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MUNICIPAL MARKET UPDATE

Public Finance

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Monday, November 21, 2022

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PRIMARY MARKET ACTIVITY

The strength in the municipal bond market continued again this past week with rates rallying anywhere from 26 to 29 basis points. The recent positive swing in municipal bond rates is very representative of 2022 where we continue to see the market dictated by economic releases and the Fed – in both rate directions, but primarily upwards. However, this week after a positive CPI release a couple weeks ago, the positivity continued with the Producer Price Index (PPI) data and wholesale prices amongst other releases. Both are key measures that track inflation, and both also showed signs that the economy is slowing, albeit gradually. Retail sales actually came in stronger than expected, however PPI certainly took precedence and was front and center when it came to the positive rate moves in the municipal bond market this week. PPI measures prices paid for goods and services before they reach consumers. The last two weeks have seen municipal rates rally/decrease anywhere from 28-49 basis points across the board, a rare and impressive move for the year. Equally as rare Year-to-Date has been municipal fund inflows, and this week we saw fund inflows for the first time in more than three months; while it was only \$605 million of inflows, the positive momentum is a welcome change of pace. The 5-year, 10-year, 20-year and 30-year benchmark municipal bond rates currently stand at 2.81%, 2.91%, 3.38% and 3.59%, respectively. As a result of the recent rally, most tax exempt transactions in the market last week had investors' full attention, institutional audiences were sizable, pricing spreads were very tight and bond pricings were aggressive. Last week Cabrera was Lead Manager on a \$23.5 million Metropolitan Pier and Exposition Authority transaction that had a final maturity of 2027 and three-year call in 2025. Following the trend in the market, the transaction was oversubscribed and ended up receiving significant bumps (pricing spread decreases).

Treasuries on the other hand decided to take their own path, and again diverged from municipals creating a very flat, if not front loaded bell shaped Treasury yield curve. For example, the 1-month Treasury note closed Friday at 3.93%, the 30-year Treasury bond closed at 3.92%, while the 1-year Treasury closed at 4.74%. The 5-year, 10-year and 30-year Treasury rates as of close on Friday stood at 3.99%, 3.82% and the previously mentioned 3.92%, respectively - certainly one of the strangest yield curve relationships in a while. Contrary to the rise in short term taxable Treasury rates, the short-term tax exempt SIMFA rate decreased by 15 basis points to settle last week at 2.04%.

Last week in the primary market, Metropolitan Government Nashville Airports priced a \$500 million AMT and a \$100 Non-AMT transaction. Both deals saw overwhelming demand with the AMT deal bumped as much as 15 basis points and the Non-AMT deal bumped as much as 20 basis points. The Pennsylvania Turnpike Commission priced a \$300 million Tax-Exempt issue. Significant oversubscription of the issue allowed for bumps of 10-16 basis points. The New York City Municipal Water Finance Authority priced a \$750 million Tax-Exempt issue. The deal was accelerated due to good market conditions and was bumped 8-17 basis points. The City of Conroe, Texas priced a \$90 million Tax-Exempt issue which was repriced by as much as 10 basis points. The Los Angeles Department of Water and Power priced a \$230 million Tax-Exempt issue. From retail order period to final pricing levels were bumped as much as 14 basis points. This week's calendar is about \$1.5 billion with a \$500 million Tennergy Energy Gas Supply Revenue Bonds transaction headlining the calendar.

We hope you and your families have a nice and safe Thanksgiving Holiday!



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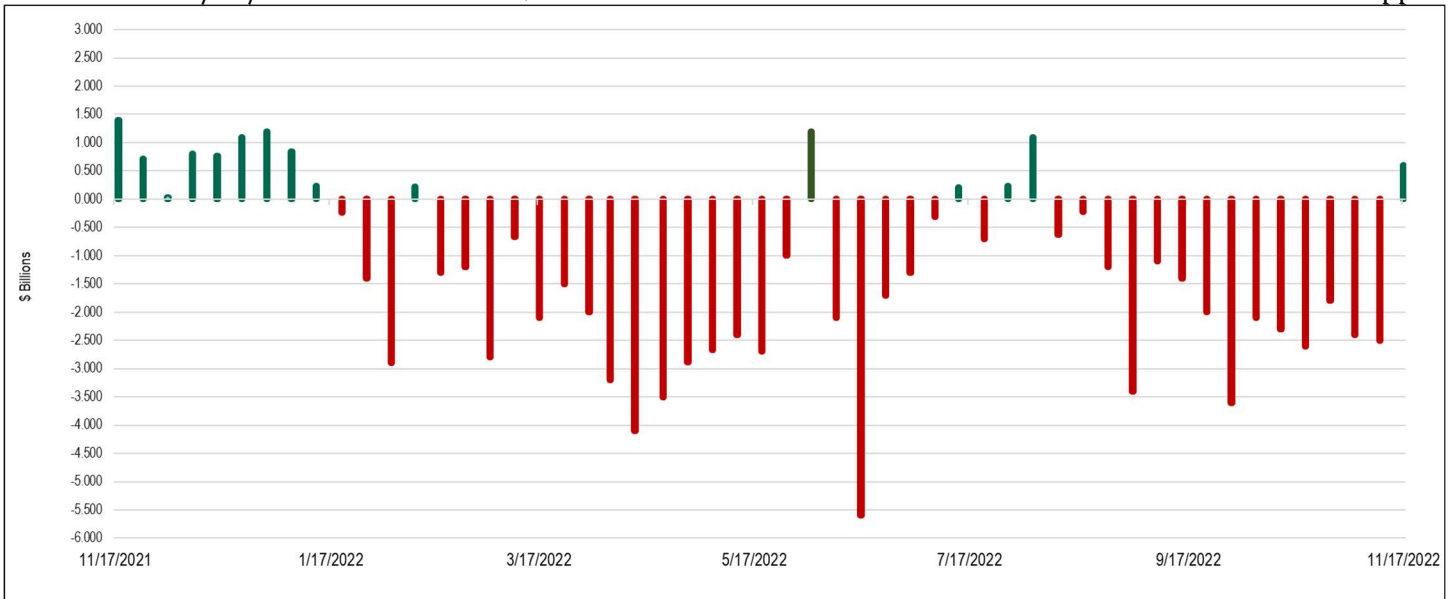
INTEREST RATE SNAPSHOT

