



CABRERA CAPITAL MARKETS LLC

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MUNICIPAL MARKET UPDATE

Public Finance

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Monday, January 9, 2023

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PRIMARY MARKET ACTIVITY

Cabrera would like to wish our clients and prospective clients a happy and prosperous 2023! The year began on the upside for municipal bonds, partially due to Friday's Jobs report that saw US employers add 223,000 jobs in December, the lowest number in two years. The jobs report created a domino effect of market positivity in the equity, municipal and Treasury markets alike which of course continued to signal that inflation is calming. To add more fuel to the positivity in the market this week, US factory orders and PMI releases were lower than the prior months, and France and Germany's Inflation also continues to wane as well. These economic releases have always been an important benchmark when pricing municipal bonds; however, in the current highly charged and economic driven market, these announcements are even more of a driver of timing of a bond transaction. The next two FOMC rate decisions are 2/1 and 3/22; the next two CPI/Inflation reports are 1/12 and 2/14.

The last two months of the year we saw municipal and Treasury rates decrease anywhere from 30-60 basis points; however, the last two weeks of the year, the fixed income markets increased anywhere from 10-12 basis points. The first week of the year saw a muni rally that ultimately saw rates decrease anywhere from 5-19 basis points. The one-year muni rate decreased by 32 basis points, and even with that move, munis are still inverted on the front end. As an example, the 1-year muni benchmark rate is 2.54%, the next highest rate along the muni benchmark curve is in 2034, 2.57%. The municipal benchmark rates ended the week in the 5-year, 10-year, 20-year and 30-year range at 2.36%, 2.48%, 3.19% and 3.40%. On the taxable Treasury side, the yield curve inversion continued with rates increasing on the ultra-short end (1 Month to 1 Year) and decreasing on the remainder of the yield curve respectively in the first week of the year. The 1-year, 5-year, 10-year and 30-year Treasury rates ended the week at 4.71%, 3.69%, 3.55% and 3.67%. The 1-month and 6-month Treasury rates ended the week at 4.32% and 4.79% respectively.

The supply/demand imbalance will continue in this first full week of the year with only approximately \$4 billion of primary market muni issuance from issuers such as Plano ISD \$632 million, Tomball ISD \$246 million, Municipal Electric Authority of Georgia \$184 million, New Jersey EDA \$160 million, Georgetown \$270 million, Riverside Community College \$24 million, and El Monte City School District \$24 million.

In the primary market last week, Triborough Bridge and Tunnel Authority priced \$766 million of Tax-Exempt bonds. The deal garnered \$1.69 billion in retail orders and was bumped as much as 10 basis points after the retail order period. The deal also had a great deal of interest during the institutional order period and was bumped as much as 6 basis points on the repricing. Maricopa County, Arizona School District #60 priced \$55 million in Tax-Exempt bonds. The deal was well oversubscribed and bumped as much as 10 basis points. Approximately \$4 billion is expected to be priced this week with \$680 Plano ISD, Texas leading the calendar.



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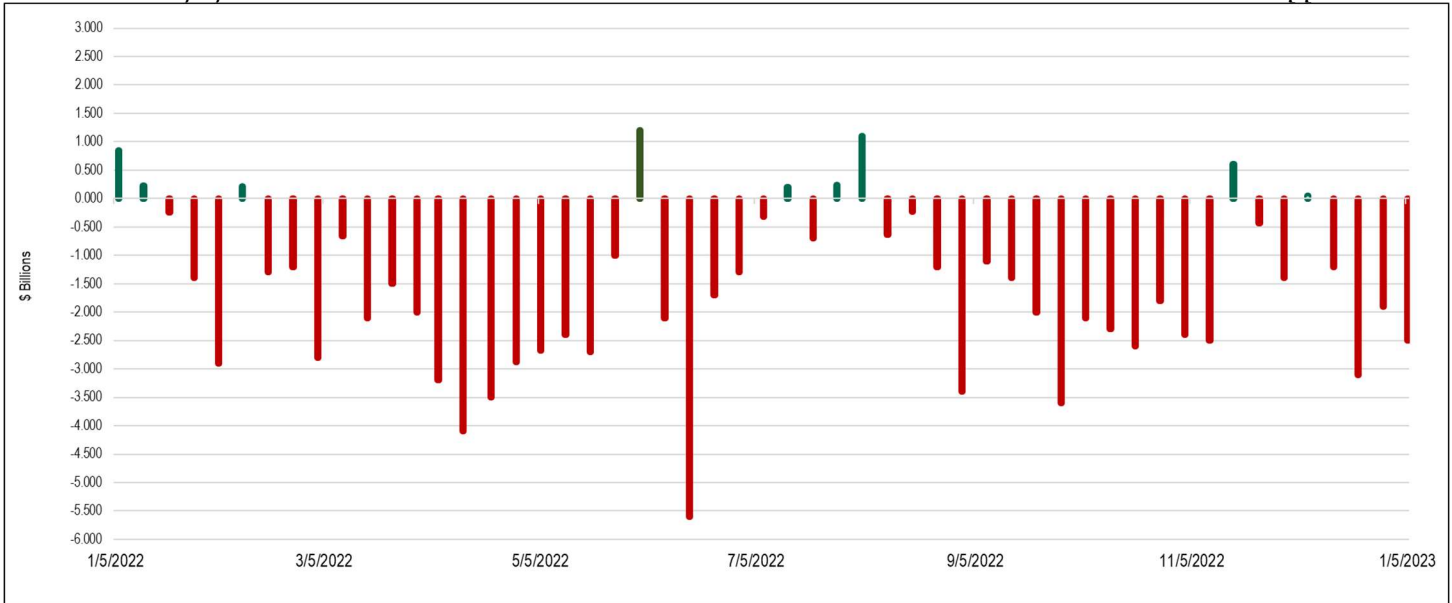
INTEREST RATE SNAPSHOT

