



# Municipal Market Update

April 2024 Monthly Report

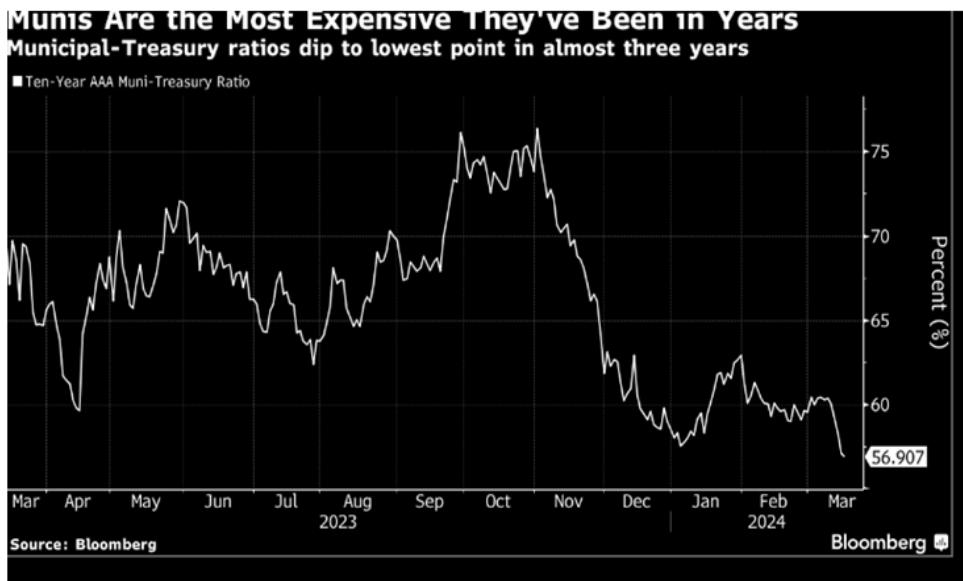


# MARKET COMMENTARY

With both monthly and annual core inflation figures surpassing expectations for February, the Federal Reserve's Open Market Committee (FOMC) opted to maintain the federal funds rate within the range of 5-1/4 to 5-1/2 percent during its meetings held on March 19th and 20th. While, the FOMC remains committed to steering inflation towards its target rate of 2%, it will closely scrutinize incoming economic data before contemplating any adjustments to the overnight rate. Market sentiments still anticipate cuts of up to 75 basis points (0.75%) throughout 2024, and are optimistic about further cuts in 2025.

In the latest economic data release, the Core Personal Consumption Expenditures (PCE) price index, which excludes food and energy, rose by 2.8% over the past 12 months, with a modest month-on-month increase of 0.3%, aligning with market expectations. Similarly, the Real PCE, which includes food and energy, exhibited stability, showing a month-on-month increase of 0.3% and a 12-month growth rate of 2.5%. Meanwhile, consumer spending witnessed a notable surge, rising by 0.8% from the previous month, exceeding the estimated 0.5% increase. However, personal income experienced more moderate growth, with a 0.3% increase, slightly below the projected 0.4% growth rate. These indicators collectively provide insights into consumer behavior and inflationary pressures, influencing market sentiments and monetary policy.

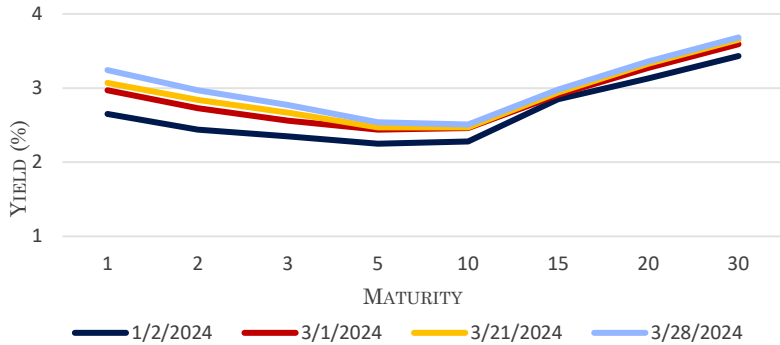
Tax season is historically a tough time for munis as investors sell short-term paper to pay tax bills. However, demand should stay strong during the upcoming week as the municipal bond market sees lower supply levels. The new-issue calendar is projected at only \$3.921 billion. Negotiated deals are expected to make up \$2.883 billion, while competitive deals are forecasted to amount to \$1.037 billion.



Munis/treasury ratios remain expensive on a historic basis. How long can this continue before one asset-class has to correct?

