



CABRERA CAPITAL MARKETS LLC

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MUNICIPAL MARKET UPDATE

Public Finance

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PRIMARY MARKET ACTIVITY

Last week's near \$10 billion volume was accepted extraordinarily well by municipal bond market participants as rates once again had a banner week. Benchmark rates dropped anywhere from 8-11 basis points through year 2035 and dropped 6 basis points in years 2036 and beyond. Municipals rallied through Thursday, especially on Wednesday after the Producer Price Index and Retail numbers were released and continued to exhibit a slowing economy. On Friday however, the market rally switched to equities and fixed income rates took a breather. For the week ending January 20th, the 1-year, 5-year, 10-year, 20-year, and 30-year tax-exempt municipal benchmark yields ended the week at 2.33%, 2.10%, 2.30%, 3.00% and 3.18% (80-96 basis points lower than late October's rates), respectively. Following the sentiment of the market positivity, municipal bond fund inflows were again positive at \$1.5 billion, one of the largest inflow numbers in the past year. Weekly SIFMA rates are again beginning to settle as well, last week resetting at 1.86%, the first time SIFMA rates have been below 2.00% since November, albeit for a very brief time.

Last week Cabrera was a Co-Lead Manager on a \$542 million Austin ISD (Non-PSF Aaa/AAA Moody's/Kroll) transaction that had a 6-year call on one of the bifurcated 2048 term bonds. A bifurcated term bond is one term bond with two coupon structures, in the case of Austin ISD, the 2048 term bond had a 10-year call 4% coupon (\$68 million) and a 6-year call 5% coupon (\$70 million). The 6-year call 4% coupon in 2048 was at the same spread (+25) as the 2043 maturity, picking up 5 basis points on a spread basis; on a yield-to-call basis the 6-year call was a 50 basis point advantage versus the 10-year call.

On the taxable side, treasuries were mixed yet fairly steady throughout the week, with a slight bias towards upward trending yields. The 1-year, 5-year, 10-year and 30-year Treasury yields ended the week at 4.68%, 3.56%, 3.48% and 3.66%, respectively; the yield curve inversion is still prominent with taxable as well as tax exempt municipals. This week's volume is certainly lighter than last week's with approximately \$5.5 billion in primary market issuance, from issuers such as a \$1 billion Triborough Bridge and Tunnel Authority transaction, a \$300 million Lake Travis ISD deal, a \$297 million Spring ISD issue, a \$335 million Pflugerville ISD transaction, a Riverside USD \$80 million deal and a City of St. Louis Airport \$70 million financing, amongst many others.

Last week in the primary market, Austin Independent School District, Texas priced a \$544 million Tax-Exempt issue (Non-PSF). The deal garnered \$3.2 billion in orders and yields were bumped 3-9 basis points. Miami-Dade County, Florida priced \$525 million in AMT Seaport Revenue bonds. The yields were bumped as much as 10-basis points. Hazelwood School District, Missouri priced a \$113 million Tax-Exempt issue. The deal was oversubscribed and bumped as much as 4-basis points. Gunnison Watershed School District, Colorado priced a \$95 million Tax-Exempt issue. The deal was oversubscribed throughout and bumped 2-11 basis points. Dallas Independent School District, Texas priced a \$550 million Tax-Exempt issue (PSF). The deal was oversubscribed throughout and bumped as much as 8 basis points. The Sales Tax Securitization Corporation priced a \$317 million Tax-Exempt issue and \$417 million Taxable issue. The Tax-Exempt issue saw as much as a 6 basis point bump, while the Taxable issue saw as much as a 15 basis point tightening. Approximately \$6 billion is expected to price this week, with a \$1 billion Triborough Bridge and Tunnel Authority issue headlining the calendar.



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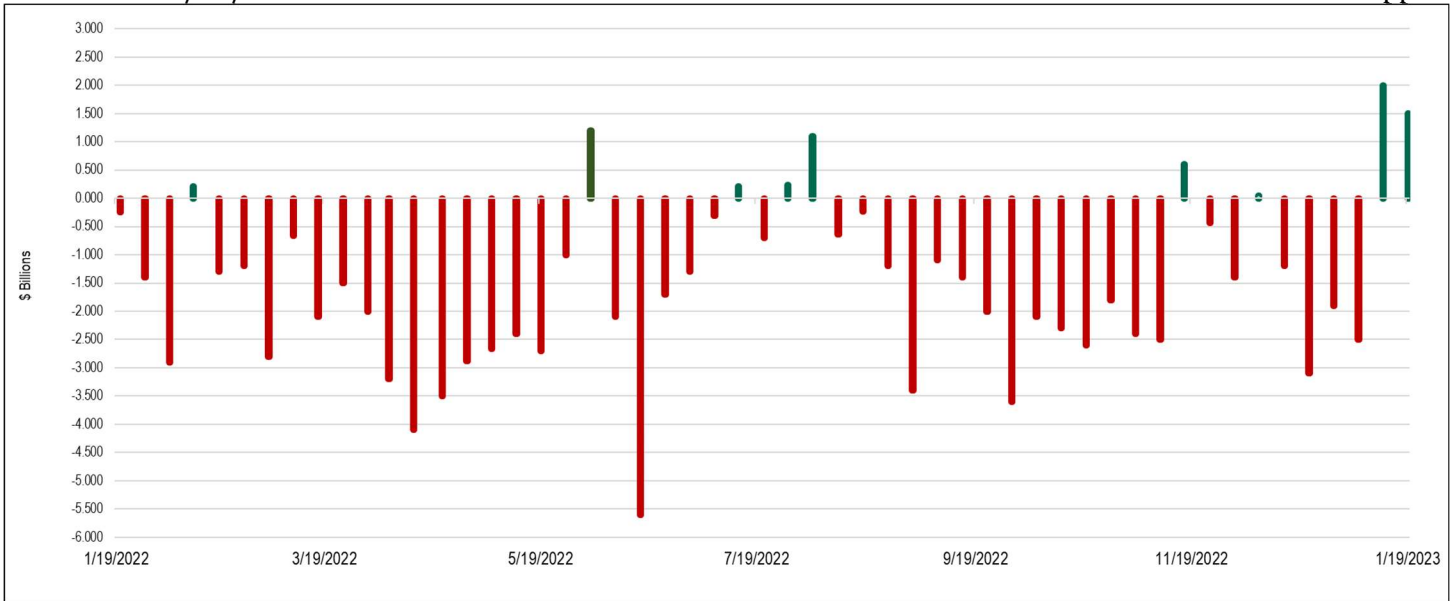
INTEREST RATE SNAPSHOT

