



# Municipal Market Update

November 2023 Monthly Report



# MARKET COMMENTARY

## Bond Market Offering Attractive Returns

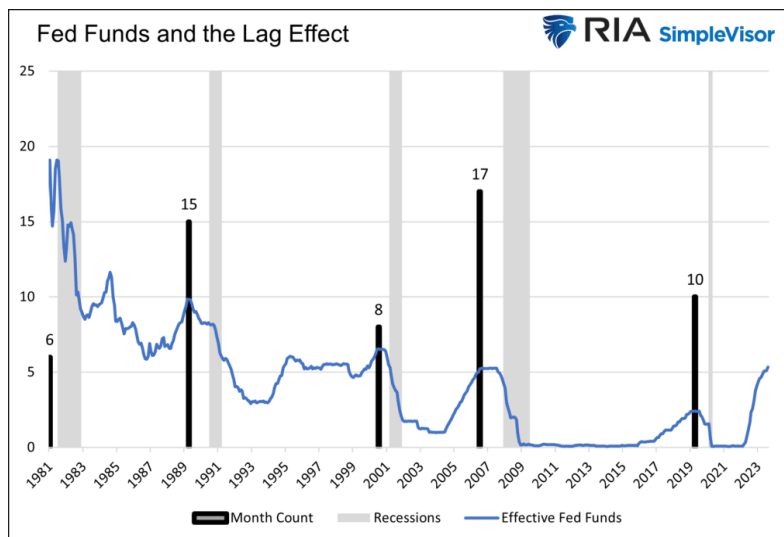
Over the past 18 months, the Fed has raised benchmark interest rates by more than 500 basis points – the largest increase over the last 22 years. As a result, the 10-year treasury recently rose above 5% for the first time in 16 years. The 5% level has a psychological significance and it offers investors a very attractive alternative to stocks. Because Treasuries are backed by the US government, they are considered to be one of the safest investments available. In recent months, the Fed has signaled it plans to keep rates high well into 2024 in a bid to fight off inflation. While inflation has slowed, the Fed remains committed to keeping rates elevated until achieving their goal of 2% inflation. In a widely expected move, on Wednesday November 1, 2023 the Fed decided to keep the fed rate unchanged. The market is still expecting rates to stay elevated for most of 2024.

10-Year Treasury Curve Since November 2020



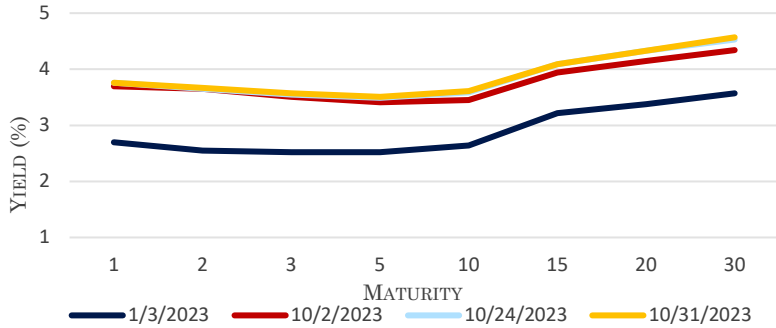
## Is a Recession on the Way?

Although rates have surged, unemployment remains low and there have been few obvious indications of a recession on the horizon. However, there is often a “lag effect” between higher interest rates and economic trouble. An increase in rates only effect new borrowers including those who must reissue or renew debt to pay back investors of maturing debt. New higher rates do not affect those who are locked into long term fixed rate debt. The lag effect occurs due to the time it takes for the new debt issuance to bear enough weight on the economy to slow it down. History has told us that since 1981 it has taken an average of 11 months from the moment the Fed stops raising rates before a recession hits.