Benchmark	Maturity	1/6/2023 AAA MMD	Change from Last Week (bps)	1/6/2023 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	2.54	-32	4.71	-2	53.93%	1/6/2023	3.13	(\$2,500)	4.40	5.49
2	2025	2.41	-19	4.24	-17	56.84%	12/30/2022	3.66	(\$1,900)	4.37	5.44
3	2026	2.38	-12	3.96	-26	60.10%	12/23/2022	3.80	(\$3,100)	4.39	5.42
5	2028	2.36	-16	3.69	-30	63.96%					
10	2033	2.48	-15	3.55	-33	69.86%					
20	2043	3.19	-18	3.84	-30	83.07%					
30	2053	3.40	-18	3.67	-30	92.64%					

MUNICIPAL FUND FLOWS

Week Ended 1/6/2023 saw outflows of \$2.5 billion

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
632.660	Plano Independent School District	TX	Unlimited Tax School Building Bonds
246.355	Tomball Independent School District	TX	Unlimited Tax School Building Bonds
184.890	Municipal Electric Authority of Georgia	GA	Plant Vogtle Units 3&4 Project J Bonds
160.000	New Jersey Economic Development Authority	NJ	State Lease Revenue Bonds
148.075	Georgetown Independent School District	TX	Unlimited Tax School Building Bonds
128.495	Municipal Electric Authority of Georgia	GA	Plant Vogtle Units 3&4 Project M Bonds
125.000	North Dakota Housing Finance Agency	ND	Housing Finance Program Bonds
110.410	Oklahoma County Finance Authority	OK	Education Facilities Lease Revenue Bonds
99.710	Splendora Independent School District	TX	Unlimited Tax School Building Bonds
73.265	Indiana Housing and Community Development Authority	IN	Single Family Mortgage Revenue Bonds
67.065	Municipal Electric Authority of Georgia	GA	Plant Vogtle Units 3&4 Project P Bonds
65.090	Memphis Center City Revenue Finance Corporation	TN	Economic Development Revenue Bonds
60.535	Municipal Electric Authority of Georgia	GA	Plant Vogtle Units 3&4 Project P Bonds
24.625	Riverside Community College District	CA	Certificates of Participation
19.000	El Monte City School District	CA	Taxable General Obligation Bonds



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NOTABLE FIXED DEALS FROM LAST WEEK

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

Issuer	Triborough Bridge and Tunnel Authority				Maricopa County, School District #60				Hawley Independent School District			
	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
State	NY				AZ				TX			
Call	5/15/2033				6/1/2032				2/1/2030			
Tax Status	Tax-Exempt				Tax-Exempt				Tax-exempt			
Size (\$mm)	764.950				55.840				52.950			
Ratings	AA+/AA+/AA+				A+				Aa1 (A1)			
	2024-2031	5.00	2.85-2.84	32	2023-2040	5.00	2.87-3.93	0-70	2025-2041	5.00	2.59-3.75	11-49
	2031	4.00	2.94	42	2042	4.13	4.20	92	2042-2043	4.00	4.17-4.22	89-91
	2033	5.00	2.91	29	2047	4.25	4.35	93	2046	4.25	4.32	92
	2033	4.00	3.11	49	2053	5.00	4.30	80				
	2034	5.00	3.07	35								
	2034-2037	4.00	3.33-3.78	61-69								

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
9-Jan	10-Jan	11-Jan	12-Jan	13-Jan
11:00 AM NY Fed 1-Year Inflation Expectations	10:00 AM Wholesale Inventories (Revision)		8:30 AM Consumer Price Index	10:00 AM Umich Consumer Sentiment Index (Early)
11:00 AM NY Fed 5-Year Inflation Expectations			8:30 AM Initial Jobless Claims	10:00 AM Umich 1-Year Consumer Inflation Expectations
			8:30 AM Continuing Jobless Claims	10:00 AM Umich 5-Year Consumer Inflation Expectations
16-Jan	17-Jan	18-Jan	19-Jan	20-Jan
Martin Luther King Jr. Day	8:30 AM Empire State Manufacturing Index	8:30 AM Retail Sales	8:30 AM Initial Jobless Claims	10:00 AM Existing Home Sales (SAAR)
		8:30 AM Producer Price Index, Final Demand	8:30 AM Continuing Jobless Claims	