Benchmark	Maturity	1/20/2023 AAA MMD	Change from Last Week (bps)	1/20/2023 U.S. Treasury	Change from Last Week (bps)	Muni/UST Ratio	Date of Week End	SIFMA Index	Municipal Fund Flow (in Millions)	1-Month BBA LIBOR	12-Month BBA LIBOR
1	2024	2.33	-10	4.68	-1	49.79%	1/20/2023	1.86	\$1,500	4.51	5.31
2	2025	2.17	-10	4.14	-8	52.42%	1/13/2023	2.50	\$2,000	4.46	5.41
3	2026	2.10	-10	3.83	-5	54.83%	1/6/2023	3.13	(\$2,500)	4.40	5.49
5	2028	2.07	-11	3.56	-4	58.15%					
10	2033	2.21	-10	3.48	-1	63.51%					
20	2043	2.97	-6	3.77	-2	78.78%					
30	2053	3.18	-6	3.66	5	86.89%					

MUNICIPAL FUND FLOWS

Week Ended 1/20/2023 saw inflows of \$1.5 billion

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
1,000.000	Triborough Bridge and Tunnel Authority	NY	General Revenue Refunding Bonds
383.645	State of Wisconsin	WI	General Fund Annual Appropriation Refunding Bonds
300.000	Lake Travis ISD	TX	Unlimited Tax School Building Bonds
297.945	Spring ISD	TX	Unlimited Tax School Building Bonds
292.235	Pflugerville ISD	TX	Unlimited Tax School Building Bonds
271.000	Weld County School District No. RE-4	CO	General Obligation Bonds
159.000	Waller ISD	TX	Unlimited Tax School Building Bonds
150.000	Oklahoma Water Resources Board	OK	Revolving Fund Revenue Bonds
144.000	Texarkana ISD	TX	Unlimited Tax School Building Bonds
114.850	Nebraska Investment Finance Authority	NE	Single Family Housing Revenue Bonds
95.000	Racine Unified School District	WI	Note Anticipation Notes
92.030	Public Finance Authority	NC	Health Care System Revenue Refunding Bonds, Cone Health
85.000	Hayward Area Recreation and Park District	CA	General Obligation Bonds
80.000	Riverside Unified School District	CA	General Obligation Bonds
70.595	The City of St. Louis	MO	Airport Revenue Bonds



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NOTABLE FIXED DEALS FROM LAST WEEK

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

	Miami Dade County				Sales Tax Securitization*				Austin ISD*			
	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
Issuer	FL				IL				TX			
State	10/1/2032				Make Whole Call, 2/2/2023				2/1/2033			
Call	Taxable, AMT				Taxable				Tax-exempt			
Tax Status	522.000				363.455				541.910			
Size (\$mm)	A3/A				AA-/AA-/AA+				Aaa/AAA			
Ratings	2025-2047				2025				2024-2048			
	5.00	2.90-4.33	66-117		4.564	4.56	45		5.00	2.38-3.44	1-25	
	2052	5.250	4.38	115	2026	4.558	4.558	80	2048	4.00	3.96	77
					2027	4.581	4.58	110				
					2028	4.631	4.63	115				
					2029	4.686	4.69	125				
					2030	4.736	4.736	130				
					2031	4.847	4.85	145				
					2032	4.867	4.87	147				
					2033	4.947	4.95	155				

*Cabrera served as Co-Senior Manager

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
23-Jan	24-Jan	25-Jan	26-Jan	27-Jan
10:00 AM Leading Economic Indicators	9:45 AM S&P U.S. Manufacturing PMI	None Scheduled	8:30 AM Initial Jobless Claims	8:30 AM Real Disposable Income & Real Consumer Spending
	9:45 AM S&P U.S. Services PMI		8:30 AM Continuing Jobless Claims	10:00 AM Pending Home Sales
30-Jan	31-Jan	1-Feb	2-Feb	3-Feb
None Scheduled	8:30 AM Employment Cost Index	8:15 AM ADP Employment Report	8:30 AM Initial Jobless Claims	8:30 AM Nonfarm Payrolls
	9:00AM S&P Case-Shiller Home Price Index (SAAR)	9:45 AM S&P Manufacturing PMI (Final)	8:30 AM Continuing Jobless Claims	8:30 AM Unemployment Rates