1	BBG00XS0PDH2
1st Coupon	01/01/21	6)	07/01/2032	10445.0	5.000	1.350	409328AF8	BBG00XS0PDJ0
Deal number	454551	7)	07/01/2033	10970.0	5.000	1.440	409328AG6	BBG00XS0PDK8
Rating/Enhancement		8)	07/01/2034	11520.0	5.000	1.480	409328AH4	BBG00XS0PDL7
Moody's	Aa2	9)	07/01/2035	12090.0	5.000	1.540	409328AJ0	BBG00XS0PDM6
S&P	AA	10)	07/01/2036	12700.0	4.000	1.750	409328AK7	BBG00XS0PDN5
Fitch		11)	07/01/2037	13210.0	5.000	1.660	409328AL5	BBG00XS0PDP3
KBRA		12)	07/01/2038	13870.0	4.000	1.880	409328AM3	BBG00XS0PDQ2
Enhancement		13)	07/01/2039	14420.0	5.000	1.740	409328AN1	BBG00XS0PDR1
Schedules		14)	07/01/2040	15140.0	4.000	1.980	409328AP6	BBG00XS0PDS0
Prem Call		15)	07/01/2045	36020.0	5.000	2.020	409328AQ4	BBG00XS0PDV6
Par Call	07/01/30	16)	07/01/2045	50000.0	4.000	2.220	409328AR2	BBG00XS0PDT9
		17)	07/01/2050	42555.0	5.000	2.110	409328AS0	BBG00XS0PDX4
Other Info		18)	07/01/2050	35000.0	4.000	2.310	409328AT8	BBG00XS0PDW5
1st Settle	10/22/20	19)	07/01/2055	74085.0	4.000	2.500	409328AU5	BBG00XS0PDY3
Form/Dep	BOOK-ENTRY,DTC	20)	07/01/2060	102360.0	5.250	2.400	409328AW1	BBG00XS0PF14
Price Status	FINAL	21)	07/01/2060	40000.0	5.000	2.450	409328AX9	BBG00XS0PF05
		22)	07/01/2060	75000.0	4.000	2.650	409328AV3	BBG00XS0PDZ2



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LOW VOLUME IN SECONDARY MARKET: COLUMBUS DAY EDITION

The secondary market continued its pattern of below normal activity. Lackluster volume contributed to some yield movements as the bid side for bonds weakened. Dealers are being challenged to justify paying up for bonds when:

- a) There is little follow through from the buy-side
- b) The primary market is flooding the market with paper
- c) We are heading into an election that could cause dramatic market swings

<u>Date</u>	<u>10yr</u>	<u>Change</u>
10/1	0.87	0
10/5	0.90	3
10/6	0.93	3
10/7	0.95	2
10/8	0.95	0

The market seems to have found some footing after the recent decline. However, it is unclear if that is because we have found a level of support or if this is simply a pause as the market quiets down as we move into the long weekend. The bond market will be closed on Monday, October 12th for Columbus Day.



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NOTABALE AWAY PRINTS

Size (\$m)	Issuer	Coupon	Maturity	Yield	Spread
1000	SCHAUMBURG IL GO BDS	4.00	12/01/2030	1.35	39
4950	ILLINOIS ST GO REF	5.00	08/01/2021	1.95	181
3000	ILLINOIS ST GO BDS	5.00	11/01/2020	1.60	146
3120	CHICAGO IL BOE UNLTD	5.00	12/01/2029	1.85	99
2500	CHICAGO IL BOE UNLTD	5.00	12/01/2030	1.95	99
850	ILLINOIS ST TOLL HWY	5.00	12/01/2020	0.25	11
3350	CA VAR PURP GO REF	5.00	04/01/2028	0.86	19
1500	CA ED FAC AUTH BDS	5.00	05/01/2049	2.22	50
1490	CA PUB WKS BRD LEASE	5.00	11/01/2024	0.34	14
1000	CA ED FAC AUTH BDS	5.00	05/01/2049	2.22	50
1640	SANDIEGO CNTY CA REG	5.00	04/01/2044	1.67	2
3680	CA UNIV SYSTEMWIDE	5.00	11/01/2049	1.99	27
5000	HASTINGS CAMPUS HFA	5.00	07/01/2061	4.68	295
3000	METROPOLITAN WTR DIS	5.00	07/01/2024	0.21	1
2000	SANDIEGO CA PUB FAC	5.00	08/01/2023	0.21	5
1500	CA HLTH REF BDS STAN	5.00	11/15/2023	0.32	16
1300	NEWPORT-MESA CA USD	5.00	08/01/2025	0.22	-7
1200	CORONADO CA CMNTY DE	5.00	09/01/2023	0.42	26
830	CT ST GO REF BDS 201	5.00	06/01/2024	0.43	23
1625	LOUISIANA ST GO BDS	5.00	10/01/2031	1.20	16
525	LOUISIANA ST GO BDS	5.00	03/01/2028	0.88	22
645	DALLAS FORT WORTH TX	5.00	11/01/2023	0.65	49
1100	METROPOLITAN NASHVIL	5.00	07/01/2036	2.38	103
500	HAWAII ST ARPTS SYS	5.00	07/01/2029	1.42	58