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MUNICIPAL MARKET UPDATE

Public Finance

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PRIMARY MARKET ACTIVITY

Last week municipal bond yields increased in years 2031-2053 anywhere from 2 to 7 basis points and were steady in years 2024-2030. The 1-year, 5-year, 10-year, 20-year and 30-year municipal bond benchmark rates closed on Friday at 3.25%, 2.88%, 2.98%, 3.71% and 3.92%, respectively. The market was fairly choppy last week even in the face of a lighter than average calendar; the \$2.5 billion State of California had to get wider in spots as did some other transactions that were in the market. Municipal fund outflows were representative of this weakness as we saw nearly \$800 million in municipal fund outflows last week. SIFMA decreased by 65 basis points to 3.41%. In Fed news, multiple policy makers made comments that led the market to believe the Fed Funds rates may remain steady the remainder of the year. On Thursday, NY Fed President John Williams stated that the current Fed policy is "in a good place", which reinforced the policy makers' previous statements. However, he also stated that the FOMC will be guided by economic data. The next CPI release is scheduled for this Wednesday, 9/13, followed by an FOMC rate decision on 9/20 – which almost certainly will remain steady at 5.25%-5.50%. The next FOMC rate decision dates for the remainder of the year will be on 11/1 and 12/13; the pending CPI release dates will be 10/12, 11/14 and 12/12. One item to keep an eye on is the fact that credit card and auto loans delinquencies have risen in recent months; this is an important data point as over \$7 billion in student debt loans commence in October.

Treasuries this past week were mixed to steady with not a lot of movement from the prior week. The 5-year, 10-year and 30-year treasury rates ended the week at 4.39%, 4.26% and 4.33%, respectively. The 1-month to 1-year T-Bill rates have been in the same trading band of 5.42% to 5.60% since early July. This week's calendar is light at approximately \$6 billion with deals from Dormitory Authority SNY at \$1.7 billion (Cabrera Capital Co-Manager), a \$437 million Ohio State University issue, a Charlotte Airport \$372 million issue, a City of Austin \$257 million transaction, an Ohio Water Development Authority \$150 million deal, a State of Oregon Housing \$147 million issue, a Colorado Regional Transportation District \$113 million deal and a San Bernadino USD \$53 million transaction amongst others.



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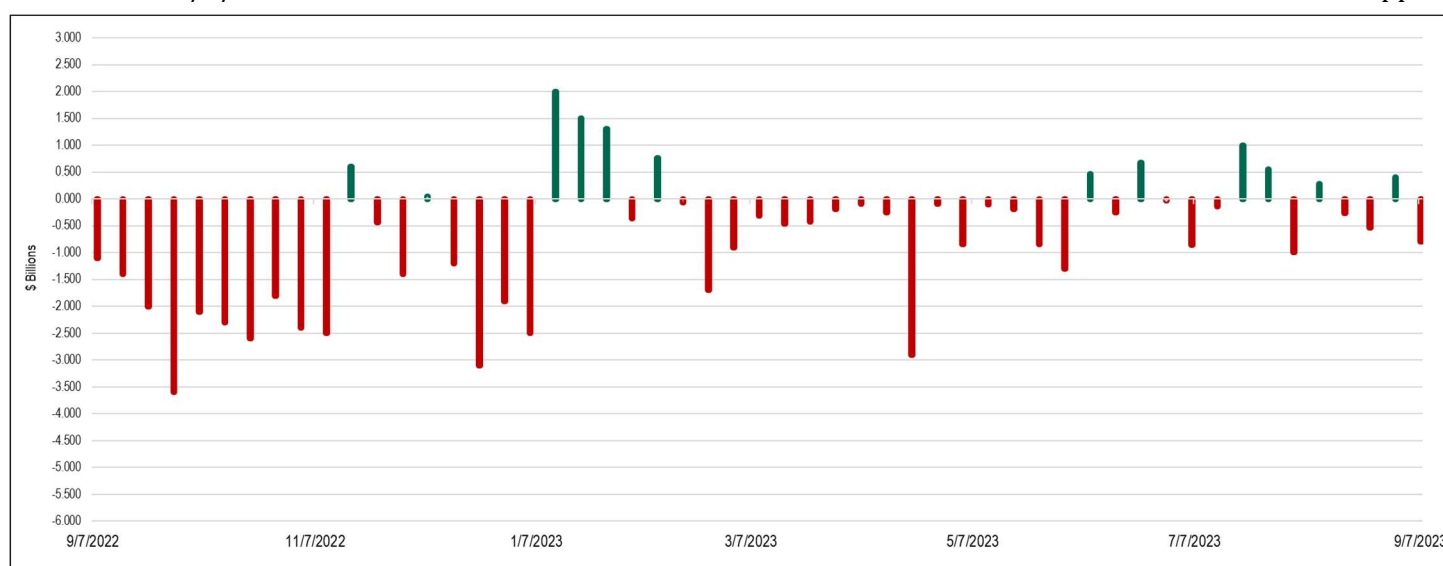
INTEREST RATE SNAPSHOT

