



CABRERA CAPITAL
MARKETS

MUNICIPAL MARKET UPDATE

Public Finance

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PRIMARY MARKET ACTIVITY

The municipal market regained its footing this week with municipal rates stabilizing and primary market deals largely performing very well. Municipal benchmark rates remained in a tight range for the week, up by 2 basis points and down by three basis points across the curve. The 1 year, 5 year, 10 year, 20 year and 30 year ended the week at 2.80%, 2.92%, 3.15%, 3.85%, and 4.04%. After nearly two years of a muni yield curve inversion, and with the long end above 4%, the yield curve has taken on a more familiar shape - as such we may be witnessing some more put bonds in the market in 2025. The first couple weeks of the year have been indicative of such an increase with multiple puts already priced from both Dallas Independent School District and Round Rock Independent School District ranging from 1 year to 6 year puts. With the lack of deliberate direction in the market as of late, rates are likely to remain in a small trading band and may remain higher for longer, especially with the recent economic news and the unknowns with the new Presidential administration taking over just yesterday. This past week we saw \$251 million of municipal fund outflows, which followed \$849 million in muni fund inflows the week prior.

Treasuries decreased last week anywhere from 12-17 basis points; the 5 year, 10 year and 30 year Treasury bond rates ended the week at 4.42%, 4.61% and 4.84% respectively. In that same range, Municipal/Treasury ratios have improved over the last couple of weeks, closing the week at 66%, 68% and 83%. Once again Treasury notes were stable with the 1 month to 1 year note closing on Friday between 4.21% to 4.43%. It is another relatively busy week in the primary market with deals from University of California \$2 billion (Cabrera Co-Manager), Massachusetts Clean Water Trust \$541 million, Portland, OR \$508 million, City of Long Beach Harbor \$119 million, San Antonio Water System \$90 million and City of Lubbock \$56 million Water and Wastewater among others.

Deals priced last week include:

- ✦ The Airport Commission of the City and County of San Francisco (A1/AA-/A+/NR) priced \$989 million of Second Series Revenue Bonds between an \$883 million AMT series and \$105 million Non-AMT series. Both series did well following the preliminary order period: the AMT series was bumped 1 bps 2034-2055 and the Non-AMT series was bumped 4 bps in 2037.
- ✦ Sunnyvale ISD (PSF NR/AAA/NR/NR | Underlying NR/AA/NR/NR) priced \$103 million of Unlimited Tax School Building and Refunding Bond. The transaction was priced on the Wednesday of the CPI release, which sparked a significant rally in treasuries with yields down 10-15 bps. After the institutional order period, the transaction was heavily oversubscribed throughout, up to 15x 43-45 and 20x on the terms. The transaction was bumped 1-15 bps throughout the amortization, excluding in 2026.



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- ✦ The Triborough Bridge and Tunnel Authority (A1/A+/AA/NR) priced \$1.3 billion of Real Estate Transfer Tax and Revenue Bonds. The retail order period held on Tuesday garnered \$1.1 billion worth of orders and the scale was bumped 2-6 bps throughout excluding 2046-2048. The transaction did very well during the institutional order period, it was bumped 1-12 bps throughout the amortization and upsized to \$1.6 billion.
- ✦ The City of Seguin, TX (NR/AA/NR/NR) priced \$144 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation. After the initial order period, the transaction had balances of over \$65 million and held a second order period to try to clean up the unsold balances. Following the second order period, the transaction had balances of \$8.5 million and was cheapened 2-8 bps on the terms and 5.50% coupons were utilized 2037-2039.
- ✦ Jacksonville Electric Authority (Aa1/AA+/AA+/NR) priced \$532 million of Water and Sewer System Revenue Bonds. The transaction was bumped 2-7 bps throughout excluding 2025. The transaction did very well in the preliminary order period and was bumped another 2-8 bps, excluding the terms.