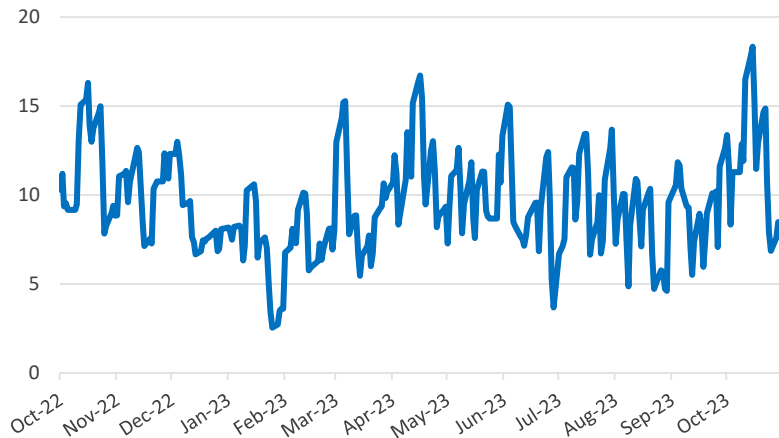
# CURRENT MARKET DATA

## AAA GO YIELD COMPARISON

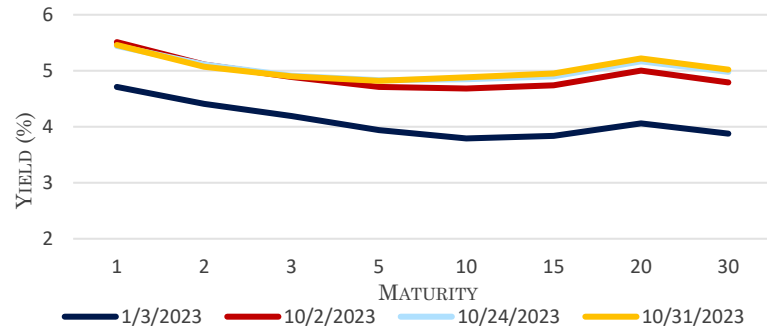


AAA Rated GO	AAA GO Yields (%)				5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	10/31/2023	10/24/2023	10/2/2023	1/3/2023			
1 yr AAA GO	3.76	3.76	3.70	2.70	0.00	0.06	1.06
5 yr AAA GO	3.51	3.49	3.41	2.52	0.02	0.10	0.99
10 yr AAA GO	3.61	3.59	3.45	2.64	0.02	0.16	0.97
20 yr AAA GO	4.33	4.33	4.15	3.38	0.00	0.18	0.95

## 30-DAY VISIBLE SUPPLY (BILLIONS)

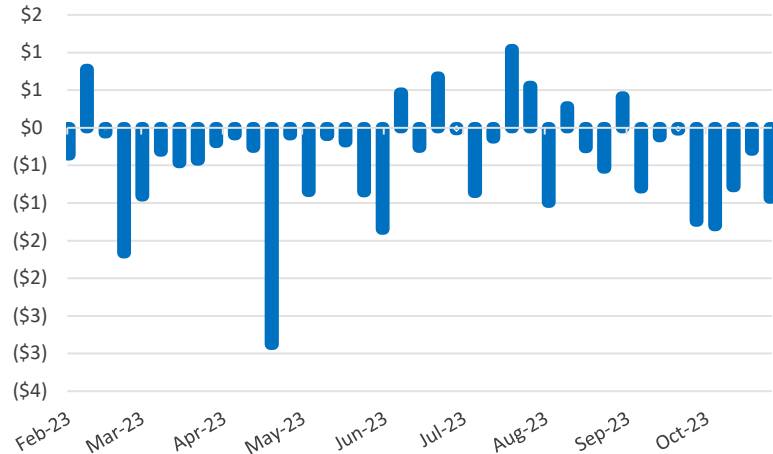


## TREASURY YIELDS



Treasury	Treasury Yields (%)				5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	10/31/2023	10/24/2023	10/2/2023	1/3/2023			
1 yr Treasury	5.46	5.44	5.51	4.71	0.02	(0.05)	0.75
5 yr Treasury	4.82	4.83	4.71	3.94	(0.01)	0.11	0.88
10 yr Treasury	4.88	4.85	4.68	3.79	0.03	0.20	1.09
30 yr Treasury	5.02	4.98	4.79	3.88	0.04	0.23	1.14

## MUNICIPAL BOND FUND FLOWS (BILLIONS)



# MUNISTAT RECENT SALES

## Bond Transactions

### Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
10/17/2023	T/O North Haven	AAA	\$5,500,000	11/1/2043	Competitive	12.029	3.94%

### New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
10/4/2023	Napanoch FD	N/R	\$225,000	10/15/2027	Competitive	2.508	5.23%
10/26/2023	V/O Southampton	Aaa	\$6,435,000	9/1/2043	Competitive	11.939	4.13%

## Note Transactions

### Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
10/3/2023	Regional School District 18	N/R	\$7,300,000	8/15/2024	Competitive	298 Days	4.24%
10/17/2023	T/O North Haven	SP-1+	\$13,360,000	11/1/2024	Competitive	359 Days	3.95%

### New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
10/4/2023	Sayville UFSD	N/R	\$9,000,000	1/18/2024	Competitive	90 Days	4.08%
10/4/2023	Sayville UFSD	N/R	\$5,250,000	6/25/2024	Competitive	247 Days	4.22%
10/4/2023	Shelter Island UFSD	N/R	\$1,600,000	4/25/2024	Competitive	186 Days	4.70%
10/5/2023	Commack UFSD	N/R	\$36,000,000	6/26/2024	Competitive	247 Days	4.11%
10/11/2023	East Quogue	N/R	\$5,000,000	6/26/2024	Competitive	241 Days	4.20%
10/12/2023	Remsenburg-Speonk UFSD	N/R	\$1,000,000	3/20/2024	Competitive	139 Days	4.95%
10/12/2023	Bayport-Blue Point UFSD	N/R	\$18,500,000	6/26/2024	Competitive	240 Days	4.05%
10/19/2023	T/O Chester	N/R	\$1,080,000	11/1/2024	Competitive	360 Days	4.42%
10/19/2023	V/O Highland Falls	N/R	\$2,246,250	9/27/2024	Competitive	326 Days	4.37%
10/26/2023	T/O Monroe	SP-1+	\$19,500,000	8/2/2024	Competitive	264 Days	4.07%
10/26/2023	Springs UFSD	N/R	\$345,000	11/15/2024	Competitive	359 Days	4.86%

# MUNISTAT SERVICES, INC.

Munistat, established in 1977, is one of the longest tenured independent municipal advisory firms in the Country. With offices in Port Jefferson Station, NY and Madison, CT, we offer our services to municipalities, school districts and other not-for-profit organizations specializing in capital planning and the sale of bonds, notes, leases and cash flow borrowings to the investor community.

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We currently service over 200 units of government acting as municipal advisor on borrowings as well as dissemination agent on continuing disclosure obligations. In 2022, we advised on approximately \$2.5 billion in par amount and were ranked in the Top 10 amongst all Advisors in the Country in terms of the amount of transactions.

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