



Municipal Market Update

July 2024 Monthly Report



MARKET COMMENTARY

Muni Market Flush with Cash

Typically, the summer months are slower for issuance but cash is usually flush. Investors have cash ready to reinvest into the market owing to proceeds from maturing bonds and coupon payments. This year we could see a slight uptick in issuance during the summer due to the upcoming presidential election. Some issuers may wish to move their deals forward to avoid potential rate volatility that could occur because of the election.

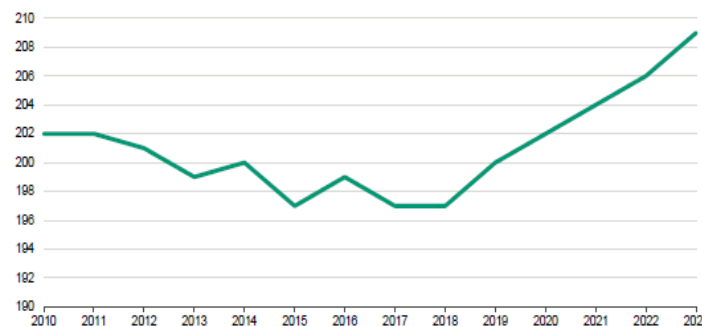
Federal Reserve Outlook

After the Fed's meeting in June the indication was there could be one or possibly two rate cuts this year. The Fed is still targeting a 2% inflation rate to trigger a rate cut however this indicator is not the only thing they consider. Speaking at a panel discussion on monetary policy in Sintra, Portugal, Federal Reserve Chair Jerome Powell said Fed officials still want to see annual price growth slow further toward their 2% target before they would feel confident of having fully defeated high inflation. The market in the meantime has adjusted pricing to reflect two cuts, one in September and another before the end of the year.

Rating Agencies Pushing Back on Late Audits

Moody's and S&P have started to push back regarding the increases in late audits. In June, Moody's published an article stating municipal entities that have not produced a final audit within one year of their prior fiscal year end could be in jeopardy of their rating being withdrawn. To date in 2024, Moody's has withdrawn 24 local government ratings because of insufficient information, and withdrew 18 ratings last year. S&P has instituted a new policy that they will not release a rating without a final audit in certain circumstances. Though both agencies understand much of the fault lies with the decreased number of audit firms and shortage of auditors, they find the dramatic increase of late audits concerning to the market. The rating agencies consider late audits a form of credit risk, as investors cannot make an informed decision on the credit worthiness of a municipal issuer if they do not have the most up-to-date financial information.

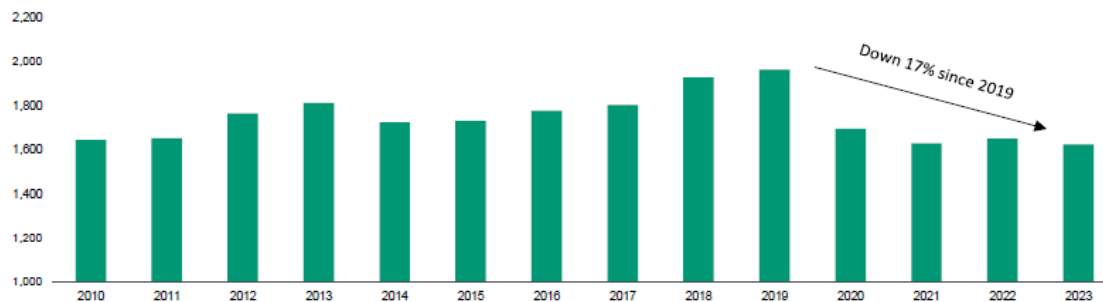
Average number of days from end of fiscal year until release of audit



This cohort includes municipal bond issuers that released audited financial statements within one year of the end of their prior fiscal year, and excludes those issuers releasing audited financial statements later than one year after the end of the prior fiscal year.

Sources: MSRB and Moody's Ratings

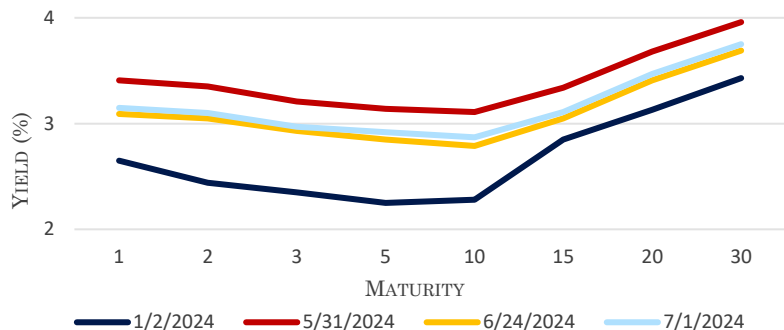
Accountants and auditors employed in the US



