



CABRERA CAPITAL  
MARKETS

# MUNICIPAL MARKET UPDATE

Public Finance

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## PRIMARY MARKET ACTIVITY

Universities seem to be the first sector at risk when it comes to tax exemption talks. Due to this, Universities are rushing to the debt market in order to lock in financings. With regards to the primary market, visible supply finished last week at \$10.1 billion which is below the yearly average of \$13.0 billion. Treasuries rallied this week as the 10-year finished at 4.25%. Another week, another week of outflows (-216 million) which marks two consecutive week of outflows. SIFMA reset to 3.28% this week, 34 basis points lower than the week prior.

All eyes were on the FOMC meeting last week. Rates were left unchanged for the second straight month as economic projections indicate slower growth and higher inflation later on in the year. U.S. leading economic indicators came in lower than expected for February at -0.3% (-0.2% expected). Uncertainty continues to be the main concern in today's market. This week seems to be calm although that seems to never hold true given the current situation. The third GDP revision for Q4 is released on Thursday and PCE is expected on Friday.

## INTEREST RATE SNAPSHOT

| MMD Week of March 17th |                 |               |        | UST Week of March 17th |                 |               |        |
|------------------------|-----------------|---------------|--------|------------------------|-----------------|---------------|--------|
| Term                   | Starting (3/17) | Ending (3/21) | Change | Term                   | Starting (3/17) | Ending (3/21) | Change |
| 2yr                    | 2.62%           | 2.63%         | +1bp   | 2yr                    | 4.02%           | 3.94%         | -8bp   |
| 5yr                    | 2.80%           | 2.80%         | -      | 5yr                    | 4.09%           | 4.00%         | -9bp   |
| 10yr                   | 3.12%           | 3.13%         | +1bp   | 10yr                   | 4.31%           | 4.25%         | -6bp   |
| 20yr                   | 3.97%           | 3.95%         | -2bp   | 20yr                   | 4.65%           | 4.60%         | -5bp   |
| 30yr                   | 4.21%           | 4.16%         | -5bp   | 30yr                   | 4.62%           | 4.59%         | -3bp   |

Approximately \$6.70 billion is expected to be priced this week, a relatively normal forward negotiated calendar. Looking ahead, this week's largest deals include:

- ✦ \$1.53 billion Department of Airports of the City of Los Angeles – LA International Airport Subordinate Revenue Bonds, 2025 Series A/B/C (Aa3/NR/AA-/NR)
- ✦ \$1.17 billion Public Finance Authority – Salina Economic Development Authority Revenue Bonds, Series 2025A (NR/NR/NR/NR)
- ✦ \$913.95 million The Black Belt Energy Gas District Gas Project Revenue Bonds, 2025 Series B (Baa1/NR/NR/NR).



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**SELECT DEALS LAST WEEK:**

- ✦ The Metropolitan Transportation Authority (A3/A-/AA/AA) brought to market \$1 billion Transportation Revenue Refunding Bonds. The Authority began the Retail Order Period Monday, but after only receiving \$198 million in retail orders, the scale was cheapened 1-7 basis points throughout excluding 2029-2030 when entering the Institutional Order Period. The transaction ultimately struggled in the Institutional Order Period and ended up being downsized to \$847 million in order to get the deal done. Spreads were bumped on the short end 2-7 basis points and 2-5 basis points on the long end 2044, 2045, 2050, and 2055.
- ✦ San Diego Unified School District (Aa2/NR/AAA/AAA) priced \$338 million of General Obligation Refunding Bonds across six series. Maturities within 10 years were cheapened 3 basis points 2025-2027 and 2032-2033 after the institutional order period. Series with longer-dated maturities saw higher oversubscription levels with yields lowered 1-4 basis points 2039-2045. Maturities in 2041-2045 are non-callable.
- ✦ The Pennsylvania Economic Development Financing Authority (A2/A/A/NR) priced \$339 million Fixed Rate Mode Revenue Bonds and \$372 million Term Rate Mode Revenue Bonds for UPMC. The Fixed Rate Mode series did well on the short end and long end during the order period but struggled in the middle area, consistent with other deals. In 2026-2029, the scale was bumped 2 basis points and on the long end, 2043-2045 and 2050, yields were lowered 2-6 basis points. The Term Rate Mode series had, three maturities of Mandatory Puts with call futures 6 months prior to the mandatory put date. Spreads remained unchanged from the order period to final pricing.



