



CABRERA CAPITAL MARKETS

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MUNICIPAL MARKET UPDATE

Public Finance

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PRIMARY MARKET ACTIVITY

The municipal bond market continues to trend in a positive direction with primary market deals witnessing significant liquidity as we enter another sizable bond redemption month. The highlight of the week was Thursday and Friday when we saw a sizable municipal bond and fixed income rally as a result of both the tone of Jerome Powell's sentiments regarding the Fed Funds rate, he stated, "A rate cut could be on the table in the September meeting"; also, the unemployment rate jumped to 4.3% from 4.1% the prior month and the labor market added only 114,000 jobs which came in 60,000 less than expected. This economic news sustained the fixed income rally and by market close on Friday, municipal rates were down for the week from 16-18 basis points. The 1 year, 5 year, 10 year, 20 year and 30 year municipal benchmark rates closed the week at 2.70%, 2.59%, 2.64%, 3.22% and 3.50%. The resulting weaker economic releases have now increased the chance of a 50-basis point rate cut on September 18th to 70%, versus a 25 basis point cut, currently at 30% - either way, a rate cut will more than likely be in the cards on September 18th. Municipal bond fund flows were strong at \$1.1 billion, which was the 5th week in a row of positive fund flows.

Treasuries rallied substantially last week on the economic news, hitting year-to-date lows. As an example, the lowest point the 10 year Treasury closed YTD before Friday was 3.91% on January 3rd, 2024, the 10 year closed on Friday at 3.80%. The 5 year, 10 year and 30 year closed for the week 3.62%, 3.80% and 4.11%; ratio's ended the week in those same maturities at 71%, 69% and 85% respectively. This is a busy week in the market with deals from Long Island Power Authority \$1 billion, Cal State University \$682 million, City of Chicago \$643 million (Co-Senior), Northwest ISD \$399 million, Colorado Springs Utilities \$385 million, City of Atlanta airport \$379 million, Lower Colorado River Authority \$361 million, LA DWP \$355 million, Fort Bend County \$268 million, Cook County \$168 million, and many others.

Last week in the primary market, the City of New York (Aa2/AA/AA/AA+) priced a \$1.1 Billion General Obligation issue. The deal garnered \$475 million in retail orders. The deal did enter the institutional as much as 3 basis points cheaper than the retail order period. The institutional order period was well received, and yields were bumped as much as 5 basis points. The Port of Seattle (A1/AA-/AA-) priced a \$820 million Intermediate Lien Revenue and Revenue Refunding bonds, AMT, and Non-AMT issues. The \$650 million AMT issue was oversubscribed in spots and bumped as much as 5 basis points and the \$170 million Non-AMT issue, was oversubscribed throughout and bumped 5-12 basis points. The Georgetown Independent School District, Texas (PSF Aaa/AAA/NR/NR, Aa1/AA/NR/NR) priced a \$283 million Unlimited Tax School Building issue. The deal was 1-9 times oversubscribed and yields were bumped as much as 8 basis points. The Port of Portland, Oregon Portland International Airport (NR/AA-/AA-/NR) priced a \$589 million AMT Revenue deal. The deal was largely unchanged with a few maturities bumped 2-3 basis points.



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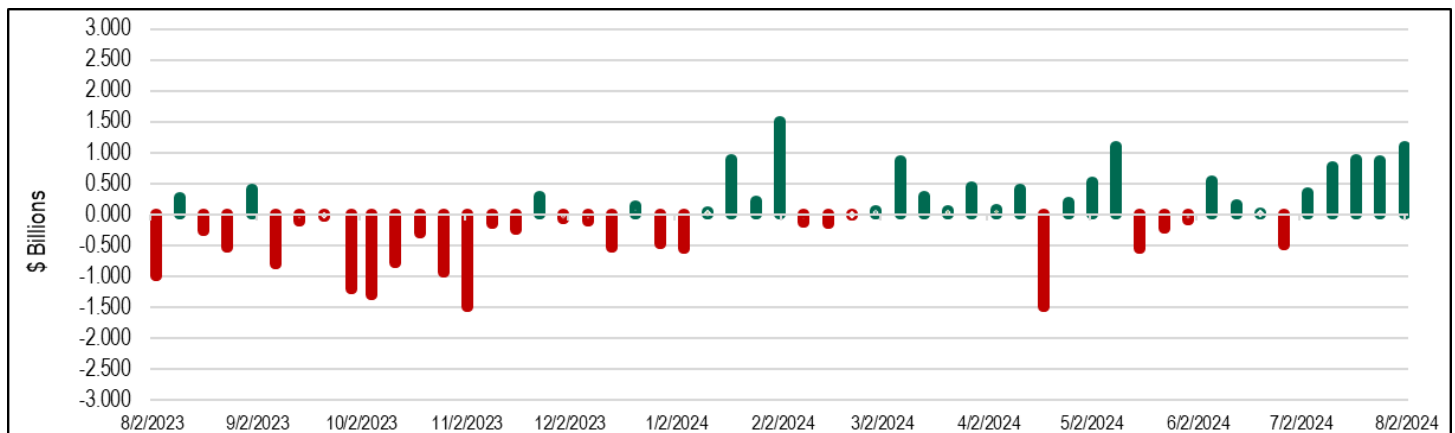
INTEREST RATE SNAPSHOT

