



# Municipal Market Update

October 2024 Monthly Report



# MARKET COMMENTARY

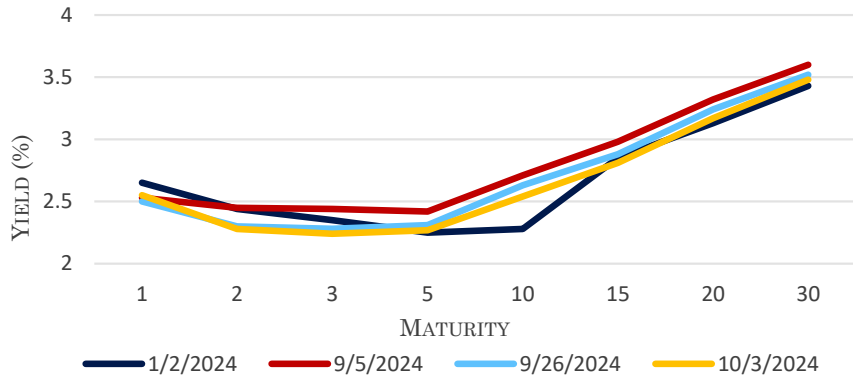
From a macro perspective, the main story in fixed income remains the anticipated pace and depth of Fed monetary policy easing. At their September meeting, the FOMC elected to cut the overnight rate by 50 basis points (“bps”) as it shifted its focus from inflation to supporting the labor market. The Summary of Economic Projections (SEP or “dot plot”) released after the September meeting reflected an additional 50 bps reduction in the overnight rate by the end of the calendar year. Prior to this morning’s September employment report, the market was evenly divided between expectations of 75 bps cut and a 50 bps cut. However, September nonfarm payrolls rose 254K, roughly 100K more than economist’s estimates and the unemployment rate fell to 4.1% from 4.2%. As a result, at mid-day the 1, 3, and 5 year-treasury yields were higher by 14, 19, 17 bps respectively. There remains one more employment report print ahead of the next FOMC meeting.

Turning to the municipal market, new issue volume in September continued to be robust and overall issuance remains on record pace for the year. Year to date, new issue volume is at \$380.4 billion, up 35.2% over 2023, according to LSEG. Volume for the month of September came in at \$44.6 billion, or an increase of 44.5% year/year. The highest monthly issuance in 2023 was \$39.6 billion in June, according to The Bond Buyer. September marked the 9<sup>th</sup> consecutive month of year/year increases in issuance. Multiple \$1 billion+ “mega deals” across the county continue to be a trend in driving 2024 volume higher.

Positively, muni yields fell on average 14 basis points in September as the increased volume was well received by investors. The increased supply has remained manageable given strong demand as measured by 13 straight weeks of positive inflows into bonds funds, according to LSEG Lipper. Market expectation is that issuers will continue to pull forward deals ahead of the election, with positive net supply (after considering bond redemptions of an estimated \$26 billion) of approximately \$15 billion in October, according to Nuveen.

