



CABRERA CAPITAL MARKETS LLC

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MUNICIPAL MARKET UPDATE

Public Finance

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PRIMARY MARKET ACTIVITY

The Municipal Market improved again last week and showed strength, especially in the face of a heavy weekly calendar which was very promising in this economic driven environment. The CPI/Inflation report last Wednesday was nearly a non-event as it pertained to tax-exempt municipals, however it was the biggest jump in year over year inflation (9.1%) in 41 years. If you recall, last month after the CPI print (8.3% year over year increase), rates increased by almost 50 basis points over a period of a week. Investors' July reinvestment money flow has certainly played into the liquidity and strength of the primary market over the past few weeks, driving issuer's interest rate costs down. We also finally saw a week of municipal fund inflows totaling \$206 million, which is only the second week of inflows since March. Most of the economic releases on Friday were better than expected, including the University of Michigan Consumer Sentiment survey, Continued Claims and Retail Sales. Treasuries are all over the place and the yield curve is currently inverted with the 1-year at 3.12%, 5-year at 3.05%, 10-year at 2.93% and 30-year at 3.10%. The tax-exempt municipal yield curve flattened last week with the 1-10 year tax-exempt yield curve decreasing by 5-10 basis points and the 11-30 year maturities decreasing by 3 basis points. The 5-year, 10-year, 20-year and 30-year tax-exempt benchmark rates are at 2.00%, 2.44%, 2.84% and 2.98%, respectively. Reflecting the short end strength of municipals, the weekly SIFMA rate reset lower last week at 69 basis points, from 91 basis points two weeks ago. The next FOMC meeting is July 26-27th and the consensus is a 75 basis point increase, although this past week 100 basis points was hinted at by the Atlanta Fed President – Powell has recently stated however, that 100 basis points was off the table. As mentioned earlier, the short end of the curve is still the sweet spot for municipals in the primary market, however the long end did display some strength last week. Longer 4% coupon spreads widened just a bit on deals we witnessed last week as investors are looking for 4% discounts, and as such the resulting wider spreads. This week's negotiated primary market supply is approximately \$6.8 billion, well below last week's \$10 billion calendar. Some of the deals in the market include a New York TFA \$557 million deal (Cabrera a Co-Manager), a Metropolitan Water District of Southern California \$380 million transaction, a Humble ISD, TX \$181 million deal, a CyFair ISD, TX \$127 million transaction, a Fort Bend ISD, TX (Remarketing) \$81 million deal, a City of Albuquerque, NM \$87 million transaction, a City of Cedar Park, TX \$62 million deal, and a City of Mesa, AZ \$56 million issue amongst many others. Lastly, on a co-managed Texas transaction last week, Cabrera took down some balances, furthering our stance to commit capital whenever beneficial to our clients.

Last week, the Dallas Fort Worth International Airport priced \$553 Million in Tax-Exempt bonds. The deal garnered \$2.7 Billion in orders and was bumped as much as 10 basis points. The District of Columbia priced \$1.4 Billion in Tax-Exempt, Tax-Exempt Forward Delivery, and Taxable Income Tax issues. The Tax-Exempt issue was oversubscribed throughout and was bumped 1-15 basis points, the forward delivery issue was bumped as much as 8 basis points, and the Taxable issue was unchanged to a 10-basis point tighter on spread. The Massachusetts Port Authority priced a \$120 Million AMT transaction. This deal was oversubscribed throughout and bumped as much as 7 basis points. Additionally, San Antonio ISD in Texas priced a \$289 Million Tax-Exempt deal. The deal was oversubscribed and bumped as much as 7 basis points. Klein ISD in Texas also priced a \$125 Million Tax-Exempt deal. The 2024-2034 maturities did very well with bumps of as much as 5 basis points while the long 4% coupons struggled and had to get wider by as much as 4 basis points. This week's calendar is approximately \$7 Billion with a \$709 Million Main Street Natural Gas, Inc. Gas Supply Revenue Bonds issue headlining the calendar.



