



CABRERA CAPITAL MARKETS LLC

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MUNICIPAL MARKET UPDATE

Public Finance

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PRIMARY MARKET ACTIVITY

The municipal bond market experienced some challenges last week with rates increasing anywhere from 5 to 13 basis points across the curve. The 1-year, 5-year, 10-year, 20-year, and 30-year municipal benchmark yields ended the week at 3.25%, 2.84%, 2.84%, 3.59% and 3.82%, respectively. The most challenging part of the yield curve continues to be the 2028-2033 range where some investors are hesitant to put money to work in the lowest yielding part of the inverted curve. Last week Cabrera Capital was Lead Manager on a \$241 million DFW Airport transaction with a 10-year amortization, which was in that difficult range of the curve. Cabrera ended up decreasing spreads, making slight concessions, and committing capital in what ended up being a very successful transaction for DFW International Airport. Moreover, outflows returned last week to the tune of -\$264 million after \$278 million of inflows the week prior; weekly SIFMA continued the rollercoaster ride settling up 30 basis points to 3.30%. Overall, August has been a difficult month for municipals, and if the month finishes the way it has started, this will mark the fourth year in a row municipal bonds have lost ground in August. Additionally, FOMC minutes were released last week, which reported that most FOMC members agree inflation continues to pose a threat and believe rate hikes will be necessary to dampen the potential threat for further inflation increases. The current Fed Funds rate is at a range of 5.25%-5.50% which is the highest rate in 22 years. The CME Fed Watch tool is prognosticating an 89% change of a no rate hike on September 20th.

In the taxable market, the 5-year, 10-year and 30-year Treasury yields ended the week higher by anywhere from 2-9 basis points at 4.38%, 4.26% and 4.38%, respectively. Treasury Bills ended the week steady with the 1-month to 1-year rates ranging from 5.35% to 5.55%; on Thursday, the 10-year Treasury rate hit a 10-month high of 4.30%.

The calendar this week is manageable with deals from the State of Michigan DoT for \$1.2 billion (Cabrera Co-Manager), New York TFA for \$1 billion (Cabrera Co-Manager), the City of Brownsville for \$29 million (Cabrera Co-Manager), the City of San Antonio for \$530 million, Pennsylvania Turnpike for \$631 million (Fixed and FRN's), DASNY for \$111 million, Celina ISD for \$100 million, Contra Costa Water District for \$80 million, and Denton County for \$14 million, amongst others.

Last week in the primary market, the Dallas Fort Worth Airport priced a \$691 million Tax-Exempt issue and a \$241 million AMT issue. The Tax-Exempt deal was 2x - 12.5x oversubscribed and bumped 0-11 basis points. The AMT issue had mixed results with oversubscription on the short end and balances in the 10-year area. The deal was bumped 2-3 basis points upfront and cut 3 basis points in 2031 and 2032. The City of Atlanta priced a \$700 million Tax-Exempt and AMT issues. The Tax-Exempt deal was oversubscribed throughout and bumped as much as 17 basis points. The current settle AMT series was unchanged throughout and the October settle issue was bumped as much as 3 basis points in spots. The Regents of the University of California priced a \$586 million Tax-Exempt issue and a \$120 million Taxable issue. The Tax-Exempt issue restructured their par amounts to get the deal done and the Taxable issue was oversubscribed and tightened by 10 basis points. The City of Chicago priced a \$171 million O'Hare Airport issue. The deal was oversubscribed throughout and bumped 4-12 basis points. The Los Angeles USD priced a \$381 million Tax-Exempt issue. The deal was 4.6x oversubscribed and bumped as much as 10 basis points from Retail pricing to Final pricing. This week's calendar is \$7.5 billion with a \$1.2 billion State of Michigan deal leading the calendar.



