



CABRERA CAPITAL MARKETS LLC

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MUNICIPAL MARKET UPDATE

Public Finance

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PRIMARY MARKET ACTIVITY

The slow burn continued last week as municipal interest rates increased across the board, Treasuries on the other hand actually rallied, and the stock market rallied big on Friday. With an FOMC meeting this week and inflation not giving in quite yet, a 75 basis point increase in the Fed Funds rate is a near certainty. Even though Treasuries decreased last week, the yield curve inversion remains strong with the 1-year, 5-year, 10-year and 30-year Treasury rates ending the week down 6 basis points to 4.55%, down 17 basis points to 4.19%, down 23 basis points to 4.02% and down 25 basis points to 4.15%, respectively. On the tax exempt bond front, the 5-year, 10-year, 20-year and 30-year municipal benchmarks ended the week up 5 basis points to 3.24%, up 7 basis points to 3.41%, up 11 basis points to 3.92% and up 15 basis points to 4.14%, respectively. Furthermore, municipal rates steepened a bit last week and are at their highest point in nine years. In general, transactions that were in the market last week performed well as noted below. There is demand for higher coupons anywhere from 5.25% to 6.00%, and while there may be reticence at those higher couponing levels, depending on where the issuer is on the rating spectrum, there is some credence to building a book at those couponing levels as was noticed this week with the Texas State Technical College (TSTC) deal. The TSTC transaction had a couponing structure that consisted of 5.25%, 5.50%, 5.75% and 6% coupons, the transaction's rating is A2/A+ and was insured by Assured Guaranty (AA). In the higher rating strata, those higher coupons are more scarcely utilized – you can also find par bonds under 5% in that rating range as well.

Moreover, last week we saw \$1.8 billion in municipal fund outflows, which marks three months in a row with negative fund flows. SIFMA reset last week again lower at 2.24% from 2.37% the prior week. This week is a respite from a couple very busy prior weeks with an \$850 million transaction from Denver International Airport, a New York State EFC \$323 million deal, a Kern Community College District \$200 million issue, a Bexar County, TX \$196 million transaction, a New Mexico Finance Authority \$68 million deal and an Alhambra USD \$61 million issue to name a few.

Last week in the primary markets, the Triborough Bridge and Tunnel Authority priced a \$700 million Tax-Exempt transaction. The deal was oversubscribed and bumped as much as 5 basis points. The New York City Transitional Finance Authority priced a \$1 billion Tax-Exempt transaction. The deal garnered \$370 million in Retail orders and pricing was mostly unchanged during the institutional order period except for the 2036 maturity which was bumped 3 basis points. The City of Atlanta, Georgia priced a \$400 million Tax-Exempt issue. The deal was oversubscribed up front bumping 2- 5 basis points while the long end had to get 2 basis points cheaper and restructured to get the deal done. Texas State Technical College also priced a \$300 million Tax-Exempt issue. The deal was oversubscribed and bumped as much as 5 basis points. Additionally, Northwest ISD, Texas priced a \$145 million Tax-Exempt transaction. Spreads had to get 3-10 basis points wider from Premarketing to Final pricing. This week's calendar stands at just under \$3 billion with an \$850 million Denver International Airport deal headlining the calendar.



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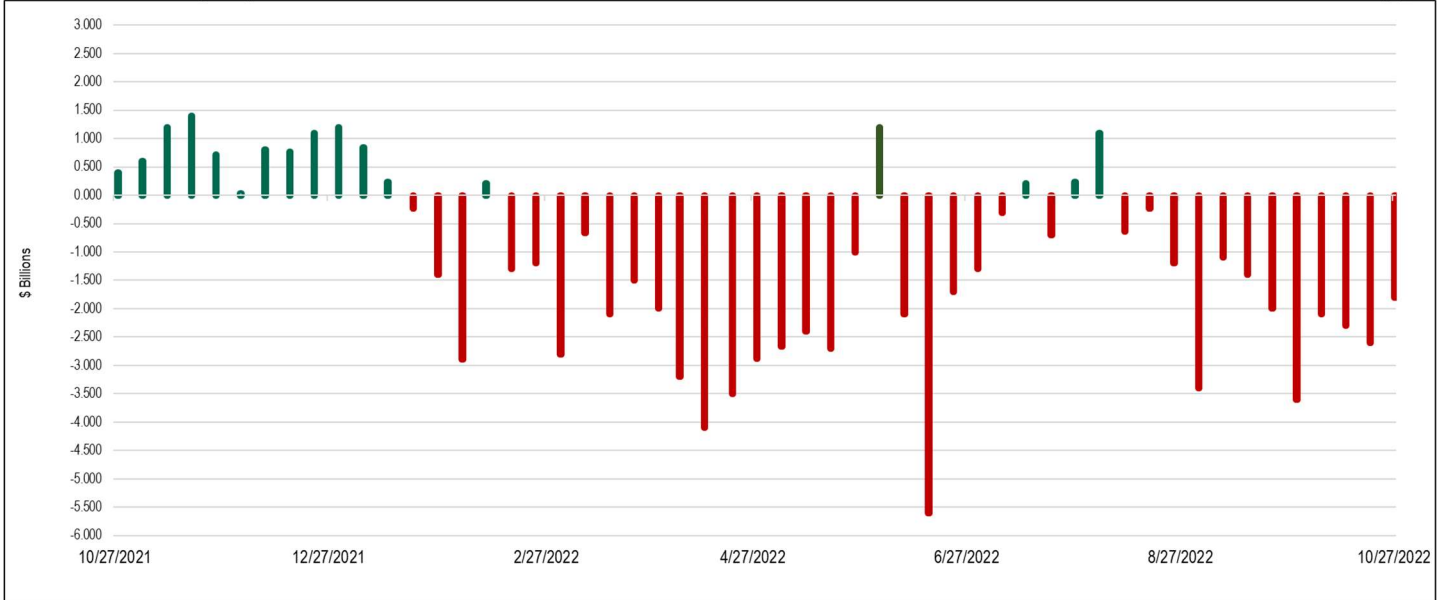
INTEREST RATE SNAPSHOT