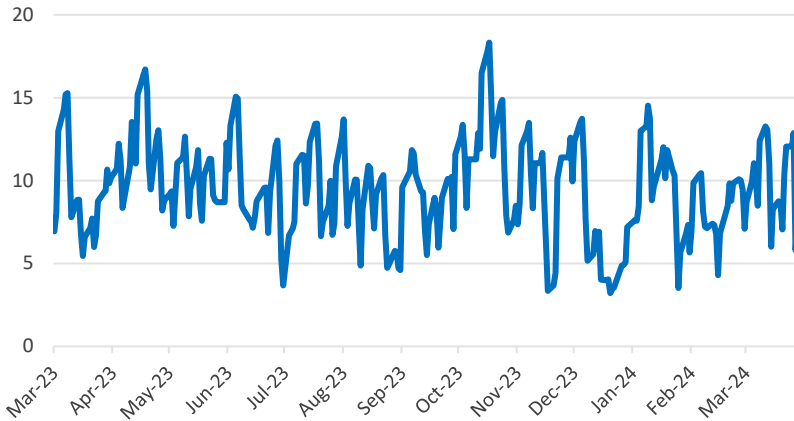
# CURRENT MARKET DATA

## AAA GO YIELD COMPARISON

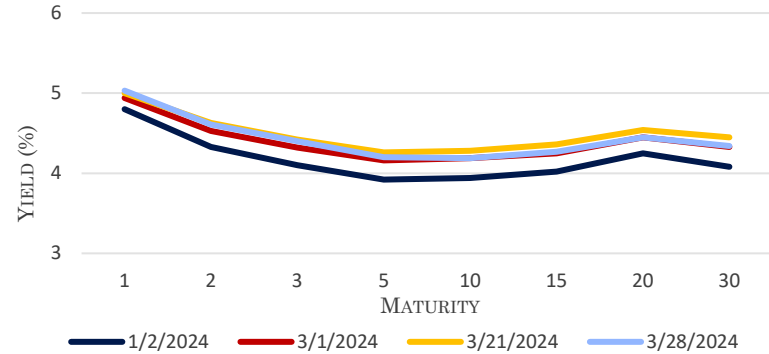


AAA Rated GO	AAA GO Yields (%)				5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	3/28/2024	3/21/2024	3/1/2024	1/2/2024			
1 yr AAA GO	3.24	3.07	2.97	2.65	0.17	0.27	0.59
5 yr AAA GO	2.54	2.47	2.44	2.25	0.07	0.10	0.29
10 yr AAA GO	2.51	2.47	2.46	2.28	0.04	0.05	0.23
20 yr AAA GO	3.36	3.33	3.27	3.13	0.03	0.09	0.23

## 30-DAY VISIBLE SUPPLY (BILLIONS)

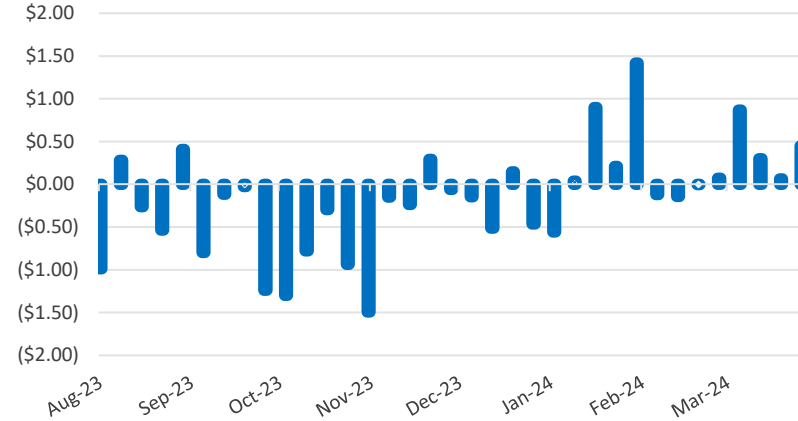


## TREASURY YIELDS



	Treasury Yields (%)				5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	3/28/2024	3/21/2024	3/1/2024	1/2/2024			
1 yr Treasury	5.03	5.00	4.94	4.80	0.03	0.09	0.23
5 yr Treasury	4.20	4.26	4.16	3.92	(0.06)	0.04	0.28
10 yr Treasury	4.19	4.28	4.19	3.94	(0.09)	0.00	0.25
30 yr Treasury	4.34	4.45	4.33	4.08	(0.11)	0.01	0.26

## MUNICIPAL BOND FUND FLOWS (BILLIONS)



# MUNISTAT RECENT SALES

## Bond Transactions

### Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
3/5/2024	T/O New Canaan	Aaa	\$27,025,000	3/15/2044	Competitive	9.830	3.21%
3/5/2024	C/O New London	AA-/AA	\$13,030,000	3/15/2044	Competitive	12.291	3.31%

### New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
3/13/2024	T/O Smithtown	Aaa	\$5,546,180	2/15/2038	Competitive	8.122	2.82%
3/14/2024	Three Village CSD	N/R	\$375,000	10/1/2029	Competitive	3.500	5.89% *
3/19/2024	Suffolk Regional OTB	N/R	\$346,680,000	12/1/2053	Negotiated	19.708	6.04% **

## Note Transactions

### Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
3/5/2024	C/O New London	FI+/SP-1+	\$35,913,000	3/13/2025	Competitive	358 Days	3.23%

### New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
3/12/2024	Vails Gate FD	N/R	\$13,000,000	3/28/2025	Competitive	360 Days	3.74%
3/20/2024	T/O Clarkstown	N/R	\$3,525,000	4/3/2025	Competitive	360 Days	5.55% *
3/26/2024	V/O South Blooming Grove	N/R	\$2,955,000	4/11/2025	Competitive	360 Days	3.69%

\*Federally Taxable.

\*\*Revenue Bonds.

# MUNISTAT SERVICES, INC.

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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 2023, we advised on approximately \$2.4 billion in par value and were ranked as **the #9 municipal advisor in the Country** by number of transactions.

## CONTACT INFORMATION

### NEW YORK OFFICE

Munistat Services, Inc.

12 Roosevelt Avenue

Port Jefferson, NY 11776

Phone: 631-331-8888

### CONNECTICUT OFFICE

Munistat Services, Inc.

129 Samson Rock Drive, Suite A

Madison, CT 06443

Phone: 203-421-2880

Website: [www.munistat.com](http://www.munistat.com)

