



CABRERA CAPITAL MARKETS LLC

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MUNICIPAL MARKET UPDATE

Public Finance

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PRIMARY MARKET ACTIVITY

The tax-exempt municipal market and the taxable Treasury markets diverged again last week. Tax-exempt municipals sustained their three week rally and rates decreased as much as 17 basis points within 10 years and 10 basis points 20 years and longer. The 5-year, 10-year, 20-year and 30-year tax-exempt MMD benchmark finished the week at 2.05%, 2.49%, 2.87% and 3.01%, respectively. The MMD yield curve is significantly steeper than the Treasury curve; for example, the 1 to 10 year MMD differential is 112 basis points, the 11 to 20 year MMD differential is 31 basis points and the 21 to 30 year MMD differential is only 12 basis points. On the other hand, taxable Treasuries took quite a hit last week increasing over 20 basis points in almost every maturity. All Treasury yields 2 years and out are above 3%, (1-year Treasury is at 2.96%); the 5-year, 10-year and 30-year Treasury rates are at 3.14%, 3.09 and 3.27%, respectively. Treasuries on Friday took another step backwards – while the jobs report (based on a business survey) was strong and the economy added 372,000 jobs in June (unemployment rate is at a 50-year low of 3.60%), the household survey showed employment decreasing in two of the past three months. The Household survey is not as accurate as the Business survey but can certainly be a volatile economic indicator as it did on Friday.

Next week we have the important Inflation/CPI report due Wednesday morning, and a sizable municipal primary market calendar (\$8.5 billion), more than triple what we saw during the holiday shortened last week. A few of the deals in the market next week include transactions for the following issuers: \$542 million DFW Airport, \$425 million Harris County, TX, \$361 million Massachusetts Development Finance Agency, \$322 million San Antonio ISD, TX (Cabrera Co-Manager), \$145 million Klein ISD, TX (Cabrera Co-Manager), \$125 million Massachusetts Port Authority (Cabrera Co-Manager), \$64 million North East ISD, TX (Remarketing) and City of Live Oak, TX (Cabrera Co-Manager), amongst many others. Summer investor reinvestments have buoyed the municipal market over the course of the past couple weeks, and while the last couple of weeks have been light, this week will be a true test of the municipal market's strength; let's hope it holds strong as the last few weeks have proven. Another positive aspect to the market tone was that outflows were only \$313 million, a long way from the \$5+ billion of outflows a few weeks ago and \$1.3 billion last week. Lastly, the weekly SIFMA rate reset this week at 78 basis points, 20 basis points lower than two weeks ago, nice to see some stabilization there as well.

The City of Denver, Colorado priced \$1.67 Billion in Airport Revenue AMT and Non-AMT issues. The AMT issue had mixed results with 2027-2035 struggling and yields getting cut as much as 8 basis points. The remainder of the deal did well with bumps ranging from 2-6 basis points. The Non-AMT deal did very well and was oversubscribed throughout, which allowed for bumps on this deal from 3-17 basis points. The spread between AMT and Non-AMT was 62 basis points in 5 years, 66 basis points in 10 years and 33 basis points in 19 years. The Triborough Bridge and Tunnel Authority priced a \$700 Million Tax-Exempt issue. The deal garnered \$936 Million in retail orders and yields were lowered by as much as 20 basis points in the short end from start to finish. Oklahoma City priced a \$267 million Utility System Revenue Refunding Taxable deal and spreads were tightened as much as 15 basis points. Next week's calendar is approximately \$9 Billion with the New York State Thruway taking competitive bids on a \$2.1 Billion deal and a \$1 Billion Colorado Health Facilities Authority transaction for Intermountain Healthcare headlining the Negotiated calendar.



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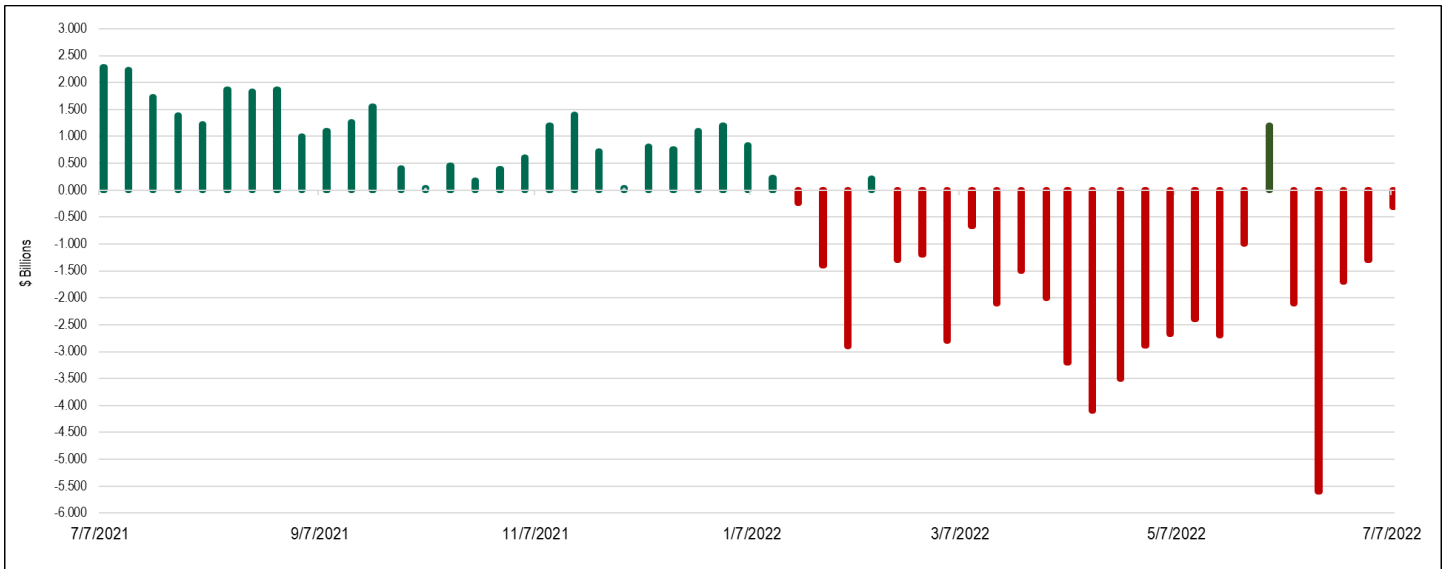
INTEREST RATE SNAPSHOT

