



Municipal Market Update

May 2024 Monthly Report



MARKET COMMENTARY

The Federal Reserve Open Market Committee (FOMC) met this past week and to us, Chairman Powell’s press conference has lost its appeal. What is entertaining, are the reporter’s questions as they try and get him to open up about how he really feels. Over the last 6 months or so, his opening remarks have started the exact same way:

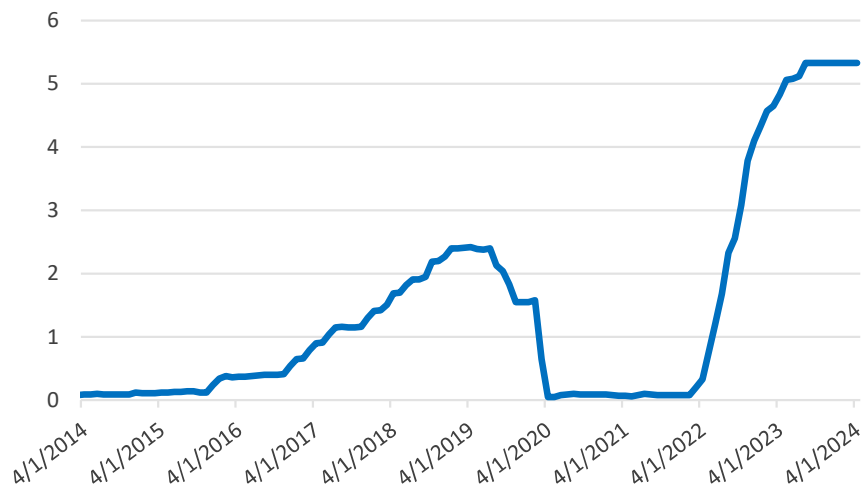
“My colleagues and I remain squarely focused on our dual mandate to promote maximum employment and stable prices for the American people. The economy has made considerable progress toward our dual mandate objectives. Inflation has eased substantially over the past year while the labor market has remained strong. But inflation is still too high, further progress in bringing it down is not assured, and the path forward is uncertain. We are fully committed to returning inflation to our 2 percent goal.”

The Market (and the Fed) was overly optimistic coming into the year and started to predict multiple rate cuts. The monthly economic releases haven’t supplied the Fed with the data necessary to justify such cuts. During the first quarter of this year, confidence started to wane and went away completely with the April 10 release of CPI. This has resulted in an upward adjustment in market rates and an assumption of only one rate reduction during the 4th quarter of 2024.

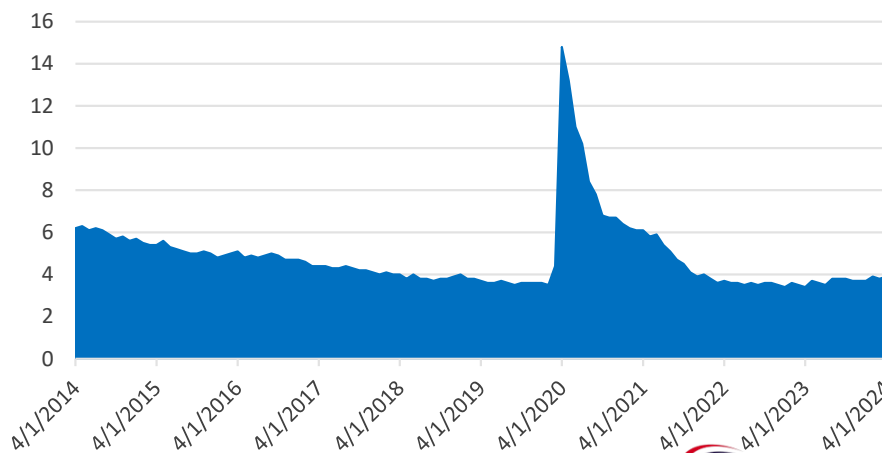
Unemployment at under 4% is showing no signs of weakness and a few ticks up are not going to influence the Fed’s decision. Growth (GDP) did slow in the April release, although that too remains strong. So the inflation numbers are the key. “Headline” inflation peaked at 7.1% and is now at 2.7%, when measured over the last 12 months. Getting down to 2% might take a while, so in the meantime, we try not to get caught up in the intermittent noise. The next CPI is scheduled to be released on May 15.

By the way, for those that think the Fed will be influenced to reduce interest rates right before the election, of course that question came up during the Q&A. If you watch Chairman Powell’s body language over the course of the press conference, it was very evident that this particular question got him sufficiently annoyed, and he was adamant in his denial. We’re willing to believe him.