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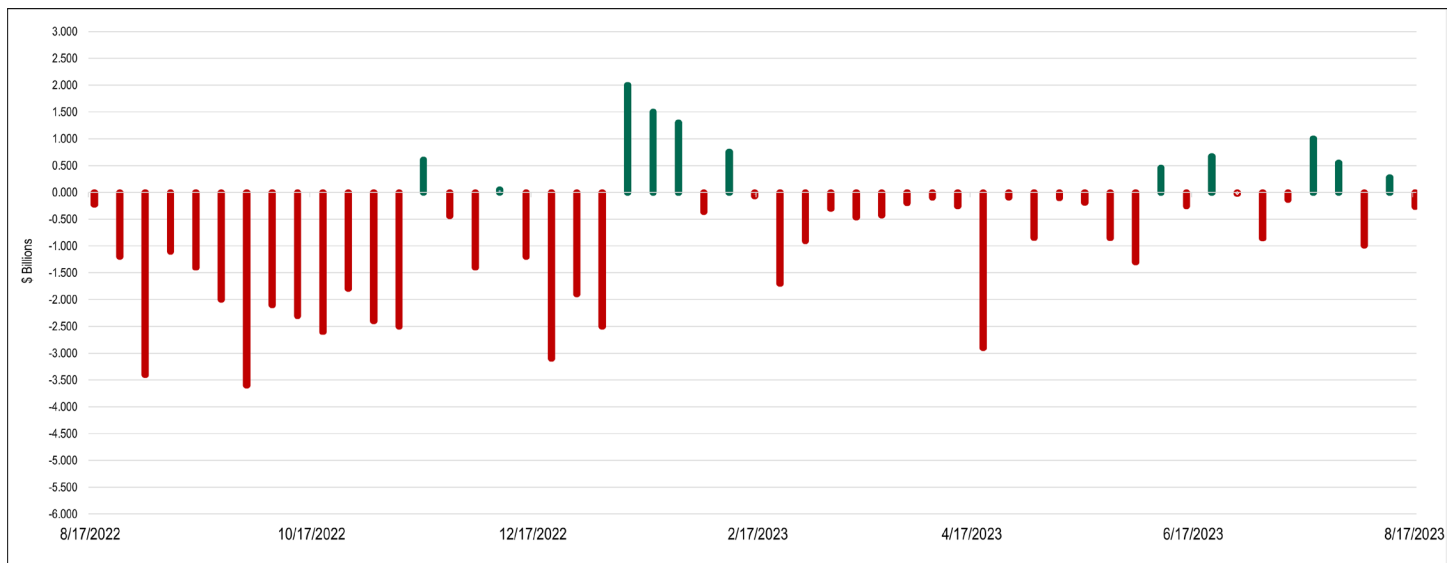
INTEREST RATE SNAPSHOT

Benchmark	Maturity	8/18/2023 AAA MMD	Change from Last Week (bps)	8/18/2023 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	2024	3.25	- 1	5.35	- 1	60.75%	8/18/2023	3.30	(\$264)	5.43	0.00
2	2025	3.15	+ 5	4.92	+ 3	64.02%	8/11/2023	3.00	\$278	5.43	0.00
3	2026	2.98	+ 5	4.63	+ 7	64.36%	8/4/2023	3.49	(\$990)	5.43	0.00
5	2028	2.84	+ 7	4.38	+ 7	64.84%					
10	2033	2.84	+ 14	4.26	+ 10	66.67%					
20	2043	3.59	+ 13	4.55	+ 10	78.90%					
30	2053	3.82	+ 13	4.38	+ 11	87.21%					

