



CABRERA CAPITAL MARKETS LLC

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MUNICIPAL MARKET UPDATE

Public Finance

Mario Carrasco
Managing Director & Head of Investment Banking - Public Finance
(210) 857-8517
mcarrasco@cabreracapital.com

Underwriting

Merita Kulpinski
Senior Vice President - Lead Municipal Underwriter
(312) 931-6654
mkulpinski@cabreracapital.com

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PRIMARY MARKET ACTIVITY

Both Municipals and Treasuries had a positive week due to flight to safety buying as a result of inflation duration uncertainty and signs of slowing growth as well as disappointing earnings reports from multiple major US public companies – the DJIA/S&P 500 were both down 3% the week of May the 16th, and NASDAQ was down 3.8%. Last week marked more municipal fund outflows, \$2.7 billion, versus \$2.4 billion the prior week. Municipals gained 6-7 basis points in 2023-2032 and 3-4 basis points in 2033-2052, the 5-year, 10-year and 30-year MMD currently stand at 2.53%, 2.93% and 3.29%, respectively. Treasuries gained 1-10 basis points across the curve, the 5-year, 10-year and 30-year Treasury stand at 2.80%, 2.78% and 2.99%, respectively. As municipals gained ground, tax-exempt spreads continue to widen and coupons are starting to ratchet up as well. The City of New York (Aa2/AA/AA-/AA+) (Cabrera Co-Manager) priced one of two Series' last week, on the \$950 million Series, coupons ranged from 4% to 5.5%; similarly the State of Illinois (Cabrera Co-Lead) saw coupons in the 5 to 5.5% range. In Texas, Ysleta ISD priced \$140 million in bonds (Aa3/AA :: PSF AAA), the long 5% coupons (2053 & 2056) priced at a +54 and +68 basis points spread, respectively. Those are vastly wider spreads than just a few weeks ago, but this does seem to be the new norm, for now. While there is not currently an advantage to looking at short calls, there does not appear to be a disadvantage either, other than the yield to maturity. Holding the bonds beyond the call will incur a yield kick. Nonetheless, for issuers with growing tax bases looking to manage tax rate via defeasances or other methods to access bonds sooner, short calls are certainly an opportunity. SIFMA reset this past week at 82 basis points which was 6 basis points higher than the prior week, further highlighting the increasing cost of tax-exempt commercial paper. This week Cabrera will be a Co-Manager on a \$1 billion State of Connecticut GO transaction, a \$114 million City of Long Beach Airport Revenue Refunding issue, and a \$93 million City of Ontario, CA Lease Revenue bond transaction. A few other deals in the market include a \$268 million Katy ISD (TX) issue, a \$209 million Metropolitan Washington Airport Authority (DC) issue, a \$93 million City of Baltimore Revenue Taxable (MD) issue, a \$84 million Illinois Finance Authority issue, a \$58 million San Francisco Bay Area Rapid Transit District (CA) issue, and a \$52 million Taxable/Tax Exempt Brownsville Public Utilities Board (TX) issue.

The State of Illinois priced a \$1.6 billion Tax-Exempt General Obligation issue. After two days of Premarketing, moving 5 basis points wider on the second day of Premarketing, and adding another 5.5% coupon to the term, the order period did well. The deal was bumped as much as 9 basis points on the short end and 2 basis points on the terms. The total order book was \$5 billion. The City of New York priced a \$950 million Tax Exempt issue and a \$130 million Taxable issue. On the Tax-Exempt, the Retail Order period was very successful with orders totaling \$687 million, with multiple over-subscriptions on maturities 10 years and shorter. The long end also did well with bumps of 2-10 basis points. The issue received the heaviest oversubscription in the 5.5% coupons. The spread between 4.5% and 5.5% coupons was about 35 basis points out long. The Taxable issue bumped the two shorter maturities but was not able to go to the tight spreads, while the three remaining maturities were unchanged. A \$1 billion State of Connecticut issue headlines next week's Negotiated Calendar.



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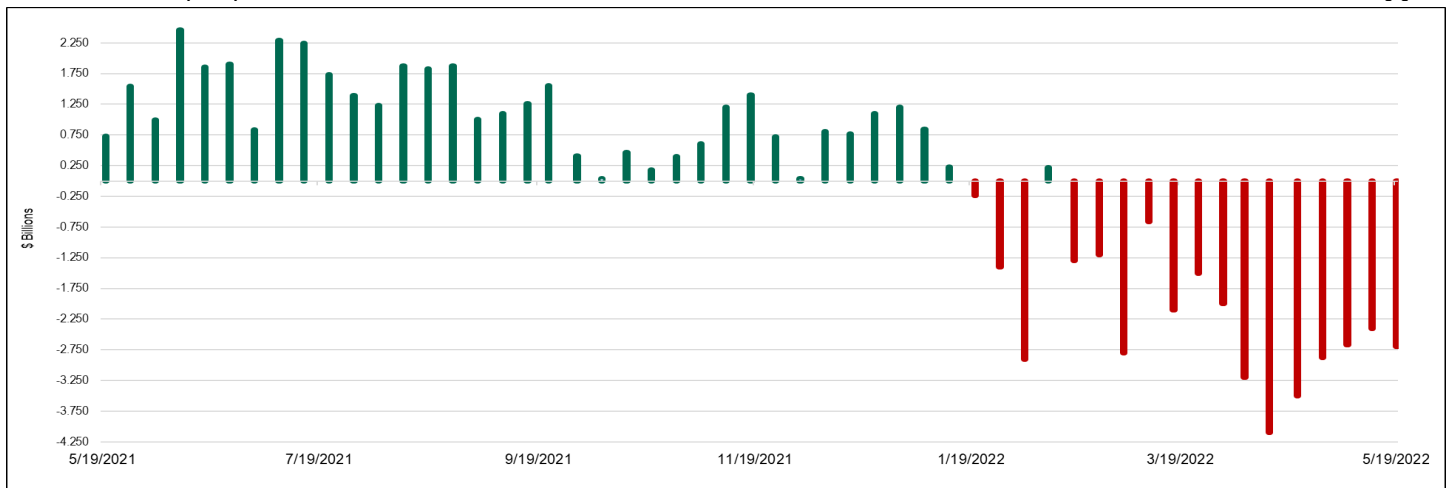
INTEREST RATE SNAPSHOT

