CABRERA CAPITAL MARKETS

# Municipal Market Update


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## Monday, November 10, 2025

So far in 2025, US states and local governments have borrowed over $500 billion in the municipal market, a record amount. Visible supply begins the week at $8.9 billion, well below the year's average of $14.6 billion. On the plus side, overall demand remains strong with Lipper reporting $1.3 billion in inflows and SMA flows healthy. Current ratios indicate that demand remains strong, but the lack of economic data makes it challenging to assess the actual strength of the market. Flight capacity was cut by 10% across 40 of the largest airports in the nation, just another direct effect caused by the shutdown. In other news, the City of Chicago had its credit outlook lowered by one notch last week due to the City's ongoing pension issue. Speaking of big cities, New York is in the spotlight after newly elected mayor Zohran Mamdani promised to make the public bus system of the MTA completely free.

The SIFMA Municipal Swap Index reset to 2.68%, down 54 basis points from the previous week's 3.22%.

## Interest Rate Snapshot

**MMD 1-Week Change**

| Term | 31-Oct | 7-Nov | Change (BPs) |
|---|---|---|---|
| 2-Year | 2.46% | 2.46% | - |
| 5-Year | 2.38% | 2.41% | +3 |
| 10-Year | 2.73% | 2.75% | +2 |
| 20-Year | 3.86% | 3.85% | -1 |
| 30-Year | 4.15% | 4.14% | -1 |

**UST 1-Week Change**

| Term | 31-Oct | 7-Nov | Change (BPs) |
|---|---|---|---|
| 2-Year | 3.60% | 3.55% | -5 |
| 5-Year | 3.71% | 3.67% | -4 |
| 10-Year | 4.11% | 4.11% | - |
| 20-Year | 4.65% | 4.68% | +3 |
| 30-Year | 4.67% | 4.70% | +3 |

Approximately $9.7 billion of municipal bonds are expected to price this week. A relatively average week even with the market closed on Tuesday the 11th due to a market holiday (Veterans Day). Cabrera will be serving as Co-Senior Manager on the $1,595.985 million City of Chicago – Chicago O'Hare International Airport transaction.

The week's largest transactions include the following:

- $1.596 billion City of Chicago - Chicago O'Hare International Airport, General Airport Senior Lien Revenue Bonds, Series 2025EFG (NR/A+/A+/A+)
- $975.915 million Miami Dade County, Florida, Water and Sewer System Revenue Bonds, Series 2025AB (Aa3/AA/AA-/AA)
- $967.010 million Municipal Improvement Corporation of Los Angeles, Lease Revenue Bonds, Series 2025AB (Los Angeles Convention Center) (NR/A+/AA/NR) (Cabrera Co-Manager)
- $950.000 million Black Belt Energy Gas District, Gas Project Revenue Bonds, 2025 Series G (A2/NR/NR/NR)

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## Notable Deals Last Week

- The City of Chicago O'Hare International Airport (NR/A+/A+/A+) (Cabrera Bookrunning Senior Manager) priced $211 million AMT and $129 million Non-AMT General Airport Senior Lien Revenue Bonds. Both series were structured from 2036-2042 with a 10-year call. Following premarketing on Monday, the transaction entered the market with spreads unchanged. Both series were oversubscribed for throughout with the AMT series receiving more interest than the Non-AMT. Spreads were lowered 3-7 basis points.

- The City of Austin priced $417 million Electric Utility System Revenue Refunding Bonds. The bonds were structured out to 30-years with a 10-year call. The transaction received significant demand throughout, and spreads were bumped 2-10 basis points. The short end and 20-year range of the curve received the most demand with bumps 9-10 basis points.

- Illinois Finance Authority for Rush University Health System (A1/A+/AA-/NR) (Cabrera Co-Manager) priced $387 million of Revenue Bonds. The transaction was structured as serial bullets in 2030, 2032, and 2035. The bonds we non-callable excluding the 2030 maturity which had a 2029 call. The maturities ended up 1-3x subscribed for and spreads were lowered 3 basis points in 2030 and 2035.

- The City of Austin priced $229 million of AMT Airport System Revenue Refunding Bonds (A1/A+/NR/AA-). The transaction was structured to 2044 with a 10-year call. From premarketing to final pricing, the short-end and the long-end of the transaction were the most oversubscribed, with 2030-2034 with the lowest subscription levels. Spreads were lowered 1-10 basis points excluding 2030-2034.

- The Los Angeles Department of Water and Power priced $976 million of Water Revenue Bonds (Aa2/NR/AA-/AA). The transaction was structured through 30-years and used BAM insurance in 2036, 2042, 2044, and 2046. Entering the retail order period, the insurance provided a 10-basis point benefit. By final pricing, spreads were lowered 1-9 basis points from the retail order period.