10-Year History of Fed Funds Rates (monthly)

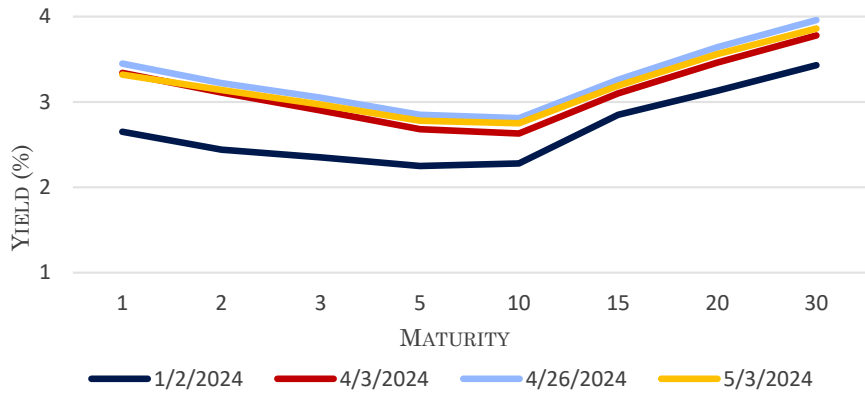


10-Year History of Unemployment Rates (monthly)



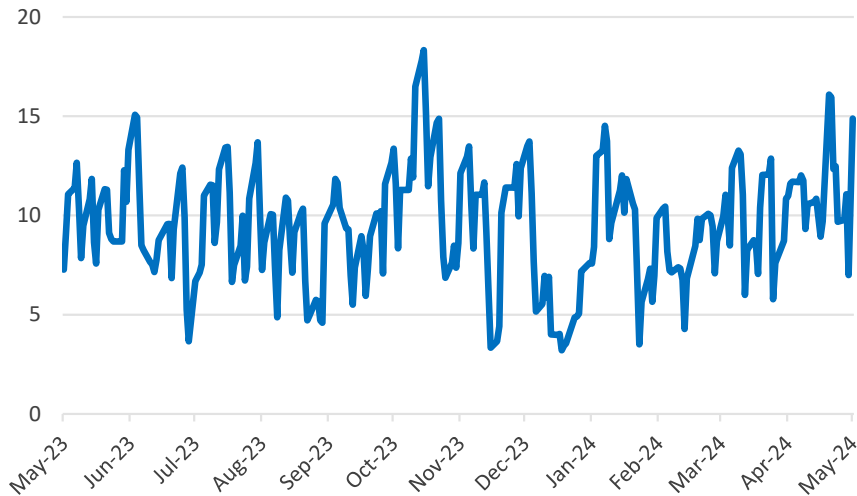
CURRENT MARKET DATA

AAA GO YIELD COMPARISON

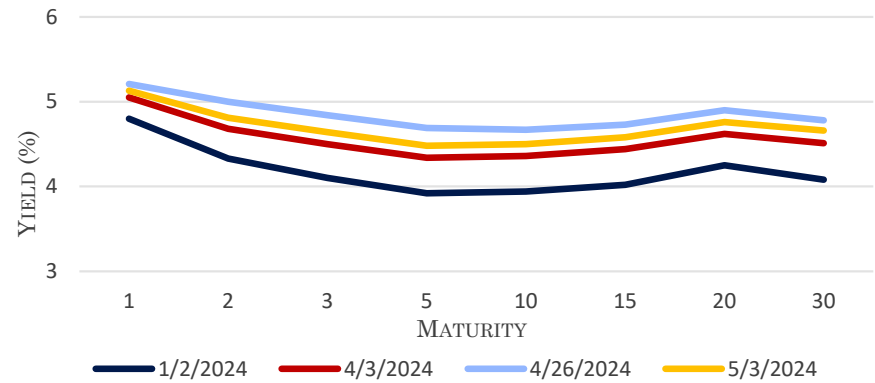


AAA Rated GO	AAA GO Yields (%)				5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	5/3/2024	4/26/2024	4/3/2024	1/2/2024			
1 yr AAA GO	3.32	3.45	3.34	2.65	(0.13)	(0.02)	0.67
5 yr AAA GO	2.78	2.85	2.68	2.25	(0.07)	0.10	0.53
10 yr AAA GO	2.75	2.81	2.63	2.28	(0.06)	0.12	0.47
20 yr AAA GO	3.56	3.64	3.46	3.13	(0.08)	0.10	0.43

30-DAY VISIBLE SUPPLY (BILLIONS)