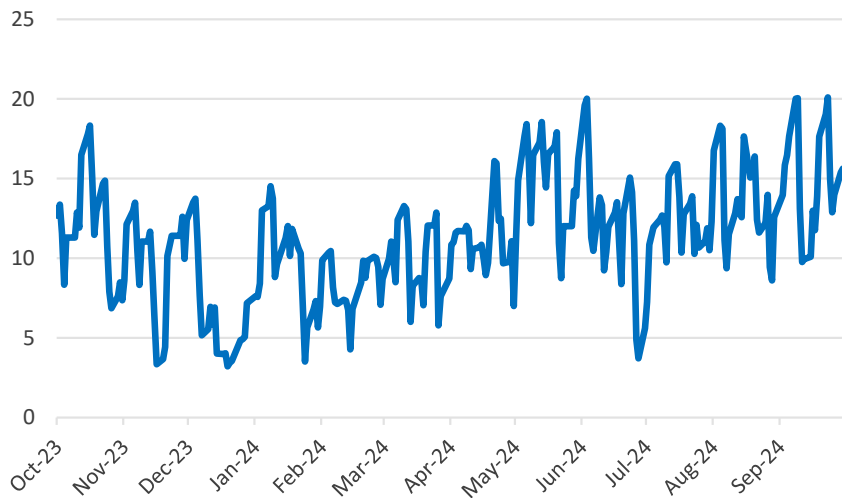
# CURRENT MARKET DATA

## AAA GO YIELD COMPARISON

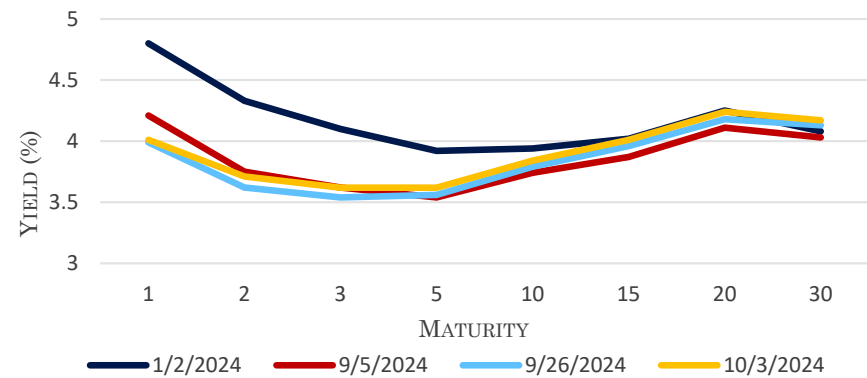


AAA Rated GO	AAA GO Yields (%)			1/2/2024	5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	10/3/2024	9/26/2024	9/5/2024				
1 yr AAA GO	2.55	2.50	2.53	2.65	0.05	0.02	(0.10)
5 yr AAA GO	2.27	2.31	2.42	2.25	(0.04)	(0.15)	0.02
10 yr AAA GO	2.54	2.63	2.71	2.28	(0.09)	(0.17)	0.26
20 yr AAA GO	3.17	3.24	3.32	3.13	(0.07)	(0.15)	0.04

## 30-DAY VISIBLE SUPPLY (BILLIONS)

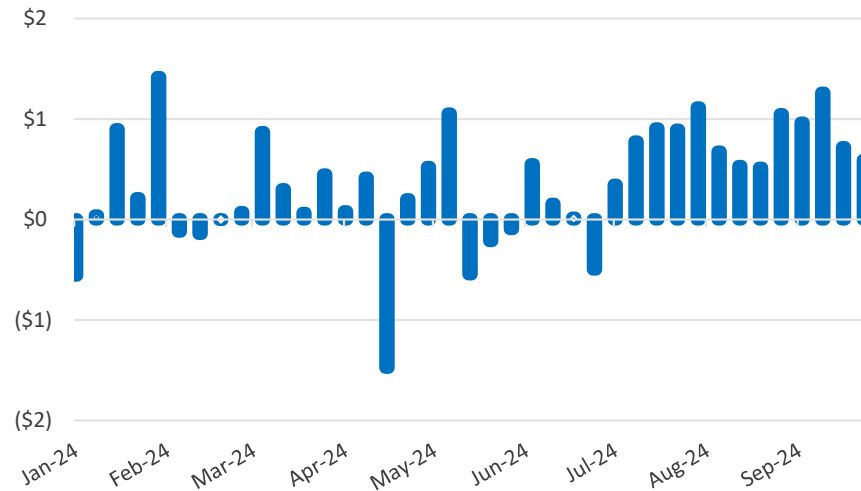


## TREASURY YIELDS



Treasury	Treasury Yields (%)			1/2/2024	5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	10/3/2024	9/26/2024	9/5/2024				
1 yr Treasury	4.01	3.99	4.21	4.80	0.02	(0.20)	(0.79)
5 yr Treasury	3.62	3.56	3.54	3.92	0.06	0.08	(0.30)
10 yr Treasury	3.84	3.79	3.74	3.94	0.05	0.10	(0.10)
30 yr Treasury	4.17	4.13	4.03	4.08	0.04	0.14	0.09

