



# Municipal Market Update

December 2023 Monthly Report



# MARKET COMMENTARY

Market expectations after the release of economic data during the month of November were that the Fed has likely reached the end of its tightening cycle, leading to a rally that was one for the record books. That said, public comments from committee members has been divided with some suggesting that the current policy rate is sufficiently restrictive while others still feel that the talk of cutting rates is premature.

With the strength in government and consumer spending, the reading on U.S. GDP showed that the economy grew by 5.2% annualized last quarter, up 0.3 percentage points from the initial reading. Reports on Black Friday spending stated that a record \$9.8 billion was generated in U.S. online sales, up 7.5% from a year ago. Even though it seems that we are all complaining about inflation and the economy, it hasn't stopped anyone from spending.

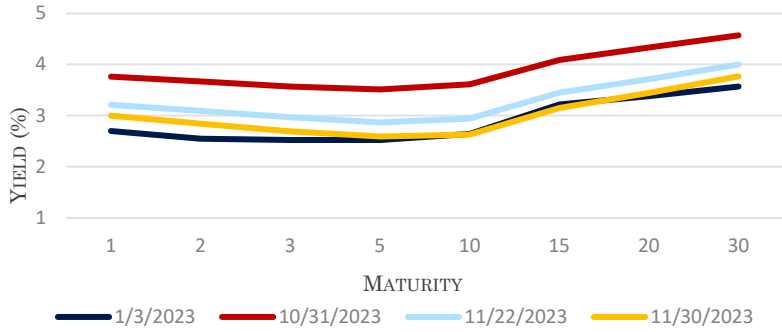
Municipals continue to outperform Treasuries. Just last week alone, 10yr and 30yr Treasury were each lower by approximately 20 basis points, and AAA MMD benchmark yields were lower by 21-33 basis points across the curve. The charts on the ensuing pages illustrate the dramatic change in the month, almost recovering all of the move for the year. Near term, there will probably be an adjustment higher in the interest rates as often happens after a month like this. However, the lack of supply going in to year end should keep the market relatively firm.

The Fed's Open Market Committee's next policy meeting will be held on December 12th and 13th. The Fed has raised its rate 11 times in the past eighteen months and 2023 was a year of market volatility. That may continue in the first quarter. Now is the time when the big banks release their forecasts for 2024 and it will be interesting to see the predications about the timing and size of interest rate cuts. In spite of the fact that the Fed has said they will continue to be data dependent, with the election coming, speculation is that there will be pressure on the Fed to start lowering rates by the summer.

HAPPY HOLIDAYS!

