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MUNICIPAL MARKET WEEKLY UPDATE

Thursday April 29, 2021

Primary and Secondary Market Recap

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

ISSUERS SEE SUCCESS IN PRIMARY MARKET

Deals priced earlier this week did very well. Northern Illinois University priced a \$99 million tax-exempt transaction. This deal was BAM Insured with a Ba2 underlying rating and a July 7th settlement date. Demand was so strong that spreads were bumped 10-18 basis points. The New Jersey Transportation Trust priced \$1.5 billion in 4 separate tax-exempt transactions, with 2 of these transactions having a forward delivery date of 4/27/22. All of the transactions performed well. The current delivery transactions were bumped by as much as 8 basis points and the forward delivery transactions were bumped by as much as 3 basis points. Manhattan Beach, California priced a \$91 million taxable pension obligation issue with bonds priced to the tights and with bumps as much as 17 basis points from start to finish. Concord, California priced \$109 million in Certificates of Participation on Wednesday, which struggled in the market. Spreads had to widen by as much as 5 basis points in the 15-20 year range to get the deal done. Massachusetts Clean Water priced a \$400 million tax-exempt transaction on Thursday and had to get as much as 3 basis points cheaper to get the deal done.

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NTHRN ILLINOIS UNIV -REF	St IL	Tax	FED TAX-EXEMPT/ST TAX...	Type	NEG	93 Financials	95 Attachments
Summary			Maturity	Amt(M)	Cpn	P/Y CUSIP	FIGI
Sale Date	04/26/21	1)	10/01/2025	3360.0	5.000	0.750665245YU4	BBG010JBJTQ1
Amount	99,035,000.00	2)	10/01/2026	3530.0	5.000	0.900665245YV2	BBG010JBJTR0
Manager	PIPER SANDLER & CO	3)	10/01/2027	3710.0	5.000	1.100665245YW0	BBG010JBJTS9
Bond Type	REVS	4)	10/01/2028	3900.0	5.000	1.280665245YX8	BBG010JBJTT8
Dated Date	07/07/21	5)	10/01/2029	4105.0	5.000	1.450665245YY6	BBG010JBJTV5
1st Coupon	10/01/21	6)	10/01/2030	4315.0	5.000	1.600665245YZ3	BBG010JBJTW4
Deal number	464228	7)	10/01/2031	4535.0	5.000	1.660665245ZA7	BBG010JBJTX3
Rating/Enhancement		8)	10/01/2032	4740.0	4.000	1.770665245ZB5	BBG010JBJTY2
Moody's	Ba2	9)	10/01/2033	4935.0	4.000	1.870665245ZC3	BBG010JBJTZ1
S&P	APPLIED	10)	10/01/2034	5135.0	4.000	1.950665245ZD1	BBG010JBJV13
Fitch		11)	10/01/2035	5345.0	4.000	1.970665245ZE9	BBG010JBJV22
KBRA		12)	10/01/2036	5565.0	4.000	2.010665245ZF6	BBG010JBJV31
Enhancement	BAM	13)	10/01/2037	5790.0	4.000	2.050665245ZG4	BBG010JBJV40
Schedules		14)	10/01/2038	6030.0	4.000	2.090665245ZH2	BBG010JBJV59
Prem Call		15)	10/01/2039	6275.0	4.000	2.110665245ZJ8	BBG010JBJV68
Par Call	04/01/31	16)	10/01/2040	6530.0	4.000	2.130665245ZK5	BBG010JBJV77
Other Info		17)	10/01/2041	6795.0	4.000	2.150665245ZL3	BBG010JBJV86
1st Settle	07/07/21	18)	10/01/2043	14440.0	4.000	2.200665245ZN9	BBG010JBJV82
Form/Dep	BOOK-ENTRY,DTC						
Price Status	FINAL						