Benchmark	Maturity	7/8/2022 AAA MMD	Change from Last Week (bps)	7/8/2022 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	1.47	-13	2.95	+22	49.83%	7/8/2022	0.78	(\$313)	1.87	3.66
2	2024	1.79	-14	3.12	+28	57.37%	7/1/2022	0.91	(\$1,300)	1.79	3.62
3	2025	1.91	-14	3.16	+29	60.44%	6/24/2022	0.98	(\$1,700)	1.62	3.53
5	2027	2.05	-13	3.14	+25	65.29%					
10	2032	2.49	-17	3.10	+20	80.32%					
20	2042	2.87	-10	3.53	+15	81.30%					
30	2052	3.01	-10	3.27	+14	92.05%					

MUNICIPAL FUND FLOWS

Week Ended 7/7/2022 saw outflows of \$313 million, 5th Consecutive Week of Outflows

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
1,074.655	Colorado Health Facilities Authority	CO	Revenue Bonds
542.460	Dallas Fort Worth International Airport	TX	Joint Revenue Refunding Bonds
425.025	Harris County	TX	Revenue Bonds
361.510	Massachusetts Development Finance Agency	MA	Revenue Bonds
322.450	*San Antonio Independent School District	TX	Unlimited Tax School Building Bonds
287.850	River Islands Public Financing Authority	CA	Special Tax Refunding Bonds
163.005	The Aurora Highlands Community Authority Board	CO	Special Tax Revenue Bonds
145.340	*Klein Independent School District	TX	Unlimited Tax Schoolhouse Bonds
142.275	City of Phoenix Civic Improvement Corporation	AZ	Subordinated Excise Tax Revenue Bonds
126.020	Trinity River Auth. of Texas Regional Wastewater System	TX	Revenue Bonds
124.730	*Massachusetts Port Authority	MA	Revenue Bonds (AMT)(Green)
99.900	New Mexico Mortgage Finance Authority	NM	Single Family Mortgage Program Class I Bonds
90.000	School Board of St. Johns County, Florida	FL	Certificates of Participation
88.540	City of Brockton	MA	Public Safety Facility Bonds
64.830	North East Independent School District	TX	Variable Rate Unlimited Tax 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

	Triborough Bridge Authority				Denver International Airport				Oklahoma City Water Utility Trust			
Issuer	Triborough Bridge Authority				Denver International Airport				Oklahoma City Water Utility Trust			
State	NY				CO				OK			
Call	11/15/2032				11/15/2032				7/1/2031			
Tax Status	Tax-Exempt				Tax-Exempt (AMT)				Taxable			
Size (\$mm)	700.000				1,465.560				267.265			
Ratings	AA+/AAA				Aa3/A+/AA-				Aaa/AAA			
	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
	2025-2045	5.00	1.83-3.63	-10-70	2024-2034	5.00	2.28-3.60	41-95	2023-2046	3.01-4.74	3.01-4.74	-2-153
	2045	3.75	4.00	101	2035	5.50	3.62	94				
					2036-2037	5.00	3.69-3.74	100-103				
					2038	5.50	3.70	97				
					2039	5.00	3.84	101				
					2040	5.50	3.79	99				
					2041	5.00	3.93	108				
					2041	4.00	4.23	138				
					2042	5.50	3.84	91				
					2047	5.00	4.10	116				
					2047	4.125	4.39	144				

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
11-Jul	12-Jul	13-Jul	14-Jul	15-Jul
11:00 AM 3-Year Inflation Expectations	6:00 AM NFIB Small-Business Index	8:30 AM Consumer Price Index (Monthly)	8:30 AM Producer Price Index Final Demand (Monthly)	8:30 AM Retail Sales
		8:30 AM CPI (year-over-year)	8:30 AM Initial/Continuing Jobless Claims	10:00 AM Umich 5-Year Inflation Expectations (Preliminary)
		2:00 PM Federal Budget (Comparison vs year-ago)		
18-Jul	19-Jul	20-Jul	21-Jul	22-Jul
10:00 AM NAHB Home Builders' Index	8:30 AM Housing Starts (SAAR)	10:00 AM Existing Home Sales	8:30 AM Initial/Continuing Jobless Claims	9:45 AM S&P Global U.S. Manufacturing / Services PMI
			10:00 AM Leading Economic Indicators	