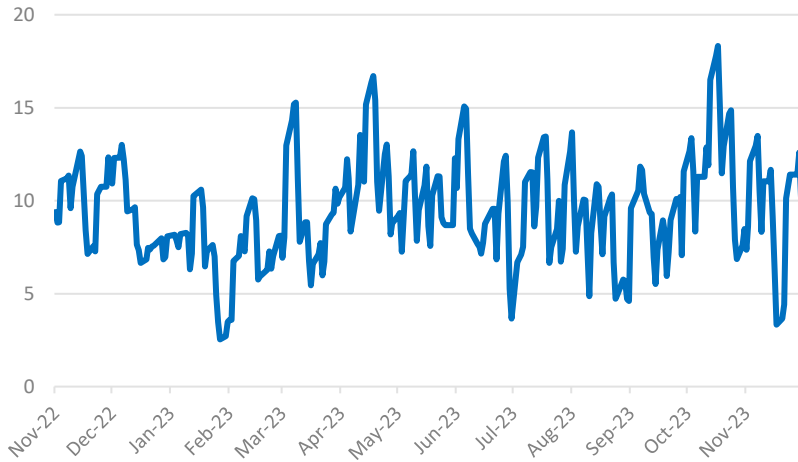
# CURRENT MARKET DATA

## AAA GO YIELD COMPARISON

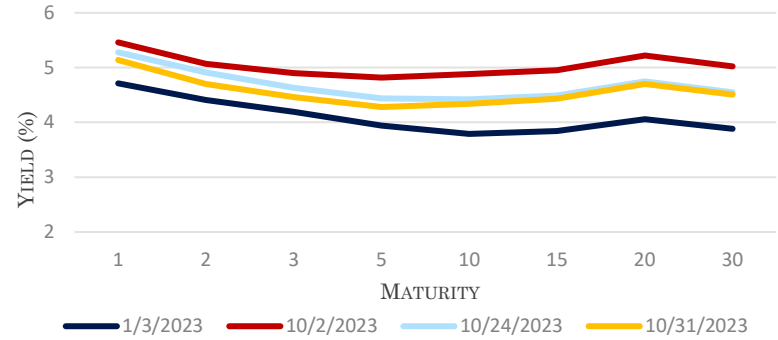


AAA Rated GO	AAA GO Yields (%)			1/3/2023	5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	11/30/2023	11/22/2023	10/31/2023				
1 yr AAA GO	3.00	3.21	3.76	2.70	(0.21)	(0.76)	0.30
5 yr AAA GO	2.59	2.87	3.51	2.52	(0.28)	(0.92)	0.07
10 yr AAA GO	2.63	2.94	3.61	2.64	(0.31)	(0.98)	(0.01)
20 yr AAA GO	3.44	3.71	4.33	3.38	(0.27)	(0.89)	0.06

## 30-DAY VISIBLE SUPPLY (BILLIONS)

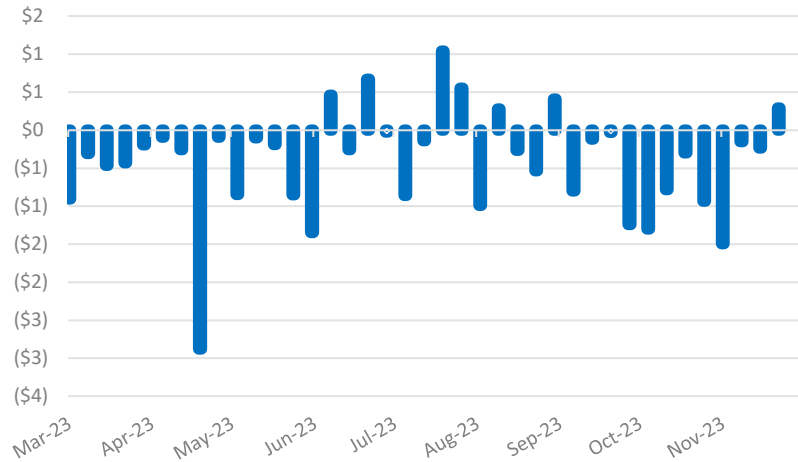


## TREASURY YIELDS



Treasury Yields (%)	Treasury Yields (%)			1/3/2023	5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	10/31/2023	10/24/2023	10/2/2023				
1 yr Treasury	5.14	5.28	5.46	4.71	(0.14)	(0.32)	0.43
5 yr Treasury	4.28	4.44	4.82	3.94	(0.16)	(0.54)	0.34
10 yr Treasury	4.34	4.42	4.88	3.79	(0.08)	(0.54)	0.55
30 yr Treasury	4.51	4.55	5.02	3.88	(0.04)	(0.51)	0.63

## MUNICIPAL BOND FUND FLOWS (BILLIONS)



# MUNISTAT RECENT SALES

## Bond Transactions

### Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
11/29/2023	T/O Lisbon	AA	\$4,400,000	8/15/2043	Competitive	10.131	3.34%
12/7/2023	T/O Madison	Aaa	\$10,500,000	12/15/2043	Competitive	10.483	3.32%

### New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
11/28/2023	T/O Wappinger	AA+	\$5,264,016	11/1/2043	Competitive	10.470	3.48%
11/29/2023	T/O Babylon	Aaa	\$14,445,000	12/2/2038	Competitive	8.866	3.16%
11/30/2023	T/O Clarkstown	AA	\$11,122,800	11/15/2039	Competitive	9.732	3.20%

## Note Transactions

### Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
12/7/2023	T/O Madison	MIG-1	\$30,000,000	12/19/2024	Competitive	358 Days	3.21%

### New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
11/1/2023	Southold UFSD	N/R	\$4,000,000	6/26/2024	Competitive	222 Days	4.18%
11/1/2023	Greenport UFSD	N/R	\$3,500,000	5/15/2024	Competitive	180 Days	4.22%
11/2/2023	Half Hollow Hills CSD	N/R	\$45,000,000	6/25/2023	Competitive	221 Days	3.99%
11/2/2023	C/O Plattsburgh	N/R	\$19,250,366	11/15/2024	Competitive	359 Days	4.48%
11/7/2023	V/O Monroe	N/R	\$6,705,000	11/1/2024	Competitive	360 Days	4.02%
11/8/2023	T/O Highlands	N/R	\$4,000,000	11/21/2024	Competitive	360 Days	4.23%
11/21/2023	C/O Watervliet	N/R	\$1,745,000	11/28/2024	Competitive	360 Days	4.27%

# MUNISTAT SERVICES, INC.

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