MUNICIPAL FUND FLOWS

Week Ended 8/18/2023 saw outflows of \$264 million

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
1,182.220	State of Michigan	MI	State Trunk Line Fund Bonds
1,000.000	New York City Transitional Finance Authority	NY	Future Tax Secured Tax-Exempt Subordinate Bonds
529.780	City of San Antonio	TX	General Improv Bonds, Combination Tax & Rev Certs of Obligation
400.000	Pennsylvania Turnpike Commission	PA	Turnpike Revenue Bonds
308.190	Sacramento Transportation Authority	CA	Measure A Sales Tax Revenue Refunding Bonds
200.000	Texas Department of Housing and Community Affairs	TX	Residential Mortgage Revenue Bonds
185.000	Wisconsin Housing and Economic Development Authority	WI	Home Ownership Revenue Bonds
145.000	Ohio Housing Finance Agency	OH	Residential Mortgage Revenue Bonds
143.830	City of Dallas Housing Finance Corporation	TX	Residential Development Revenue Bonds
126.065	South Carolina Jobs-Economic Development Authority	SC	Hospital Revenue Bonds
113.215	California Infrastructure and Economic Development Bank	CA	Revenue Refunding Bonds
111.355	Dormitory Authority of the State of New York	NY	State University of New York Dormitory Facilities Revenue Bonds
100.000	Indiana Finance Authority	IN	State Revolving Fund Program Bonds
88.540	Massachusetts Development Finance Agency	MA	Revenue Bonds
80.260	Contra Costa Water District	CA	Water Revenue Refunding Bonds



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NOTABLE FIXED DEALS FROM LAST WEEK

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

Issuer	Dallas Forth Worth Int'l Airport				Dallas Forth Worth Int'l Airport				The City of Atlanta			
State	TX				TX				GA			
Call	N/A				11/1/2033				7/1/2033			
Tax Status	AMT				Non-AMT				AMT			
Size (\$mm)	241.270				693.165				256.225			
Ratings	A1/A+/A+/AA				A1/A+/A+/AA				Aa3/AA-/AA+			
	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
	2024	5.000	3.990	77	2024	5.00	3.53	29	2024	5.00	3.99	75
	2025	5.000	3.930	87	2025	5.00	3.42	36	2030	5.00	3.61	95
	2026	5.000	3.840	93	2026	5.00	3.27	36	2031	5.00	3.57	95
	2027	5.000	3.790	98	2027	5.00	3.19	38	2032	5.00	3.58	95
	2028	5.000	3.800	103	2028	5.00	3.19	42	2033	5.00	3.65	95
	2029	5.000	3.830	110	2029	5.00	3.27	56	2034	5.00	3.72	95
	2030	5.000	3.850	115	2030	5.00	3.31	65	2035	5.00	3.80	95
	2031	5.000	3.850	118	2031	5.00	3.32	70	2036	5.00	3.90	92
	2032	5.000	3.860	118	2032	5.00	3.33	70	2037	5.00	4.01	89
	2033	5.000	3.920	115	2033	5.00	3.41	69	2038	5.00	4.10	87
					2034	5.00	3.46	66	2039	5.00	4.16	89
					2035	5.00	3.51	63	2040	5.00	4.22	91
					2036	5.00	3.59	59	2041	5.25	4.20	84
					2037	5.00	3.68	56	2042	5.25	4.25	83
					2038	5.00	3.79	56	2043	5.25	4.30	84
					2039	5.00	3.87	60	2044	5.25	4.37	88
					2040	5.00	3.98	67				
					2041	5.00	4.06	67				
					2042	5.00	4.05	63				

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
21-Aug	22-Aug	23-Aug	24-Aug	25-Aug
None Scheduled	10:00 AM Existing Home Sales	9:45 AM S&P Flash U.S. Services PMI	8:30 AM Initial Jobless Claims	10:00 AM U Mich Consumer Sentiment, Final
		9:45 AM S&P Flash U.S. Manufacturing PMI	8:30 AM Durable-Goods Orders	
28-Aug	29-Aug	30-Aug	31-Aug	1-Sep
9:30 AM Dallas Fed Manufacturing Index	9:00 AM JOLTs Job Openings	6:00 AM MBA 30-Year Mortgage Rate	7:30 AM Core PCE Price Index MoM	None Scheduled
		7:30 AM Goods Trade Balance Adv	7:30 AM Personal Income MoM	
		7:30 AM Corporate Profits QoQ Prel	7:30 AM Personal Spending MoM	