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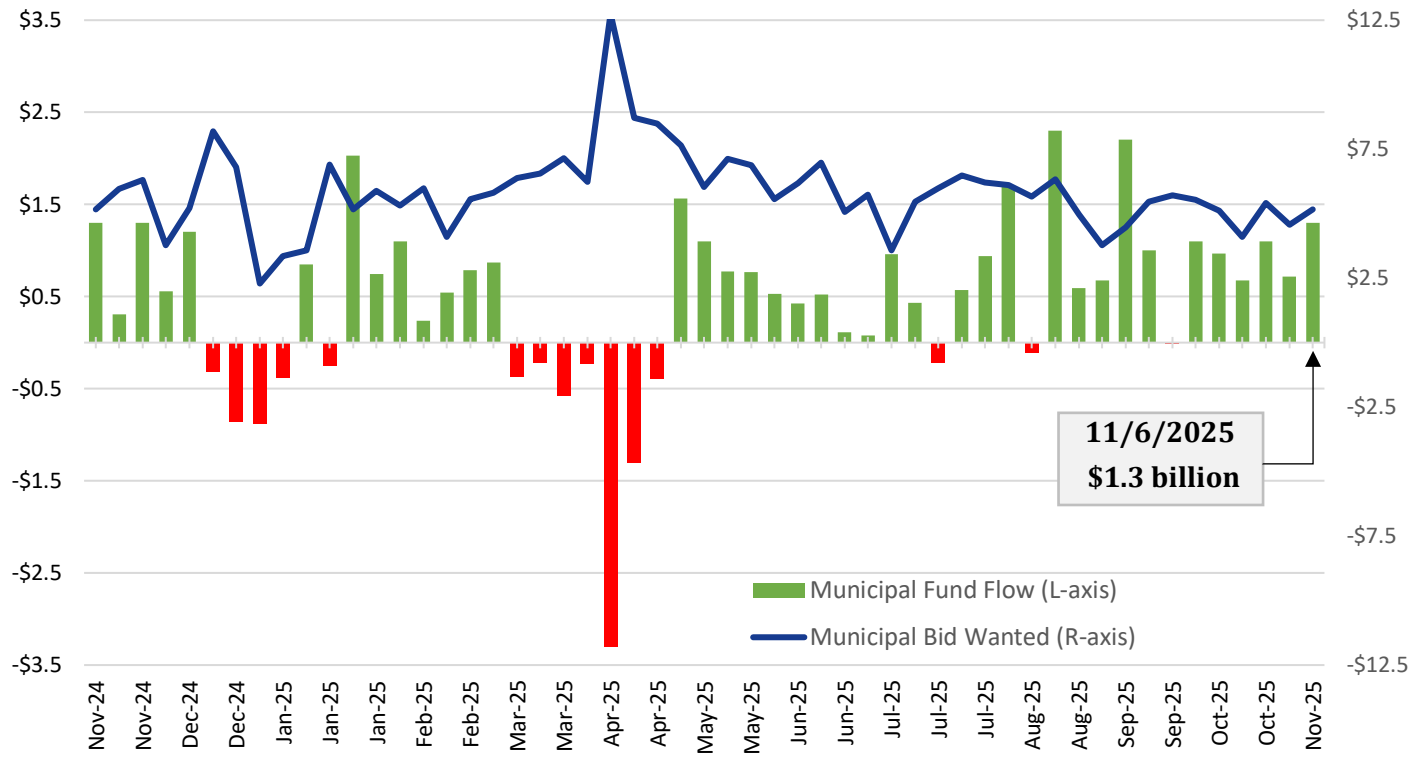
## Municipal Fund Flows

**Week 10/30/2025 - 11/6/2025 saw inflows of $1.3 billion** **Source: Lipper, Bloomberg**




## Upcoming Negotiated Calendar

| Size ($mm) | Issuer | State | Description |
|---|---|---|---|
| **1,595.985** | **City of Chicago O'Hare International Airport**** | **IL** | **General Airport Sr. Lien Revenue Bonds** |
| 975.915 | Miami-Dade County | FL | Water and Sewer System Revenue Bonds |
| 950.000 | The Black Belt Energy Gas District | AL | Gas Project Revenue Bonds |
| **850.900** | **Municipal Improvement Corp of Los Angeles*** | **CA** | **Lease Revenue Bonds (Los Angeles Convention Center)** |
| 597.330 | Washington State Housing Finance Commission | WA | Nonprofit Housing Revenue and Refunding Bonds |
| 413.700 | Omaha Public Power District | NE | Electric System Revenue Bonds |
| 359.841 | National Finance Authority | | Municipal Certificates |
| 310.375 | University of Delaware | DE | Tax-Exempt Bonds |
| 277.210 | Central Florida Expressway Authority | FL | Senior Lien Revenue Bonds |
| 234.190 | County of Franklin | OH | Hospital Refunding and Improvement Revenue Bonds |
| 223.215 | Monroe County Industrial Development Corporation | NY | Revenue Bonds (University of Rochester Project) |
| 145.170 | Wellesley College | MA | Revenue Bonds |
| 130.000 | Santa Monica-Malibu Unified School District | CA | General Obligation Bonds |
| 130.000 | Ohio Housing Finance Agency | OH | Residential Mortgage Revenue Bonds |
| 120.000 | Utah Housing Corporation | UT | Single Family Mortgage Bonds |
| **116.805** | **Municipal Improvement Corp of Los Angeles*** | **CA** | **Lease Revenue Bonds (Federally Taxable)** |
| 110.910 | City of Joliet | IL | Waterworks and Sewerage Senior Lien Revenue Bonds |
| 107.325 | The County Commission of Ohio County | WV | Special District Excise Tax Rev Ref and Improvement Bonds |
| 99.465 | WI Health and Educational Facilities Authority | WI | Senior Living Revenue Bonds |
| 75.500 | City of St. Marys | KS | Pollution Control Revenue Refunding Bonds |