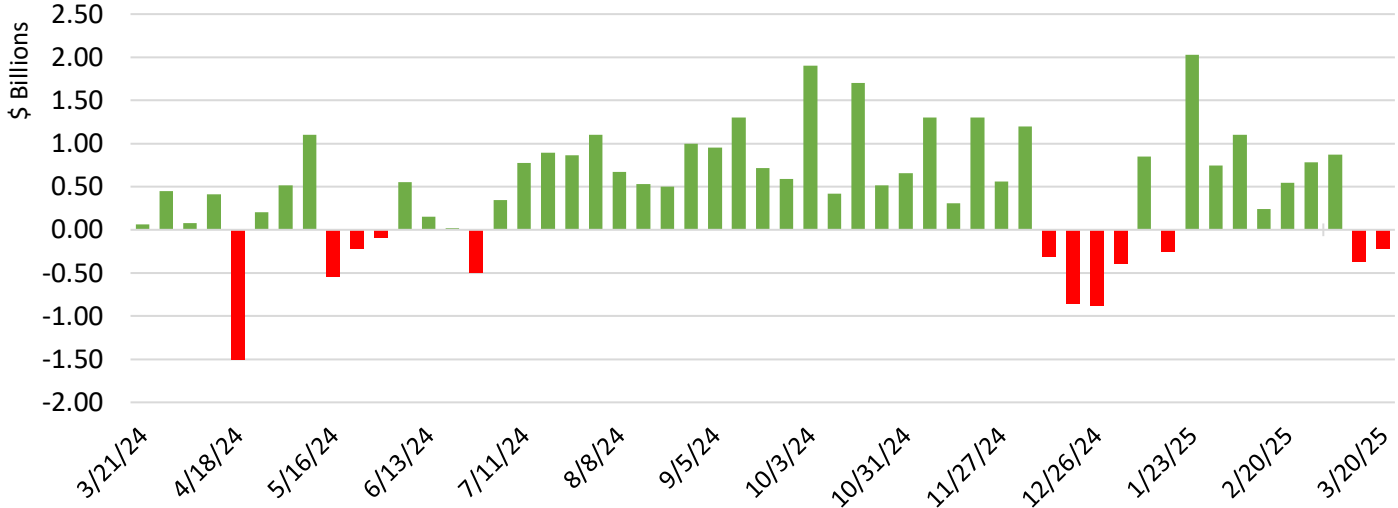


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MUNICIPAL FUND FLOWS

Week Ended 3/20/2025 saw outflows of \$216 million

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

| Size (\$mm) | Issuer  | State | Description  |
|-------------|---|-------|--|
| 1,533.970   | Department of Airports of the City of Los Angeles     | CA    | Subordinate Revenue and Refunding Revenue Bonds                |
| 1,168.485   | Public Finance Authority                              | WI    | Revenue Bonds  |
| 603.715     | New York City Municipal Water Finance Authority       | NY    | Water and Sewer System Second General Resolution Revenue Bonds |
| 372.150     | Board of Regents of the Texas A & M University System | TX    | Permanent University Fund Bonds                                |
| 361.785     | Peralta Community College District                    | CA    | 2025 General Obligation Bonds                                  |
| 250.000     | Missouri Housing Development Commission               | MO    | Single Family Mortgage Revenue Bonds                           |
| 181.535     | Texas Water Development Board                         | TX    | State Revolving Funds Revenue Bonds                            |
| 150.000     | State of Louisiana                                    | LA    | Gasoline and Fuels Tax Second Lien Revenue Refunding Bonds     |
| 148.620     | Colorado Health Facilities Authority                  | CO    | Revenue Bonds  |
| 144.315     | City of Kansas City                                   | MO    | Water Revenue Bonds  |
| 130.000     | Durango School District 9-R                           | CO    | General Obligation Bonds                                       |
| 106.390     | City of Jefferson Public Building Authority           | GA    | Revenue Bonds  |
| 100.000     | Mississippi Home Corporation                          | MS    | Single Family Mortgage Revenue Bonds                           |
| 96.115      | Capital Trust Authority                               | FL    | Educational Facilities Revenue Bonds                           |
| 77.080      | Farmersville PFC                                      | TX    | Multifamily Housing Revenue Bonds                              |
| 69.430      | Wolf Creek Infrastructure Financing District No. 1    | UT    | Special Assessment Bonds                                       |
| 60.175      | University of Washington                              | WA    | General Revenue Refunding Bonds                                |
| 59.260      | Redding Joint Powers Financing Authority              | CA    | Electric System Revenue Bonds                                  |