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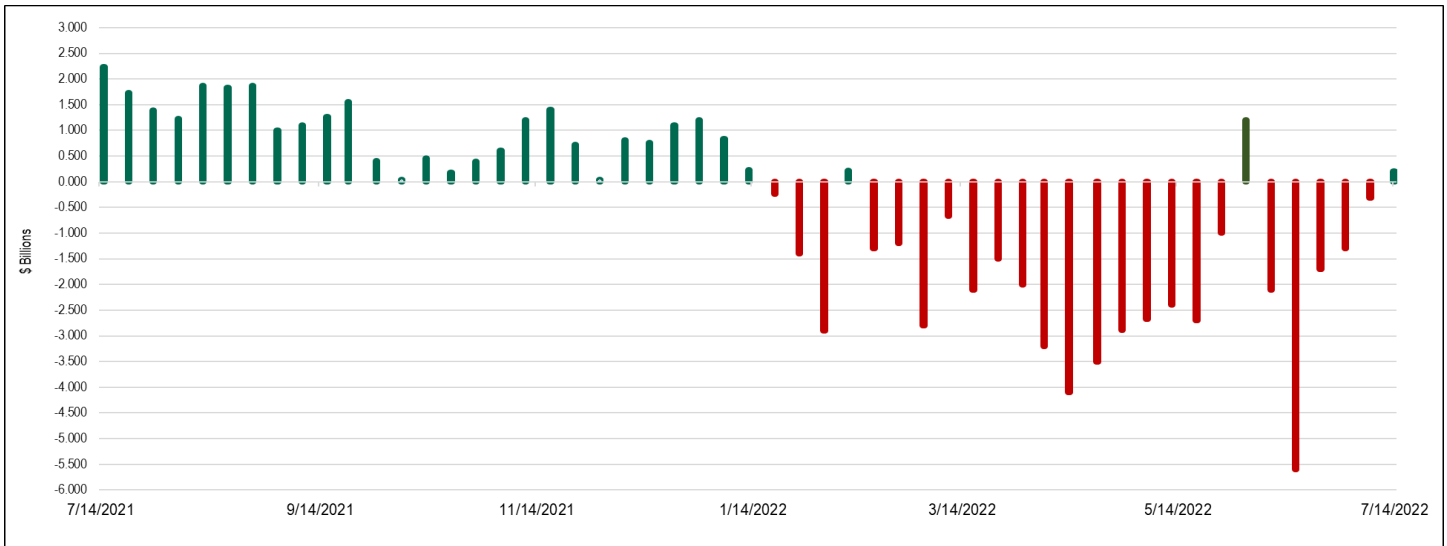
INTEREST RATE SNAPSHOT

Benchmark	Maturity	7/15/2022 AAA MMD	Change from Last Week (bps)	7/15/2022 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	1.40	-7	3.12	+16	44.87%	7/15/2022	0.69	\$206	2.16	3.98
2	2024	1.70	-9	3.13	+1	54.31%	7/8/2022	0.78	(\$313)	1.87	3.66
3	2025	1.82	-9	3.14	+0	57.96%	7/1/2022	0.91	(\$1,300)	1.79	3.62
5	2027	2.00	-5	3.05	-8	65.57%					
10	2032	2.44	-5	2.93	-16	83.28%					
20	2042	2.84	-3	3.34	-19	85.03%					
30	2052	2.98	-3	3.10	-17	96.13%					

MUNICIPAL FUND FLOWS

Week Ended 7/14/2022 saw inflows of \$206 million, 1st Consecutive Week of Inflows

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
709.785	Main Street Natural Gas, Inc.	GA	Gas Supply Revenue Bonds
598.920	Central Plains Energy Project	NE	Gas Project Revenue Bonds
557.285	*New York City Transitional Finance Authority	NY	Building Aid Revenue Bonds
251.780	The Metropolitan Water District of Southern California	CA	Water Revenue Refunding Bonds
181.700	Humble Independent School District	TX	Unlimited Tax School Building Bonds
181.670	New York City Housing Development Corporation	NY	Multi-Family Housing Revenue Bonds
135.420	The Metropolitan Water District of Southern California	CA	Special Variable Rate Water Revenue Refunding Bonds
127.890	Cypress-Fairbanks Independent School District	TX	Unlimited Tax Refunding Bonds
108.030	McKinney Independent School District	TX	Unlimited Tax School Building and Refunding Bonds
100.000	Indiana Finance Authority	IN	Hospital Revenue Bonds
87.125	City of Albuquerque	NM	General Obligation Bonds
81.555	Fort Bend Independent School District	TX	Variable Rate Unlimited Tax Refunding Bonds
75.000	North Dakota Housing Finance Agency	ND	Housing Finance Program Bonds (Social)
73.090	Fredericksburg Independent School District	TX	Unlimited Tax School Building Bonds
61.900	City of Cedar Park	TX	General Obligation Bonds
56.300	City of Mesa	AZ	Utility Systems Revenue Refunding Obligations

*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

	District of Columbia				Dallas Fort Worth International Airport				Colorado Health Facilities Authority			
Issuer	DC				Tx				CO			
State	7/1/2032				11/1/2032				8/1/2022			
Call	Tax-Exempt				Tax-Exempt				Tax-Exempt			
Tax Status	648.860				553.760				499.275			
Size (\$mm)	Aa1/AAA/AA+				A1/A+/A+/AA				Aa1/AA+			
Ratings	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
	2031-2042	5.00	2.60-3.33	16-46	2023-2040	5.00	1.64-3.58	4-78	2024-2052	5.00	1.87-3.80	17-82
	2047	5.50	3.29	33	2041-2045	4.00	4.01-4.13	116-120	2052	4.00	4.19	121
	2047	5.00	3.44	48	2050	5.00	3.81	82				

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
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 10:00 AM Leading Economic Indicators	9:45 AM S&P Global U.S. Manufacturing / Services PMI
25-Jul	26-Jul	27-Jul	28-Jul	29-Jul
8:30 AM Chicago FED National Activity Index	10:00 AM Consumer Confidence Index 10:00 AM New Home Sales (SAAR)	2:00 PM Fed Funds Target Rate 2:30 PM FED Chair Jerome Powell Press Conference	8:30 AM Gross Domestic Product, First Release (SAAR) 8:30 AM Initial/Continuing Jobless Claims	8:30 AM PCE Inflation Index/Core PCE Price Index 10:00 AM Umich Consumer Sentiment Index (Final)