Benchmark	Maturity	11/18/2022 AAA MMD	Change from Last Week (bps)	11/18/2022 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	2.74	-26	4.74	15	57.81%	11/18/2022	2.04	\$605	3.94	5.46
2	2024	2.75	-26	4.51	17	60.98%	11/10/2022	2.19	(\$2,500)	3.88	5.63
3	2025	2.77	-26	4.28	11	64.72%	11/4/2022	2.38	(\$2,400)	3.85	5.65
5	2027	2.81	-23	3.99	4	70.43%					
10	2032	2.91	-23	3.82	0	76.18%					
20	2042	3.38	-29	4.13	-11	81.84%					
30	2052	3.59	-29	3.92	-11	91.58%					

MUNICIPAL FUND FLOWS

Week Ended 11/18/2022 saw inflows of \$605 million

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
504.505	Tennergy Corporation	TN	Gas Supply Revenue Bonds
207.605	Utah Telecommunication Open Infrastructure Agency	UT	Sales Tax and Telecommunications Revenue Refunding Bonds
200.000	Massachusetts Housing Finance Agency	MA	Single Family Housing Revenue Bonds
86.059	Ledge Rock Center Commercial Metropolitan District	CO	Limited Tax General Obligation Bonds
65.090	Memphis Center City Revenue Finance Corporation	TN	Economic Development Revenue Bonds
53.635	Public Finance Authority	UT	Student Housing Revenue Bonds
28.000	The Health, Educational and Housing Facility	TN	Collateralized Multifamily Housing Bonds
27.215	Camden County Improvement Authority	NJ	County Guaranteed Loan Revenue Bonds
9.440	City of Ontario Community Facilities	CA	Special Tax Bonds
9.195	City of Tolar	TX	Certificates of Obligation
7.220	Town of Whiteland	IN	Economic Development Revenue Bonds
4.750	Plymouth Intermediate District	MN	School Facilities Maintenance Bonds
4.000	South Montgomery Community School Corporation	IN	General Obligations
3.895	Garza County	TX	General Obligation Refunding Bonds



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NOTABLE FIXED DEALS FROM LAST WEEK

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

	Duval County School Board				Metropolitan Nashville Airport				New York City Municipal Water Finance			
Issuer	CA				TN				NY			
State	7/1/2030				7/1/2030				12/15/2032			
Call	Tax-Exempt				Tax-Exempt, AMT				Tax-exempt			
Tax Status	561.460				501.560				396.005			
Size (\$mm)	A+ / A+				A1 / A+ / AA-				Aa1 / AA+ / AA+			
Ratings	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
	2023-2035	5.00	3.11-3.83	19-50	2026-2031	5.00	3.71-3.99	75-98	2052	5.25	4.31	46
					2032-2035	5.25	4.03-4.32	98-105				
					2036-2042	5.50	4.39-4.61	107-105				
					2047	5.25	4.88	118				
					2052	5.50	4.87	110				
					2052	5.00	5.00	123				

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
21-Nov	22-Nov	23-Nov	24-Nov	25-Nov
8:30 AM Chicago Fed National Activity Index		8:30 AM Initial Jobless Claims & Continuing Jobless Claims 9:45 AM S&P US Manufacturing PMI (Flash)	Thanksgiving Day	
28-Nov	29-Nov	30-Nov	1-Dec	2-Dec
	9:00 AM S&P Case-Shiller U.S. Home Price Index (SAAR)	8:15 AM ADP Employment Report	8:30 AM Initial Jobless Claims	8:30 AM Unemployment Rate
	10:00 AM Consumer Confidence Index	10:00 AM Job Openings & Quits	8:30 AM Continuing Jobless Claims	8:30 AM Nonfarm Payrolls
			9:45 AM S&P U.S. Manufacturing PMI	