Benchmark	Maturity	10/28/2022 AAA MMD	Change from Last Week (bps)	10/28/2022 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	2023	3.14	+5	4.55	-3	69.01%	10/28/2022	2.24	(\$1,800)	3.75	5.37
2	2024	3.18	+5	4.41	-8	72.11%	10/21/2022	2.37	(\$2,600)	3.57	5.42
3	2025	3.20	+5	4.38	-14	73.06%	10/14/2022	2.43	(\$2,300)	3.41	5.11
5	2027	3.24	+5	4.19	-15	77.33%					
10	2032	3.41	+7	4.02	-19	84.83%					
20	2042	3.92	+11	4.38	-16	89.50%					
30	2052	4.14	+15	4.15	-18	99.76%					

MUNICIPAL FUND FLOWS

Week Ended 10/28/2022 saw outflows of \$1.8 billion, 12th Consecutive Week of Outflows

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
850.000	City and County of Denver	CO	Airport System Revenue Bonds
323.025	New York State Environmental Facilities Corporation	NY	State Revolving Funds Revenue Bonds
300.000	The Johns Hopkins University	MD	Taxable Bonds
210.000	Public Finance Authority	MI	Project Revenue Bonds, Easten Michigan University Student Housing
200.000	Kern Community College District	CA	General Obligation Bonds
196.000	Bexar County	TX	Combination Tax and Revenue Certificates of Obligation
129.715	Colorado Housing and Finance Authority	CO	Single Family Mortgage Bonds
98.690	City of Kankakee	IL	Taxable General Obligation Bonds
85.835	Maine Health and Higher Educationl Facilities Authority	ME	Revenue Bonds
84.440	The Camden County Improvement Authority	NJ	School Revenue Bonds
68.800	New Mexico Finance Authority	NM	Senior Lien Public Project Revolving Fund Revenue Bonds
61.695	Alhambra Unified School District	CA	General Obligation Bonds
35.000	Maine State Housing Authority	ME	Mortgage Purchase Bonds
29.415	Fox Chapel Area School District	PA	General Obligation Bonds
24.785	Edgefield County Public Facilities Corporation	SC	Installment Purchase Revenue Bonds



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NOTABLE FIXED DEALS FROM LAST WEEK

Issuer	**New York City Transitional Finance Authority				Texas State Technical College System				Triborough Bridge and Tunnel Authority			
State	NY				TX				NY			
Call	11/1/2032				8/1/2032				*See notes			
Tax Status	Tax-Exempt				Tax-Exempt				Tax-exempt			
Size (\$mm)	950.000				298.750				412.010			
Ratings	Aa1/AAA/AAA				Aa/A+				AA+/AA+/AA+			
	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
	2024-2036	5.00	3.32-4.32	14-67	2023-2032	5.00	3.42-4.17	29-76	2027	5.00	3.53	29
	2037	5.25	4.38	71	2033-2037	5.25	4.29-4.66	81-99	2032	5.00	3.90	48
	2037	5.00	4.41	74	2042	5.50	5.05	119				
	2038	5.25	4.42	73	2047	5.75	5.17	118				
	2038	5.00	4.45	76	2054	6.00	5.25	121				
	2039	5.25	4.46	73								
	2039	4.50	4.63	90								
	2040-2043	5.25	4.53-4.67	74-77								
	2045	5.50	4.70	75								
	2046	5.00	4.82	85								
	2048	5.25	4.80	80								

****Cabrera will serve as Co-Manager**

* 2027 maturity is callable on or after 8/15/2027 & 2032 maturity is callable on or after 5/15/2032

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
31-Oct	1-Nov	2-Nov	3-Nov	4-Nov
9:45 AM Chicago PMI	9:45 AM S&P U.S. Manufacturing PMI	8:15AM ADP Employment Report (level change)	8:30 AM Initial Jobless Claims & Continuing Jobless Claims	8:30 AM Unemployment Rate
	10:00 AM ISM Manufacturing Index		8:30 AM Foreign Trade Deficit	8:30 AM Nonfarm payrols (level change)
7-Nov	8-Nov	9-Nov	10-Nov	11-Nov
3:00 PM Consumer Credit (level change)	Election Day	9:00 AM Wholesale inventories (revision)	8:30 AM Initial Jobless Claims & Continuing Jobless Claims	Veterans Day Holiday
			8:30 AM Consumer Price Index (Monthly Change & 12- month Change)	10:00 AM Umich Consmer 5- year Inflation Expectations