Source: Bloomberg



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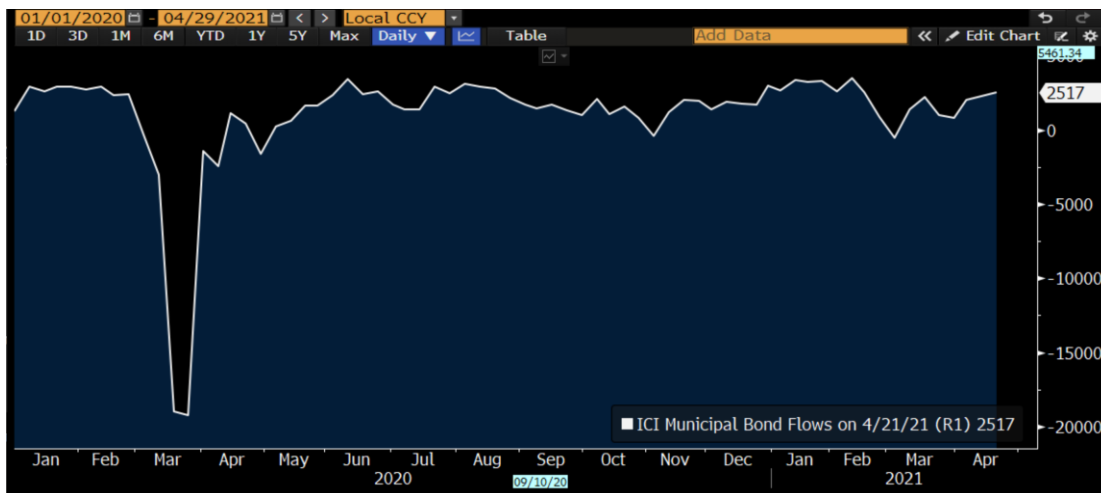
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TRANSPORTATION MUNIS RALLY

As more Americans are getting their COVID vaccinations, expectations are that there will be a resurgence in airline travel. These expectations have led to a strong rally in airport spreads and they are now at or very close to pre-pandemic levels. As the chart below illustrates, the sector was hard hit when Covid-19 arrived in the U.S.



United Airlines, American Airlines, Delta, Spirit and JetBlue have all either resumed hiring pilots or plan to. In addition to growing the ranks of their pilots, airlines are expanding their routes and creating new mini-hubs in places like Austin, TX & North Carolina's Raleigh-Durham region. Moody's removed its negative outlook on the industry in March based on the pickup in air travel as well as the availability of additional federal stimulus funds. In 2020, airlines received \$12 billion in aid and the recently approved American Rescue Plan provided an additional \$8 billion. INFLOWS: Lipper reported inflows of \$1.64 billion. This marks eight straight weeks of inflows. Since the new year, Lipper has reported net inflows of \$25.5 billion. ICI (see chart below) has also reported strong inflows dating back to March 2020.





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NOTABLE AWAY PRINTS

Size (\$m)	Issuer	Coupon	Maturity	Yield	Spread	Call Date	Insurance
Illinois							
500	ILLINOIS ST GO	4.00	03/01/2040	2.37	104	03/01/2031	None
California							
800	CA GO BDS	5.00	08/01/2030	0.45	-45	08/01/2026	None
1000	CA HLTH BDS STANFORD	4.00	08/15/2050	1.68	13	08/15/2030	None
700	CA HLTH BDS STANFORD	4.00	08/15/2050	1.83	28	08/15/2030	None
1000	LOS ANGELES CA USD	4.00	07/01/2031	1.04	7	07/01/2030	None
625	METROPOLITAN WTR DIS	5.00	07/01/2039	1.10	-19	07/01/2030	None
5000	SACRAMENTO CA MUN	5.00	08/15/2050	1.65	10	08/15/2030	None
3000	SANDIEGO CNTY CA WTR	4.00	05/01/2036	1.25	8	05/01/2031	None
3380	TURLOCK CA IRR DIST	5.00	01/01/2034	1.16	7	01/01/2030	None
5000	UNIV CA LTD PROJ BDS	5.00	05/15/2046	1.69	18	05/15/2031	None
New York							
1095	NYC TFA FUTURE TAX	5.00	02/01/2031	0.71	-23	02/01/2026	None
2785	NYS DORM AUTH SALES	5.00	03/15/2033	1.05	0	03/15/2028	None
845	NYS ENVIRONMENTAL	5.00	10/15/2032	1.02	-2	10/15/2030	None
Transportation							
715	DALLAS FORT WORTH TX	5.00	11/01/2045	0.20	-130	11/01/2021	None
1000	SAN JOSE CA ARPT	5.00	03/01/2033	1.33	28	03/01/2031	None
530	PA TPK COM**	5.00	12/01/2022	0.20	13	Non-Callable	None

*Only includes bonds with call dates greater than or equal to 5 years from today

**This was a Cabrera trade