



Municipal Market Update

July 2025 Monthly Report



MARKET COMMENTARY

Preservation of Tax-Exempt Status of Munis

The passing of President Trump's Big Beautiful Bill secures a win for the municipal bond market as the Bill preserves the tax-exempt status of municipal bonds. Its passing ensures that at least for now interest earned on municipal bonds will remain free from federal income tax. Its passing provides stability in the bond market and clarity among bond investors. The tax exemption makes municipal bonds more attractive to investors, allowing state and local governments to borrow money at lower interest rates to fund essential public projects like schools, roads, and infrastructure. We expect the Bill's passing to reinforce investor confidence in the municipal bond market and help meet the growing supply of municipal issuance.

Municipal Market on Pace for Record Issuance

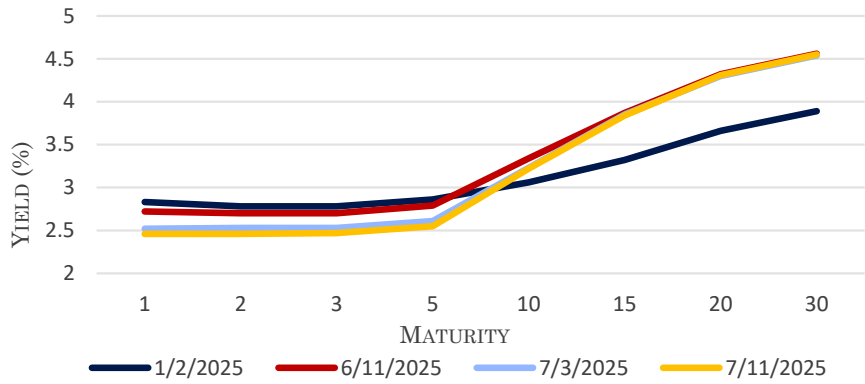
Last year was a record year for new issuance supply. We closed 2024 with \$508 billion in total issuance. As we close the first half of 2025, we are on pace to far exceed last year's volume. Total issuance of \$280 billion year-to-date could see us reach a record \$560 billion through year's end if the pace was to continue. However, demand remains healthy, with fund inflows of approximately \$9.5 billion year to date. It is expected for supply to be well received as July and August bring robust reinvestment capital back into the market due to reinvestment needs from bonds maturing and other bond redemptions. The first half of July alone we will see a year high \$35 billion in reinvestment capital become available.

Municipal Fundamentals Remain Strong

Municipals continue to be well positioned as the credit quality for the overall municipal bond market continues to improve. The overall market has experienced continued tax revenue growth and near record reserve fund balances. Strong financial positions have led to improved rating agency metrics and a positive trend of municipal bond rating upgrades outpacing downgrades.

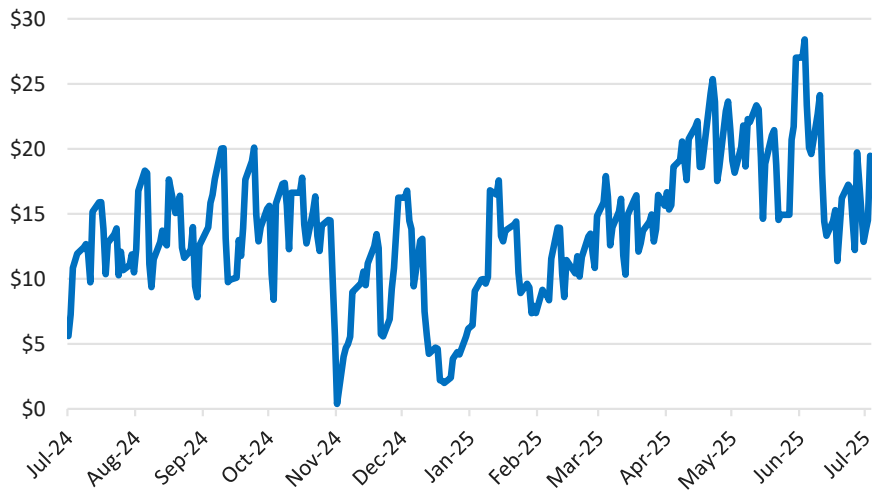
CURRENT MARKET DATA

AAA GO YIELD COMPARISON

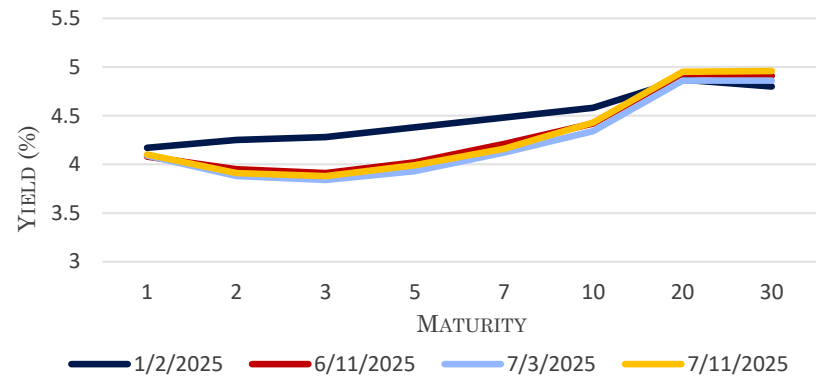


AAA Rated GO	AAA GO Yields (%)				5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	7/11/2025	7/3/2025	6/11/2025	1/2/2025			
1 yr AAA GO	2.46	2.52	2.72	2.83	(0.06)	(0.26)	(0.37)
5 yr AAA GO	2.55	2.61	2.79	2.86	(0.06)	(0.24)	(0.31)
10 yr AAA GO	3.22	3.23	3.34	3.06	(0.01)	(0.12)	0.16
20 yr AAA GO	4.31	4.30	4.32	3.66	0.01	(0.01)	0.65