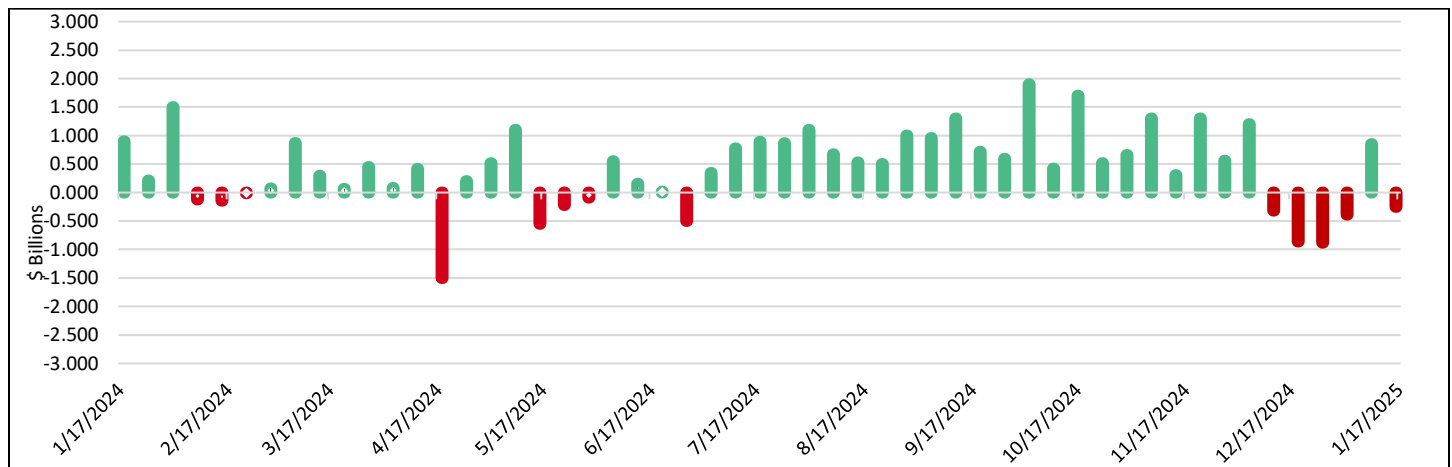
INTEREST RATE SNAPSHOT

Benchmark	Maturity	1/17/2025 AAA MMD	Change from Last Week (bps)	1/17/2025 U.S. Treasury	Change from Last Week (bps)	Muni/UST Ratio	Date of Week End	SIFMA Index	Municipal Fund Flow (in Millions)
1	2026	2.80	- 4	4.21	- 4	66.51%	1/17/2025	2.54	(\$251)
2	2027	2.82	- 5	4.27	- 13	66.04%	1/10/2025	1.83	\$849
3	2028	2.85	- 6	4.33	- 13	65.82%	1/3/2025	2.72	(\$387)
5	2030	2.92	- 4	4.42	- 17	66.06%	12/27/2024	3.62	(\$879)
10	2035	3.15	- 6	4.61	- 16	68.33%	12/20/2024	3.60	(\$857)
20	2045	3.85	- 3	4.91	- 13	78.41%	12/13/2024	2.91	(\$316)
30	2055	4.04	- 2	4.84	- 12	83.47%	12/6/2024	2.15	\$1,200

MUNICIPAL FUND FLOWS

Week Ended 1/17/2025 saw outflows of \$251 million

Source: Lipper





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UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
2,000.000	The Regents of the University of California*	CA	General Revenue Bonds
572.090	Idaho Health Facilities Authority	ID	Revenue Bonds
541.155	Massachusetts Clean Water Trust	MA	State Revolving Fund Bonds
508.935	City of Portland	OR	Second Lien Sewer System Revenue and Refunding Bonds
508.895	School District No.1 in the City and County of Denver (Denver Public Schools)	CO	General Obligation Bonds
337.825	Massachusetts Development Finance Agency	MA	Revenue Bonds
300.460	Maryland Health and Higher Educational Facilities Authority	MD	Revenue Bonds
200.000	Connecticut Housing Finance Authority	CT	Housing Mortgage Finance Program Bonds
200.000	South Dakota Housing Development Authority	SD	Homeownership Mortgage Bonds
172.075	Washington Health Care Facilities Authority	WA	Revenue Bonds
119.945	City of Long Beach	CA	Harbor Revenue and Revenue Refunding Bonds
119.120	California Public Finance Authority	CA	Senior Living Rental Housing Revenue Bonds
100.000	Connecticut Housing Finance Authority	CT	Housing Mortgage Finance Program Bonds
93.740	Hillsborough County	FL	Solid Waste and Resource Recovery Revenue Bonds
90.200	San Antonio Water System	TX	Water System Revenue Refunding Bonds
73.190	City of Midland	TX	General Obligation Refunding Bonds
72.000	New Mexico Mortgage Finance Authority	NM	Single Family Mortgage Program Class I Bonds
65.795	Illinois Finance Authority	IL	Lease Revenue Bonds

*Cabrera will serve as Co-Manager

NOTABLE FIXED DEALS FROM LAST WEEK

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

The School Board of Miami-Dade County FL				Airport Commission of the City and County of San Francisco				Triborough Bridge and Tunnel Authority NY			
Non Callable				5/1/2035				6/1/2035			
Tax-Exempt				Tax-Exempt				Tax-Exempt			
413.850				105.305				1,600.000			
A1/NR/NR/NR				A1/AA-/A+/NR				A1/A+/AA/NR			
Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
2026-2032	5.000	3.120-3.410	26-38	2036	5.000	3.250	(2)	2025-2046	5.000	2.900-4.260	6-33
				2037	5.000	3.290	(2)	2047-2048	5.250	4.250-4.280	29-30
				2053	5.000	4.240	15	2050	5.000	4.360	36
								2054	5.250	4.390	33
								2056	4.500	4.580	51
								2059	5.500	4.400	33

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
20-Jan	21-Jan	22-Jan	23-Jan	24-Jan
None scheduled Martin Luther King Jr. holiday	None scheduled	10:00 AM U.S. leading economic indicators	8:30 AM Initial Jobless Claims	10:00 AM Consumer sentiment (final)
				9:45 AM S&P final U.S. services PMI
27-Jan	28-Jan	29-Jan	30-Jan	31-Jan
10:00 AM New home sales	8:30 AM Durable-goods orders	2:00 PM FOMC interest-rate decision	8:30 AM GDP	8:30 AM PCE (year-over-year)
	10:00 AM Consumer confidence	2:30 PM Fed Chair Powell press conference	8:30 AM Initial Jobless Claims	8:30 AM Core PCE (year-over-year)