



## CABRERA CAPITAL MARKETS

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# MUNICIPAL MARKET UPDATE

### Public Finance

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## PRIMARY MARKET ACTIVITY

What a roller coaster of a week in municipal bonds. We started off the week with a sizable muni rally after the jobs report the week prior, which was followed by a sizable market correction that lasted from Tuesday-Thursday. The yield curve continues to unwind the inversion, the 1 year, 5 year, 10 year, 20 year and 30 year benchmark municipal rates were down as much as 2 basis points on the short end, and up as much as 8-9 bps 10 years and longer ending the week at 2.68%, 2.59%, 2.70%, 3.30% and 3.58%. Benchmark rates are down in the past month in the 2 year, 10 year, 20 year and 30 year maturities by 38 bps, 27 bps, 15 bps and 15 bps. But the story last week was also about the widening of pricing spreads across the curve which we saw as the week progressed, widening out anywhere from 5-15 bps in the span of a week. The volatility last week was in the face of what was one of the busiest volume weeks of the year. This week's volume is lighter and with the CPI/Inflation release on Wednesday, deals in the market this week will be front loaded, including a \$35 million Alice ISD Lead Managed Cabrera Capital transaction. We have been on an impressive run of muni fund inflows and last week was no different with \$671 million of reported inflows; short term SIFMA reset last week down to settle at 3.03%.

Treasuries last week were similarly weaker for the week which was exhibited by a weak Treasury auction, the 5 year, 10 year and 30 year Treasury were up by 18 bps to 3.80%, up by 14 bps to 3.94% and up by 12 bps to 4.23%, however similar to munis, rates did begin to settle by Friday. 5 year, 10 year and 30 year Muni/Treasury ratios ended the week at 68%, 69% and 85%. Deals in the market this week include Alice ISD \$35 million (Cabrera Lead Manager), Triborough Bridge and Tunnel Authority \$700 million, City of Chicago \$625 million (Cabrera Co-Senior), Pennsylvania Turnpike Commission \$278 million (Cabrera Co-Manager), University of Houston \$266 million, Reno Tahoe Airport Authority \$234 million, VIA Metro \$144 million (Cabrera Co-Manager), Castleberry ISD \$84 million, Pomona USD \$41 million, among others.

Last week in the Primary market, the long end of the curve had a challenging time in the volatile market. The City of Atlanta, Georgia (Aa3/NR/AA-/AA+) priced \$251 million Tax Exempt and \$161 million AMT General Revenue deals. The short end of the Tax-Exempt deals did well, with bumps of 3-10 basis points, but the long end had to be cheapened by 2-5 basis points. The AMT deal had bumps of as much as 5 basis points on the short end, and the long end was unchanged. The Lower Colorado River Authority, Texas (AGM NR/AA/NR/NR, underlying NR/A/A+/NR) priced \$347 million in Transmission Contract Refunding bonds. The deal had a 2-3 basis point bump on the short on the curve but had to cheapen 5 basis points on the term bonds. The Long Island Power Authority (A2/A/A+/NR) priced \$718 million Electric System General Revenue Bonds. The deal was heavily oversubscribed throughout 10 years and bumped as much as 10 basis points. Past 10 years, bumps ranged 1-3 basis points. The Trustees of California State University (Aa2/AA-/NR/NR) priced \$646 million Tax-Exempt System Revenue Bonds. The deal garnered \$687 million in retail orders. The deal had to get 3-10 cheaper from 2035-2044, coupons were restructured on the terms to include 4% and 5.5%, and the terms were cheapened as much as 10 basis points. Cook County, Illinois (NR/AA-/AA/AAA) priced \$164 million in Sales Tax Revenue Bond. The deal was well received and bumped as much as 9 basis points.



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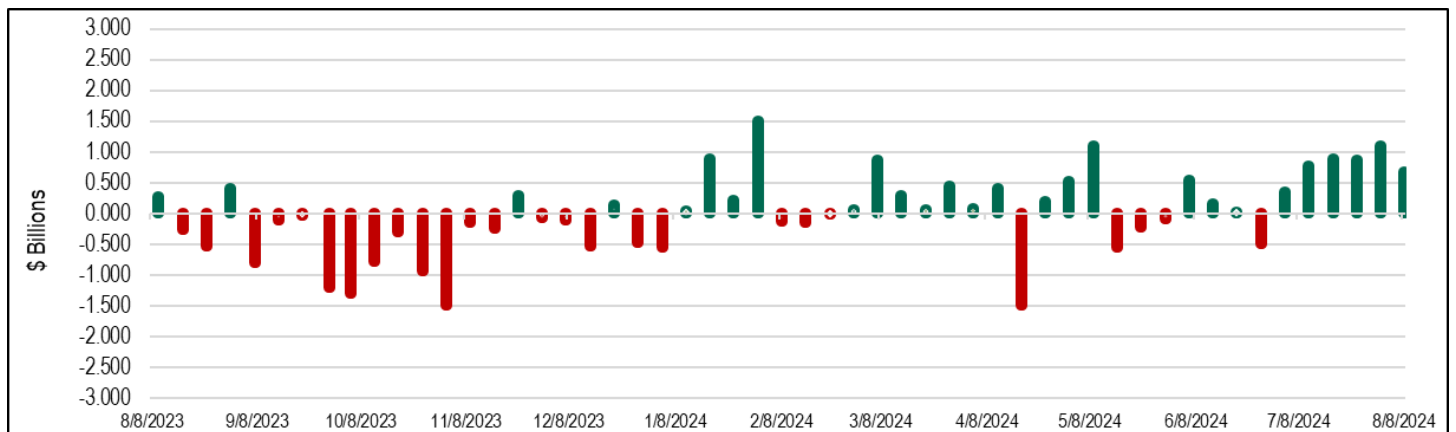
### INTEREST RATE SNAPSHOT