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**NOTABLE FIXED DEALS FROM LAST WEEK**

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

| Metropolitan Transportation Authority<br>NY       |        |             |        | Pennsylvania Economic Development<br>Financing Authority |        |             |        | San Diego USD<br>CA                                     |        |             |             |
|---|--------|-------------|--------|--|--------|-------------|--------|---|--------|-------------|-------------|
| 5/15/2035<br>Tax-Exempt<br>847.785<br>A3/A-/AA/AA |        |             |        | 3/15/2035<br>Tax-Exempt<br>339.470<br>A2/A/A/NR          |        |             |        | Non Callable<br>Tax-Exempt<br>108.285<br>Aa2/NR/AAA/AAA |        |             |             |
| Maturity  | Coupon | Yield       | Spread | Maturity   | Coupon | Yield       | Spread | Maturity  | Coupon | Yield       | Spread      |
| 2027  | 5.000  | 2.950       | 33     | 2026-2045  | 5.000  | 2.990-4.570 | 38-63  | 2025-2029   | 5.000  | 2.460-2.530 | (15) - (18) |
| 2029-2042   | 5.000  | 3.060-4.370 | 33-70  | 2050   | 5.000  | 4.720       | 59     |   |        |             |             |
| 2043  | 5.250  | 4.420       | 62     |  |        |             |        |   |        |             |             |
| 2044  | 5.000  | 4.510       | 62     |  |        |             |        |   |        |             |             |
| 2045  | 5.250  | 4.530       | 57     |  |        |             |        |   |        |             |             |
| 2046-2047   | 5.000  | 4.670-4.700 | 63-64  |  |        |             |        |   |        |             |             |
| 2050  | 4.625  | 4.800       | 67     |  |        |             |        |   |        |             |             |
| 2055  | 5.250  | 4.710       | 51     |  |        |             |        |   |        |             |             |

**ECONOMIC CALENDAR (ALL TIMES IN ET)**

| Monday                                      | Tuesday  | Wednesday                                     | Thursday  | Friday                               |
|---|--|---|---|--------------------------------------|
| <b>24-Mar</b>                               | <b>25-Mar</b>  | <b>26-Mar</b>                                 | <b>27-Mar</b>                                   | <b>28-Mar</b>                        |
| 9:45 AM<br>S&P U.S. services PMI            | 9:00 AM<br>S&P Case-Shiller home price index (20 cities) | 8:30 AM<br>Durable-goods orders               | 8:30 AM<br>Initial Jobless Claims               | 8:30 AM<br>Personal Income           |
| 9:45 AM<br>S&P U.S. manufacturing PMI       | 10:00 AM<br>Consumer confidence                          | 8:30 AM<br>Durable-goods minus transportation | 8:30 AM<br>GDP (second revision)                | 8:30 AM<br>PCE (year-over-year)      |
|   |  |   | 8:30 AM<br>Advanced U.S. trade balance in goods | 8:30 AM<br>Core PCE (year-over-year) |
| <b>31-Mar</b>                               | <b>1-Apr</b>   | <b>2-Apr</b>                                  | <b>3-Apr</b>                                    | <b>4-Apr</b>                         |
| 9:45 AM<br>Chicago Business Barometer (PMI) | 9:45 AM<br>S&P final U.S. manufacturing PMI              | 8:15 AM<br>ADP employment                     | 8:30 AM<br>Initial Jobless Claims               | 8:30 AM<br>U.S. employment report    |
|   | 10:00 AM<br>Job openings                                 | 10:00 AM<br>Factory orders                    | 8:30 AM<br>U.S. trade deficit                   | 8:30 AM<br>U.S. unemployment rate    |
|   |  |   | 9:45 AM<br>S&P final U.S. services PMI          |                                      |