Benchmark	Maturity	8/2/2024 AAA MMD	Change from Last Week (bps)	8/2/2024 U.S. Treasury	Change from Last Week (bps)	Muni/UST Ratio	Date of Week End	SIFMA Index	Municipal Fund Flow (in Millions)
1	2025	2.70	- 18	4.33	- 46	62.36%	8/2/2024	3.51	\$1,100
2	2026	2.68	- 17	3.88	- 48	69.07%	7/26/2024	3.61	\$866
3	2027	2.63	- 16	3.70	- 50	71.08%	7/19/2024	2.66	\$891
5	2029	2.59	- 16	3.62	- 44	71.55%	7/12/2024	2.57	\$775
10	2034	2.64	- 18	3.80	- 40	69.47%	7/5/2024	2.98	\$343
20	2044	3.22	- 18	4.19	- 34	76.85%	6/28/2024	3.88	(\$498)
30	2054	3.50	- 18	4.11	- 34	85.16%	6/21/2024	4.09	\$16

MUNICIPAL FUND FLOWS

Week Ended 8/2/2024 saw inflows of \$1,100 million

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
1,320.850	Louisiana Public Facilities Authority	LA	Senior Lien Revenue Bonds
1,021.230	Long Island Power Authority	NY	Electric System General Revenue Bonds
985.000	Florida Development Finance Corporation	FL	Revenue Bonds
682.300	Trustees Of The California State University *	CA	Systemwide Revenue Bonds
643.110	City Of Chicago **	IL	General Obligation Bonds
483.875	Hillsborough County Aviation Authority	FL	Revenue Bonds
399.125	Northwest Independent School District	TX	Unlimited Tax School Building Bonds
398.990	University Of Colorado Authority	CO	Revenue And Refunding Revenue Bonds
389.565	California Statewide Communities Development Authority	CA	Revenue Bonds
385.200	City Of Colorado Springs	CO	Utilities System Improvement Revenue Bonds
379.950	City Of Atlanta	GA	Airport General Revenue Bonds
361.595	Allegheny County Sanitary Authority	PA	Sewer Revenue Bonds
361.305	Lower Colorado River Authority	TX	Transmission Contract Refunding Revenue Bonds
355.300	Department Of Water And Power Of The City Of Los Angeles	CA	Power System Revenue Bonds
322.565	The Health, Educational & Housing Facility Board Of The City Of Chattanooga	TN	Health System Revenue Bonds
281.020	Illinois Finance Authority	IL	Revenue Refunding Bonds
220.745	Los Angeles County Facilities **	CA	Lease Revenue Bonds
204.630	Cabarrus County Development Corporation	NC	Limited Obligation Refunding Bonds

*Cabrera will serve as Co-Senior Manager

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NOTABLE FIXED DEALS FROM LAST WEEK

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

Port of Seattle				City of New York				The Port of Portland (Portland International Airport Only)			
WA				NY				OR			
7/1/2024				8/1/2024				7/1/2024			
Tax-Exempt				Tax-Exempt				Tax-Exempt			
648.940				1,081.930				518.260			
A1/AA-/AA-				Aa2/AA/AA/AA+				AA-/AA-			
Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
2025-2038	5.000	3.530-3.860	70-104	2025-2038	5.000	3.000-3.250	14-36	2029-2039	5.000	3.490-3.770	74-92
2039-2044	5.250	4.180-3.930	84-93					2040-2045	5.250	3.940-4.160	72-80
2049	5.250	4.300	76					2049	5.250	4.290	69
								2054	5.250	4.350	67

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
5-Aug	6-Aug	7-Aug	8-Aug	9-Aug
9:45 AM S&P final U.S. services PMI	8:30 AM U.S. trade deficit	3:00 PM Consumer credit	8:30 AM Initial jobless claims	None scheduled
10:00 AM ISM services			10:00 AM Wholesale inventories	
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	
			10:00 AM Business inventories	