



CABRERA CAPITAL
MARKETS

MUNICIPAL MARKET UPDATE

Public Finance

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PRIMARY MARKET ACTIVITY

Municipal bonds experienced a sell off last week, with ratios cheapening to treasuries, as stress from the continued pressure on the elimination of tax-exemption continues, along with market volatility and elevated bond issuance. Lipper saw its third week of consecutive outflows, totaling -\$573 million last week. These past three weeks have combined to see a total outflow of \$1.162 billion. SIFMA reset to 2.87% last week, 41 basis points lower than the week prior. Treasuries saw another volatile week per usual with the 10-year ultimately ending the week at 4.27%.

Under-performance has hit higher-quality names (AAA to AA) which has given investors the ability to add more value. Long term inflation expectations jumped to a 32-year high as tariff talks continue to be top priority. Year-over-year PCE came in as expected at 2.5%. The main economic events to watch for this week are the job openings report and unemployment rate expected to be released this Tuesday and Friday, respectively.

INTEREST RATE SNAPSHOT

MMD Week of March 24th				UST Week of March 24th			
Term	Starting (3/21)	Ending (3/28)	Change	Term	Starting (3/21)	Ending (3/28)	Change
2yr	2.63%	2.75%	+12bp	2yr	3.94%	3.89%	-5bp
5yr	2.80%	2.93%	+13bp	5yr	4.00%	3.98%	-2bp
10yr	3.13%	3.30%	+17bp	10yr	4.25%	4.27%	+2bp
20yr	3.95%	4.10%	+15bp	20yr	4.60%	4.65%	+5bp
30yr	4.16%	4.28%	+12bp	30yr	4.59%	4.64%	+5bp

Approximately \$8.35 billion is expected to be priced this week, a relatively heavier forward negotiated calendar than what we've experienced in the last few weeks. Looking ahead, this week's largest deals include:

- ✦ \$2.62 billion State of California General Obligation Bonds, 2025 Series (Aa2/AA-/AA/NR)
- ✦ \$729.79 million Illinois Finance Authority State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2025A/B (NR/AAA/AAA/NR)
- ✦ \$600.00 million California Educational Facilities Authority (University of Southern California) Revenue Bonds, Series 2025A (NR/NR/NR/NR)



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SELECT DEALS LAST WEEK:

- ✦ The New York City Municipal Water Finance Authority (Aa1/AA+/AA+/NR) priced \$603 million of Water and Sewer System Second General Resolution Revenue Bonds. The transaction had a 9-year call, with bonds maturing prior to June 15, 2032, subject to a Make-Whole-Call at MMD. After the Retail Order Period on Monday, the short end was bumped 1-3 basis points, left unchanged 2028-2029, and cheapened on the long end 3-6 basis points. Following the Institutional Order Period, the scale was left mostly unchanged excluding 2-3 basis points bumps in 2030, 2032, and 2046. The deal was downsized by \$45 million and maturity sizes were moved around in order to get the deal done.
- ✦ The Department of Airports of the City of Los Angeles (Aa3/NR/AA-/NR) priced \$1.8 billion of Subordinate Revenue and Refunding Bonds between both AMT and Non-AMT debt. The AMT portions of the transactions made up most of the deal for \$1.5 billion, with some balances remaining after pricing, and maturities 2029-2032 and 2037-2040 removed from the 2025B AMT series. The \$167 million Non-AMT series was bumped 1-4 basis points 2030-2035 and 2040-2041 while the remainder of the scale remained unchanged.
- ✦ The Texas Water Development Board (NR/AAA/AAA/NR) priced \$181 million State Revolving Funds Revenue Bonds. Following premarketing on Monday, the transaction was cheapened 2-3 basis points entering the Order Period. The transaction had mixed results during the order period and was bumped 1-4 basis points on the short end within 10-years, bumped 3 basis points on the long end 2043-2046, but struggled in the mid-range of the curve. Around \$15 million of balances remained after the order period in 2039 and 2041.
- ✦ Peralta Community College District (NR/AA-/AA-/NR) priced \$300 million Tax-Exempt General Obligation Bonds across two series. For both series, the scale remained unchanged from premarketing to pricing, except for taking the 2 basis point cut in MMD in 2027-2046. The transactions did well during the order period; it was mostly oversubscribed and bumped 2-8 basis points. The \$212 million series had a 1-month forward delivery which and approximate forward premium of 7-10 basis points.
- ✦ The Board of Regents of the Texas A&M University System (Aaa/AAA/AAA/NR) priced \$379 million of Permanent University Fund Bonds. The transaction priced on a volatile day in the market when the benchmark rate projected cuts 4-10 basis points halfway through the day. The deal struggled during the order period, specifically on the short end of the transaction within 10 years and had to be cheapened 2-4 basis points into final pricing.