Benchmark	Maturity	9/8/2023 AAA MMD	Change from Last Week (bps)	9/8/2023 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	-	5.42	+ 6	59.96%	9/8/2023	3.41	(\$798)	5.44	0.00
2	2025	3.13	-	4.98	+ 11	62.85%	9/1/2023	4.06	\$408	5.44	0.00
3	2026	3.01	-	4.68	+ 11	64.32%	8/25/2023	4.47	(\$534)	5.44	0.00
5	2028	2.88	-	4.39	+ 10	65.60%					
10	2033	2.98	+ 4	4.26	+ 8	69.95%					
20	2043	3.71	+ 6	4.52	+ 4	82.08%					
30	2053	3.92	+ 4	4.33	+ 4	90.53%					

MUNICIPAL FUND FLOWS

Week Ended 9/8/2023 saw outflows of \$798 million

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
621.255	Central Plains Energy Project	NE	Gas Project Revenue Refunding Bonds
437.465	The Ohio State University	OH	General Receipts Bonds
372.115	City of Charlotte	NC	Airport Revenue Bonds
261.800	California Health Facilities Financing Authority	CA	Revenue Bonds
258.780	The Ohio State University	OH	Variable Rate General Receipts Refunding Bonds
257.425	The City of Austin	TX	Public Improvement and Refunding Bonds
188.835	The City and County of Honolulu	HI	Wastewater System Revenue Bonds
150.000	Industrial Development Authority	VA	General Obligation Bonds
150.000	Ohio Water Development Authority	OH	Drinking Water Assistance Fund Revenue Bonds
147.665	State of Oregon	OR	Mortgage Revenue Bonds
143.829	City of Dallas Housing Finance Corporation	TX	Residential Development Revenue Bonds
127.040	IPS Multi-School Building Corporation	ID	Unlimited Ad Valorem Property Tax First Mortgage Bonds
126.680	City of Grand Forks	ND	General Obligation Bonds
113.780	Regional Transportation District	CO	Sales Tax Revenue Refunding Bonds
107.360	Arlington Higher Education Finance Corporation	TX	Education Revenue Bonds
73.180	Public Hospital District No. 1	WA	Unlimited Tax General Obligation Bonds
69.300	School District No. 139	ID	General Obligation Bonds
53.345	San Bernardino City Unified School District	CA	Election of 2012 General Obligation Bonds



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NOTABLE FIXED DEALS FROM LAST WEEK

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

Issuer	*State of California				Pasadena ISD				Port Authority of New York & New Jersey (AMT)			
State	CA				TX				NY			
Call	9/1/2033				2/15/2033				12/1/2033			
Tax Status	Tax-Exempt				Tax-Exempt				Tax-Exempt			
Size (\$mm)	1,045.150				179.860				535.055			
Ratings	AA-/Aa2/AA				AA/Aa2				AA-/Aa3/AA-			
	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
	2026-2038	5.00	3.08-3.61	7-12	2025-2048	5.00	3.38-4.26	18-47	2024-2053	5.00	3.88-4.69	66-82
	2053	5.25	4.11	19	2053	4.25	4.52	65				

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
11-Sep	12-Sep	13-Sep	14-Sep	15-Sep
None Scheduled	None Scheduled	8:30 AM Consumer Price Index	8:30 AM Initial Jobless Claims 8:30 AM Producer Price Index	8:30 AM U.S. Import Prices
18-Sep	19-Sep	20-Sep	21-Sep	22-Sep
10:00 AM Home Builders Confidence Index	8:30 AM Housing Starts 8:30 AM Building Permits	2:00 PM Fed Interest-Rate Decision	8:30 AM Initial Jobless Claims 10:00 AM U.S. Leading Economic Indicators	8:30 AM S&P Flash U.S. Service PMI 8:30 AM S&P Flash U.S. Manufacturing PMI