Benchmark	Maturity	8/9/2024 AAA MMD	Change from Last Week (bps)	8/9/2024 U.S. Treasury	Change from Last Week (bps)	Muni/UST Ratio	Date of Week End	SIFMA Index	Municipal Fund Flow (in Millions)
1	2025	2.68	-2	4.50	+17	59.56%	8/9/2024	3.03	\$671
2	2026	2.64	-4	4.05	+17	65.19%	8/2/2024	3.51	\$1,100
3	2027	2.63	-	3.86	+16	68.13%	7/26/2024	3.61	\$866
5	2029	2.59	-	3.80	+18	68.16%	7/19/2024	2.66	\$891
10	2034	2.70	+6	3.94	+14	68.53%	7/12/2024	2.57	\$775
20	2044	3.30	+8	4.33	+14	76.21%	7/5/2024	2.98	\$343
30	2054	3.58	+8	4.23	+12	84.63%	6/28/2024	3.88	(\$498)

### MUNICIPAL FUND FLOWS

Week Ended 8/9/2024 saw inflows of \$671 million

Source: Lipper



### UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
1,000.000	California Community Choice Financing Authority	CA	Clean Energy Project Revenue Bonds
7,000.000	Triborough Bridge And Tunnel Authority	NY	General Revenue Bonds
<b>278.845</b>	<b>Pennsylvania Turnpike Commission *</b>	<b>PA</b>	<b>Turnpike Revenue Refunding Bonds</b>
266.810	Board Of Regents Of The University Of Houston System	TX	Consolidated Revenue And Refunding Bonds
246.190	City Of Jacksonville	FL	Special Revenue And Refunding Bonds
234.515	New Jersey Health Care Facilities Financing Authority	NJ	Revenue And Refunding Bonds
234.510	Reno-Tahoe Airport Authority	NV	Airport Revenue Bonds
204.630	Cabarrus County Development Corporation	NC	Limited Obligation Refunding Bonds
<b>144.520</b>	<b>VIA Metropolitan Transit Advanced Transportation District *</b>	<b>TX</b>	<b>Sales Tax Revenue Bonds</b>
121.695	State Of Ohio	OH	Major New State Infrastructure Project Revenue Bonds
105.275	Greenville-Spartanburg Airport District	SC	Airport Revenue Bonds
90.270	University Of South Alabama	AL	University Facilities Revenue Bonds
60.000	Maine State Housing Authority	ME	Mortgage Purchase Bonds
50.050	Lebanon Middle School Building Corporation	IN	Ad Valorem Property Tax First Mortgage Bonds
47.375	Maryland Department Of Housing And Community Development	MD	Residential Revenue Bonds
37.445	Baldwin County	AL	General Obligation Economic Development Warrants
<b>34.355</b>	<b>Alice Independent School District **</b>	<b>TX</b>	<b>Unlimited Tax School Building Bonds</b>
33.425	The City Of Loudon	TN	Water And Sewer System Revenue Bonds

\*Cabrera will serve as Co-Manager

\*\*Cabrera will serve as Senior Manager

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### NOTABLE FIXED DEALS FROM LAST WEEK

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

California State University*				Long Island Power Authority (LIPA)				Northwest ISD			
CA				NY				TX			
11/1/2034				9/1/2034				2/15/2033			
Tax-Exempt				Tax-Exempt				Tax-Exempt			
659.325				717.040				370.710			
Aa2/AA-				A2/A/A+				Aa2			
Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
2025-2037	5.000	3.530-3.860	(-1)-(-24)	2025-2036	5.000	2.610-2.890	3-24	2025-2037	5.000	2.690-3.010	16-38
2038	5.000	2.840	1	2037	4.000	3.060	36	2038	5.000	3.080	38
2039	5.000	2.920	1	2037	5.000	2.920	22	2039	5.000	3.120	34
2040-2044	5.000	3.020-3.360	3-10	2038	4.000	3.210	48	2040-2044	5.000	3.190-3.460	30-35
2045-2046	5.500	3.390-3.430	10	2038	5.000	2.980	25	2049	4.000	4.070	75
2049	4.000	4.150	70	2039	4.000	3.230	42	2049	5.000	3.730	41
2049	5.500	3.570	12	2039-2044	5.000	3.030-3.470	22-32				
2055	4.000	4.200	67	2049	5.000	3.680	33				
2055	5.500	3.650	12	2054	5.000	3.780	35				
				2054	5.250	3.720	29				

\*Cabrera served as Co-Manager

### ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
12-Aug	13-Aug	14-Aug	15-Aug	16-Aug
2:00 PM Monthly U.S. federal budget	8:30 AM PPI year over year	8:30 AM CPI year over year	8:30 AM Initial jobless claims	8:30 AM Housing starts
	8:30 AM Core PPI year over year	8:30 AM Consumer price index	8:30 AM U.S. retail sales	
19-Aug	20-Aug	21-Aug	22-Aug	23-Aug
10:00 AM U.S. leading economic indicators	None scheduled	2:00 PM Minutes of Fed's July FOMC meeting	8:30 AM Initial jobless claims	10:00 AM New home sales
			10:00 AM Existing home sales	