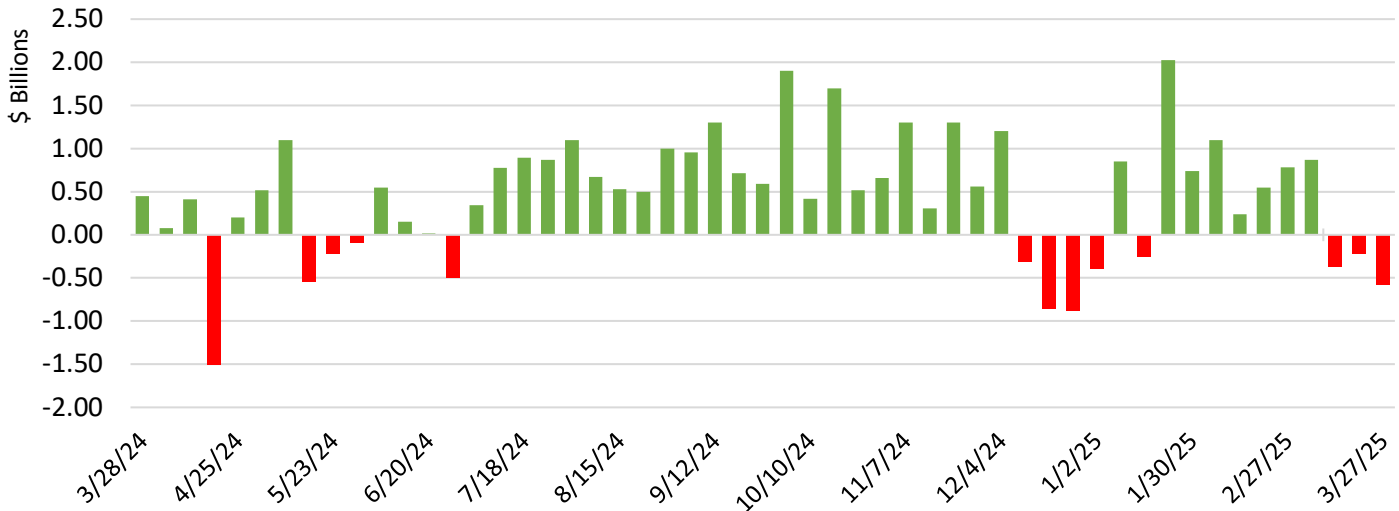


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MUNICIPAL FUND FLOWS

Week Ended 3/28/2025 saw outflows of \$573 million

Source: Lipper



UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
2,620.165	State of California	CA	Various Purposes General Obligation Bonds
729.790	Illinois Finance Authority*	IL	State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds
600.000	California Educational Facilities Authority	CA	Revenue Bonds
464.745	Public Utilities Commission of the City and County of San Francisco	CA	San Francisco Water Revenue Bonds
337.245	Michigan Housing Development Authority	MI	Single-Family Mortgage Revenue Bonds
228.180	City of Austin	TX	Airport System Revenue Refunding Bonds
189.280	City of Rochester	MN	Health Care Facilities Revenue Bonds
163.490	City of Kansas City	MO	Special Obligation Bonds
149.000	Clackamas Community College District	OR	General Obligation and Refunding Bonds
146.685	Frenship Independent School District	TX	School Building Bonds
125.525	City of Cleveland	OH	Airport System Revenue Bonds
125.000	San Bernardino City Unified School District	CA	Certificates of Participation
122.420	Illinois Finance Authority*	IL	State of Illinois Clean Water Initiative Revolving Revenue Refunding Bonds
111.210	City of Kansas City	MO	Special Obligation Bonds Taxable Special Obligation Bonds
110.360	Matanuska-Susitna Borough	AK	General Obligation School Bonds
102.915	City of Lake Havasu City	AZ	Senior Lien Wastewater System Revenue General Obligation Refunding Bonds
100.000	Agua Fria Union High School District No. 216	AZ	School Improvement Bonds
100.000	Port of New Orleans Board of Commissioners	LA	Port Facility Revenue Bonds

*Cabrera will serve as Co-Manager



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NOTABLE FIXED DEALS FROM LAST WEEK

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

Dept. of Airports of the City of Los Angeles CA				New York City Municipal Water Finance Auth. NY				Board of Regents of The Texas A&M TX			
5/15/2035 Tax-Exempt 1,308.460 Aa3/NR/AA-/NR				12/15/2034 Tax-Exempt 559.830 Aa1/AA+/AA+/NR				7/1/2035 Tax-Exempt 379.080 Aaa/AAA/AAA/NR			
Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
2026-2039	5.000	3.410-4.650	75-90	2027-2032	5.000	2.710-3.090	45825	2025-2036	5.000	2.760-3.570	14-30
2040	5.250	4.650	90	2037-2039	5.000	3.590-3.720	32-33	2050-2052	5.000	4.430-4.470	31
2041	4.000	4.650	90	2046	5.000	4.320	30	2055	5.000	4.500	31
2042-2045	5.250	4.620-4.800	70-76								
2050	5.250	4.870	65								
2054	5.000	4.980	69								
2055	5.500	4.870	58								

LAWA priced 3 series of bonds aggregating \$1.6 Billion in par simultaneously with Series A listed

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
31-Mar	1-Apr	2-Apr	3-Apr	4-Apr
9:45 AM Chicago Business Barometer (PMI)	9:45 AM S&P final U.S. manufacturing PMI	8:15 AM ADP employment	8:30 AM Initial Jobless Claims	8:30 AM U.S. employment report
	10:00 AM Job openings	10:00 AM Factory orders	8:30 AM U.S. trade deficit	8:30 AM U.S. unemployment rate
			9:45 AM S&P final U.S. services PMI	8:30 AM Change in Nonfarm Payrolls
7-Apr	8-Apr	9-Apr	10-Apr	11-Apr
3:00 PM Consumer credit	6:00 AM NFIB optimism index	10:00 AM Wholesale inventories	8:30 AM Initial Jobless Claims	8:30 AM PPI
		2:00 PM Minutes of Fed's March FOMC meeting	8:30 AM CPI	10:00 AM Consumer sentiment (prelim)
			2:00 PM Monthly U.S. federal budget	