## MUNICIPAL BOND FUND FLOWS (BILLIONS)



# MUNISTAT RECENT SALES

Bond Transactions							
Connecticut Transactions							
Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
9/3/2024	C/O Norwalk	Aaa/AAA	\$70,000,000*	9/1/2054	Competitive	12.460	3.37%
9/10/2024	T/O Ellington	Aa2	\$7,000,000	9/15/2044	Competitive	10.475	3.19%
9/24/2024	Metropolitan District (MDC)**	Aa2/AA	\$40,000,000*	10/1/2044	Competitive	12.067	3.32%
New York Transactions							
Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
9/4/2024	T/O Olive	N/R	\$275,000	3/15/2031	Competitive	3.436	3.95%
9/5/2024	V/O Airmont	AA	\$1,606,000*	9/1/2034	Competitive	5.767	2.74%
9/25/2024	T/O Southampton	AAA	34,055,000*	9/15/2044	Competitive	6.700	2.71%
Note Transactions							
Connecticut Transactions							
Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
9/3/2024	C/O Norwalk	MIG-1/SP-1+	\$15,000,000	9/16/2025	Competitive	359 Days	2.89%
9/10/2024	T/O Ellington	MIG-1	\$21,745,000	9/23/2025	Competitive	359 Days	2.89%
9/11/2024	Southeastern CT Water Authority	N/R	\$405,000	10/1/2025	Competitive	359 Days	4.11%
New York Transactions							
Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
9/5/2024	North Merrick UFSD - TAN	N/R	\$2,000,000	5/28/2025	Competitive	249 Days	3.48%
9/10/2024	Hauppauge UFSD - TAN	N/R	\$29,000,000	6/24/2025	Competitive	275 Days	3.05%
9/10/2024	T/O Southold	N/R	\$18,354,000	9/19/2025	Competitive	360 Days	2.99%
9/11/2024	Lindenhurst UFSD - TAN	N/R	\$39,500,000	6/24/2025	Competitive	268 Days	3.08%
9/11/2024	Springs UFSD - TAN	N/R	\$6,600,000	6/24/2025	Competitive	268 Days	3.23%
9/12/2024	Cold Spring Harbor CSD - TAN	N/R	\$13,000,000	6/24/2025	Competitive	270 Days	3.13%
9/12/2024	East Williston UFSD - TAN	N/R	\$2,000,000	5/28/2025	Competitive	243 Days	3.47%
9/17/2024	Westhampton Beach UFSD - TAN	N/R	\$10,250,000	6/24/2025	Competitive	268 Days	3.13%
9/17/2024	Connetquot CSD - TAN	N/R	\$47,000,000	6/24/2025	Competitive	268 Days	3.05%
9/17/2024	V/O Highland Falls	N/R	\$9,645,000	9/26/2025	Competitive	360 Days	3.05%
9/19/2024	T/O New Paltz	N/R	\$8,677,140	10/3/2025	Competitive	360 Days	3.15%
9/23/2024	East Hampton UFSD - TAN A	N/R	\$6,000,000	2/27/2025	Competitive	145 Days	3.12%
9/23/2024	East Hampton UFSD - TAN B	N/R	\$10,000,000	6/26/2025	Competitive	264 Days	2.99%
9/24/2024	V/O Port Jefferson	N/R	\$2,300,000	10/10/2025	Competitive	360 Days	3.23%
9/24/2024	Eastport-South Manor CSD - TAN	N/R	\$18,000,000	2/4/2025	Competitive	122 Days	3.11%
9/24/2024	South Huntington - TAN	N/R	\$39,000,000	6/24/2025	Competitive	261 Days	3.01%
9/25/2024	Babylon UFSD - TAN	N/R	\$7,000,000	6/24/2025	Competitive	258 Days	3.11%
9/26/2024	T/O Wappinger	N/R	\$960,000	10/10/2025	Competitive	360 Days	3.54%
9/26/2024	Sayville UFSD - TAN A	N/R	\$10,000,000	1/28/2025	Competitive	102 Days	3.17%
9/26/2024	Sayville UFSD - TAN B	N/R	\$7,000,000	6/17/2025	Competitive	241 Days	3.10%

\*Resized

\*\*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.

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