Sources: Bureau of Labor Statistics and Moody's Ratings

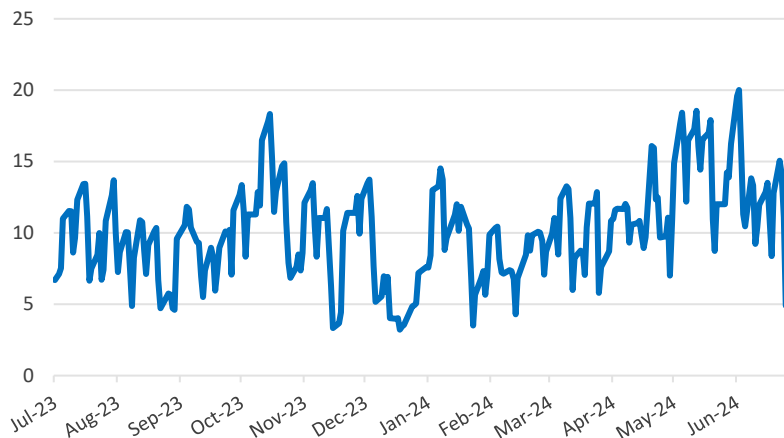
CURRENT MARKET DATA

AAA GO YIELD COMPARISON

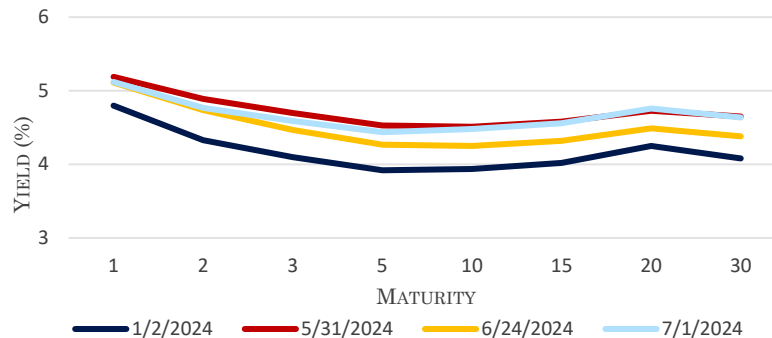


AAA Rated GO	AAA GO Yields (%)			1/2/2024	5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	7/1/2024	6/24/2024	5/31/2024				
1 yr AAA GO	3.15	3.09	3.41	2.65	0.06	(0.26)	0.50
5 yr AAA GO	2.92	2.85	3.14	2.25	0.07	(0.22)	0.67
10 yr AAA GO	2.87	2.79	3.11	2.28	0.08	(0.24)	0.59
20 yr AAA GO	3.47	3.41	3.68	3.13	0.06	(0.21)	0.34

30-DAY VISIBLE SUPPLY (BILLIONS)

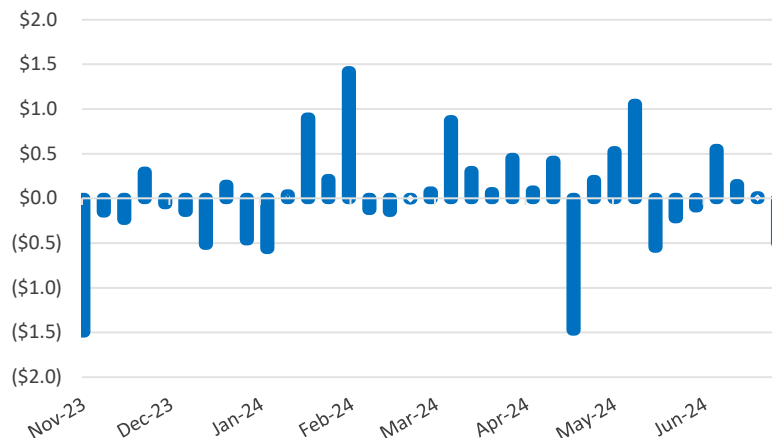


TREASURY YIELDS



Treasury	Treasury Yields (%)			1/2/2024	5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	7/1/2024	6/24/2024	5/31/2024				
1 yr Treasury	5.12	5.11	5.19	4.80	0.01	(0.07)	0.32
5 yr Treasury	4.44	4.27	4.53	3.92	0.17	(0.09)	0.52
10 yr Treasury	4.48	4.25	4.51	3.94	0.23	(0.03)	0.54
30 yr Treasury	4.64	4.38	4.65	4.08	0.26	(0.01)	0.56

MUNICIPAL BOND FUND FLOWS (BILLIONS)



MUNISTAT RECENT SALES

Bond Transactions

Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
6/11/2024	T/O Windsor	AAA	\$8,810,000	6/15/2039	Competitive	7.951	3.37%

Note Transactions

Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
6/11/2024	T/O Windsor	SP-1+	\$1,360,000	6/26/2025	Competitive	359 Days	3.91%

New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
6/5/2024	Greenport UFSD	MIG-1	\$16,940,000	6/20/2025	Competitive	360 Days	3.54%
6/5/2024	Connetquot CSD	MIG-1	\$34,745,000	6/20/2025	Competitive	360 Days	3.57%
6/13/2024	T/O New Windsor	N/R	\$8,805,000	6/27/2025	Competitive	360 Days	3.74%
6/18/2024	Westhampton Beach UFSD	MIG-1	\$21,000,000	6/26/2025	Competitive	360 Days	3.53%
6/18/2024	C/O Glen Cove CSD	N/R	\$7,715,000	6/26/2025	Competitive	360 Days	3.78%
6/25/2024	T/O Philipstown	N/R	\$3,440,000	7/2/2025	Competitive	360 Days	4.57%
6/27/2024	T/O Fishkill	N/R	\$1,640,000	7/11/2025	Competitive	360 Days	4.19%

*Par amount was resized

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.

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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