Benchmark	Maturity	5/20/2022 AAA MMD	Change from Last Week (bps)	5/20/2022 U.S. Treasury	Change from Last Week (bps)	Muni/UST Ratio	Date of Week End	SIFMA Index	Municipal Fund Flow	1-Month BBA LIBOR	12-Month BBA LIBOR
1	2023	1.93	-6	2.07	-3	93.24%	5/20/2022	0.82	(\$2,700)	0.96	2.71
2	2024	2.25	-6	2.60	-1	86.54%	5/13/2022	0.76	(\$2,400)	0.88	2.63
3	2025	2.42	-6	2.73	-6	88.64%	5/6/2022	0.60	(\$2,670)	0.85	2.67
5	2027	2.53	-5	2.80	-9	90.36%					
10	2032	2.93	-6	2.78	-15	105.40%					
20	2042	3.16	-3	3.17	-15	99.68%					
30	2052	3.29	-3	2.99	-11	110.03%					

MUNICIPAL FUND FLOWS

Week Ended 5/19/2022 saw outflows of \$2.70 billion, 14th Consecutive Week of Outflows

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
1,075.000	*State of Connecticut	CT	General Obligation Bonds
268.040	Katy Independent School District	TX	Unlimited Tax School Building Bonds
229.610	City of Memphis	TN	General Improvement Refunding Bonds
225.000	Tarrant County	TX	Limited Tax Bonds
209.410	Metropolitan Washington Airports Authority	DC	Airport System Revenue Refunding Bonds (AMT)
173.705	City of Midland	TX	General Obligation Bonds
149.990	Tennessee Housing Development Agency	TN	Residential Finance Program Bonds (Non-AMT) (Social)
116.000	Allentown Neighborhood Improvement Zone Dev. Auth.	PA	Subordinate Tax Revenue Bonds
111.875	*City of Long Beach	CA	Senior Airport Revenue Bonds (Non-AMT/AMT)
97.810	Alaska Housing Finance Corporation	AL	State Capital Project Bonds (Social)
93.905	*Ontario Public Financing Authority	CA	Lease Revenue Bonds
93.070	City of Baltimore	MD	Refunding Revenue Bonds (Water/Wastewater Projects)
84.160	Illinois Finance Authority	IL	Revenue Refunding Bonds
58.550	San Francisco Bay Area Rapid Transit District	CA	General Obligation Bonds (Green)
52.100	City of Brownsville	TX	Utility System Revenue Refunding Bonds

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



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NOTABLE FIXED DEALS FROM LAST WEEK

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

	*New York				**State of Illinois				East Bay Municipal Utility District			
Issuer	NY				IL				CA			
State	NY				IL				CA			
Call	5/1/2032				3/1/2032				Non-Callable			
Tax Status	Tax-Exempt				Tax-Exempt				Tax-Exempt			
Size (\$mm)	950.000				925.000				103.850			
Ratings	Aa2/AA/AA-/AA+				Baa1/BBB+/BBB+				Aaa/AAA			
	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
	2024-2035	5.00	2.49-3.86	18-74	2023-2036	5.00	2.81-4.69	86-155	2023-2034	5.00	2.02-3.48	0-38
	2036	4.00	4.16	102	2037-2038	5.25	4.64-4.68	148-159				
	2037	5.00	3.99	83	2042-2047	5.50	4.72-4.80	148				
	2038-2040	5.25	4.20	88-99								
	2040	4.25	4.48	127								
	2041-2043	5.25	4.24-4.28	102								
	2044-2046	5.50	4.18-4.21	90								
	2049	4.50	4.64	130								

*Cabrera Served as Co-Manager

**Cabrera Served as Co-Senior Manager

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
23-May	24-May	25-May	26-May	27-May
None Scheduled	10:00 AM New Home Sales (SAAR)	2:00 PM FOMC Minutes	8:30 AM Initial Jobless Claims	8:30 AM Core PCE Inflation
			8:30 AM Continuing Jobless Claims	10:00 AM Umich Consumer Sentiment Index (Final)
			10:00 AM Pending Home Sales Index	10:00 AM 5-Year Inflation Expectations (Final)
30-May	31-May	1-Jun	2-Jun	3-Jun
None Scheduled Memorial Day Holiday	9:45 AM Chicago PMI	9:45 AM S&P Global U.S. Manufacturing PMI (Final)	8:30 AM Initial Jobless Claims	8:30 AM Unemployment Rate
	10:00 AM Consumer Confidence Index	10:00 AM Job Openings	8:30 AM Continuing Jobless Claims	