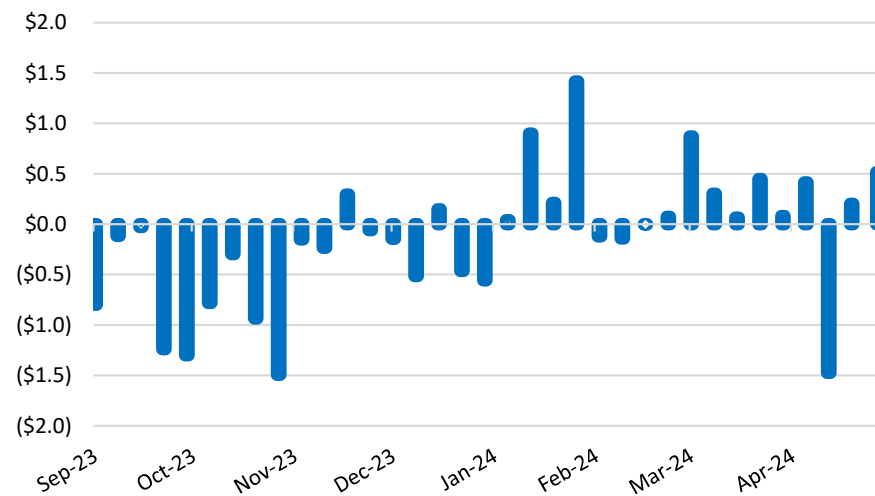


TREASURY YIELDS



Treasury	Treasury Yields (%)				5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	5/3/2024	4/26/2024	4/3/2024	1/2/2024			
1 yr Treasury	5.13	5.21	5.05	4.80	(0.08)	0.08	0.33
5 yr Treasury	4.48	4.69	4.34	3.92	(0.21)	0.14	0.56
10 yr Treasury	4.50	4.67	4.36	3.94	(0.17)	0.14	0.56
30 yr Treasury	4.66	4.78	4.51	4.08	(0.12)	0.15	0.58

MUNICIPAL BOND FUND FLOWS (BILLIONS)



MUNISTAT RECENT SALES

Bond Transactions

Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
4/4/2024	T/O West Hartford	AAA	\$15,000,000	1/15/2039	Competitive	7.742	3.02%
4/9/2024	T/O Darien	Aaa	\$33,045,000*	4/15/2044	Competitive	12.581	3.41%
4/25/2024	T/O Killingly	AA+	\$10,000,000*	5/1/2044	Competitive	10.464	3.41%

New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
4/3/2024	V/O Port Jefferson	Aa3	\$4,725,000*	4/15/2037	Competitive	7.519	3.16%
4/16/2024	North Patchogue FD	Aa3	\$3,000,000	5/1/2034	Competitive	5.500	3.38%

Note Transactions

Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
4/9/2024	T/O Darien	MIG-1	\$49,000,000	4/24/2025	Competitive	359 Days	3.40%
4/11/2024	T/O Groton	N/R	\$11,200,000	4/24/2025	Competitive	359 Days	3.64%
4/17/2024	T/O Ledyard	N/R	\$10,000,000	8/13/2024	Competitive	102 Days	3.96%

New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
4/3/2024	V/O Woodbury	N/R	\$455,000	4/17/2025	Competitive	360 Days	3.99%
4/4/2024	C/O Kingston	N/R	\$15,000,000	4/17/2025	Competitive	359 Days	3.64%
4/10/2024	T/O Goshen	N/R	\$1,671,000	4/24/2025	Competitive	360 Days	3.90%
4/16/2024	V/O Cold Spring	N/R	\$2,071,050	5/2/2025	Competitive	360 Days	4.15%
4/16/2024	V/O Malverne	N/R	\$5,000,000	5/1/2025	Competitive	360 Days	3.77%
4/16/2024	Sayville UFSD	N/R	\$15,000,000	5/8/2025	Competitive	360 Days	3.68%
4/16/2024	T/O Schuyler Falls	N/R	\$995,000	4/29/2025	Competitive	360 Days	4.19%
4/23/2024	Cutchogue FD	N/R	\$14,500,000	5/7/2025	Competitive	360 Days	4.15%
4/23/2024	T/O Cornwall	N/R	\$2,475,000	5/1/2025	Competitive	360 Days	4.00%

*Par amount was resized

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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.

We are a SEC and MSRB registered municipal advisory firm and not affiliated with any investment banking firm or other financial institution. Munistat was one of the first members of the National Association of Independent Public Finance Advisors (now “NAMA”) and has been instrumental in developing and promoting the professional and ethical standards of the industry.

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.

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