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

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# NOTABLE FIXED-RATE NEW ISSUE RESULTS FROM LAST WEEK

**Chicago O'Hare International Airport**
**IL**
Call Date 1/1/2035
AMT
$211,170,000
Underlying NR/A+/A+/A+
***Cabrera served as Joint Bookrunner***

| Maturity | Coupon | Spread | Yield |
|---|---|---|---|
| 2036 | 5.00 | 27 | 3.13 |
| 2037 | 5.00 | 40 | 3.38 |
| 2038 | 5.00 | 40 | 3.49 |
| 2039 | 5.00 | 40 | 3.60 |
| 2040 | 5.00 | 36 | 3.68 |
| 2041 | 5.00 | 36 | 3.81 |
| 2042 | 5.00 | 30 | 3.88 |

Chicago O'Hare International Airport priced two series of Bonds aggregating $332 Million in par simultaneously with the Series listed above

**Rush University System for Health**
**IL**
Call Date 11/15/2029 | 2030 Maturity
Tax-Exempt
$387,425,000
Underlying A1/A+/AA-/NR
***Cabrera served as Co-Manager***

| Maturity | Coupon | Spread | Yield |
|---|---|---|---|
| 2030 | 5.00 | 68 | 3.06 |
| *** | | | |
| 2032 | 5.00 | 63 | 3.14 |
| *** | | | |
| *** | | | |
| 2035 | 5.00 | 65 | 3.39 |

**Department of Water and Power**
**CA**
Call Date 7/1/2035
Tax-Exempt
$976,445,000
Underlying Aa2/NR/AA-/AA

| Maturity | | Coupon | Spread | Yield |
|---|---|---|---|---|
| 2026 | | 5.00 | 29 | 2.88 |
| 2027 | | 5.00 | 34 | 2.82 |
| 2028 | | 5.00 | 37 | 2.83 |
| 2029 | | 5.00 | 39 | 2.85 |
| 2030 | | 5.00 | 40 | 2.82 |
| 2031 | | 5.00 | 40 | 2.86 |
| 2032 | | 5.00 | 39 | 2.92 |
| 2033 | | 5.00 | 39 | 2.99 |
| 2034 | | 5.00 | 40 | 3.02 |
| 2035 | | 5.00 | 39 | 3.13 |
| 2036 | * | 5.00 | 27 | 3.13 |
| 2037 | | 5.00 | 40 | 3.38 |
| 2038 | | 5.00 | 40 | 3.49 |
| 2039 | | 5.00 | 40 | 3.60 |
| 2040 | | 5.00 | 36 | 3.68 |
| 2041 | | 5.00 | 36 | 3.81 |
| 2042 | * | 5.00 | 30 | 3.88 |
| 2043 | | 5.00 | 31 | 4.01 |
| 2044 | * | 5.00 | 29 | 4.11 |
| 2045 | | 5.00 | 32 | 4.21 |
| 2046 | * | 5.00 | 26 | 4.22 |
| *** | | | | |
| 2049 | | 5.00 | 35 | 4.43 |
| *** | | | | |
| 2052 | | 5.00 | 35 | 4.50 |
| *** | | | | |
| 2055 | | 5.00 | 35 | 4.53 |

* BAM Insured

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## Economic Calendar (All Times in EST)

| Monday | Tuesday | Wednesday | Thursday | Friday |
|---|---|---|---|---|
| **10-Nov** | **11-Nov** | **12-Nov** | **13-Nov** | **14-Nov** |
| | | 10:20 AM | 8:30 AM | 8:30 AM |
| None scheduled | Veterans Day holiday, bond market closed | Fed governor Chris Waller speaks | Consumer Price Index | Producer Price Index |
| | 10:25 AM | 12:30 PM | 2:00 PM | |
| | Fed governor Michael Barr speaks | Fed governor Stephen Miran speaks | Monthly U.S. federal budget | |
| **17-Nov** | **18-Nov** | **19-Nov** | **20-Nov** | **21-Nov** |
| 8:30 AM | 8:30 AM | 2:00 PM | 8:30 AM | 9:45 AM |
| Empire State manufacturing survey | Import price index | Minutes of Fed's October FOMC meeting | Initial jobless claims | U.S. services PMI<br>U.S. manufacturing PMI |
| | 9:15 AM | | 10:00 AM | 10:00 AM |
| | Industrial production | | U.S. leading economic indicators | Consumer sentiment (final) |

Data subject to delay if government shutdown continues