30-DAY VISIBLE SUPPLY (BILLIONS)

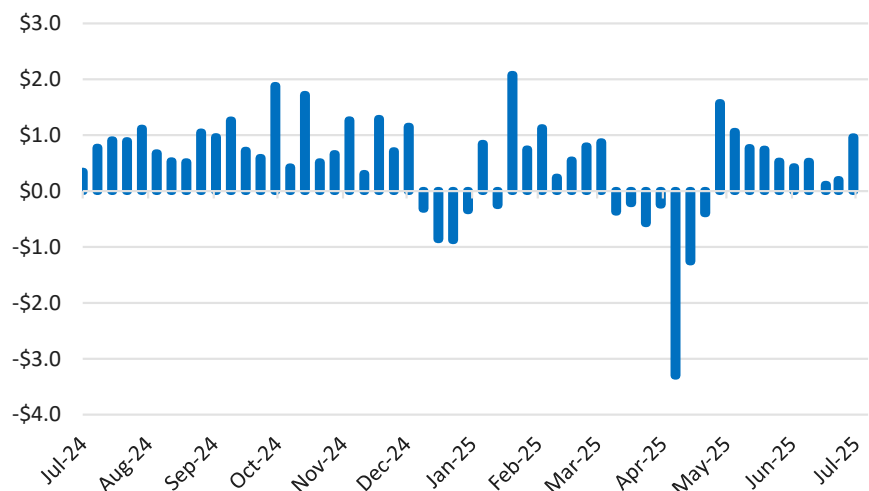


TREASURY YIELDS



	Treasury Yields (%)				5 day chg. (bps)	1 mo. chg. (bps)	YTD chg. (bps)
	7/11/2025	7/3/2025	6/11/2025	1/2/2025			
1 yr Treasury	4.10	4.09	4.08	4.17	0.01	0.02	(0.07)
5 yr Treasury	3.99	3.93	4.02	4.38	0.06	(0.03)	(0.39)
10 yr Treasury	4.16	4.12	4.21	4.48	0.04	(0.05)	(0.32)
30 yr Treasury	4.96	4.86	4.91	4.80	0.10	0.05	0.16

MUNICIPAL BOND FUND FLOWS (BILLIONS)



MUNISTAT RECENT SALES

Bond Transactions

Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
6/10/2025	T/O Windsor	AAA	\$5,400,000	6/15/2035	Competitive	5.469	2.92%

New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
6/11/2025	T/O New Windsor	Aa3	\$4,480,000	6/15/2040	Competitive	8.369	3.63%
6/11/2025	Mamaroneck UFSD	Aa1	\$12,000,000	6/15/2040	Competitive	8.547	3.56%
6/24/2025	T/O Hempstead, Series A	Aaa	\$137,718,895	6/1/2041	Competitive	9.756	3.61%
6/24/2025	T/O Hempstead, Series B Refunding	Aaa	\$35,305,000	4/1/2026	Competitive	2.808	2.49%
6/24/2025	T/O Blooming Grove	Aa2	\$2,915,000	7/15/2045	Competitive	9.275	3.96%
6/25/2025	V/O Montgomery	N/R	\$288,648	6/15/2030	Competitive	3.025	4.22%

Note Transactions

Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
6/11/2025	T/O Columbia	SP-1+	\$5,500,000	6/24/2026	Competitive	359 Days	3.18%
6/24/2025	T/O Southbury	SP-1+	\$8,520,000	7/7/2026	Competitive	359 Days	2.96%

New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
6/4/2025	V/O New Hyde Park	N/R	\$2,500,000	6/18/2026	Competitive	360 Days	3.48%
6/4/2025	Connetquot CSD	MIG-1	\$51,969,827	6/18/2026	Competitive	360 Days	2.95%
6/5/2025	Greenport UFSD	MIG-1	\$16,565,000	6/18/2026	Competitive	360 Days	3.03%
6/11/2025	Rockland BOCES (Revenue Note)	N/R	\$9,000,000	6/19/2026	Competitive	354 Days	3.81%
6/11/2025	CSD of C/O Glen Cove	MIG-1	\$28,615,000	6/25/2026	Competitive	360 Days	2.99%
6/11/2025	Westhampton UFSD	MIG-1	\$25,370,350	6/25/2026	Competitive	360 Days	3.00%
6/11/2025	T/O New Windsor	MIG-1	\$44,500,000	6/26/2026	Competitive	360 Days	2.98%
6/12/2025	Hauppauge UFSD, Series B	N/R	\$21,000,000	6/26/2026	Competitive	360 Days	3.14%
6/12/2026	T/O Brookhaven	N/R	\$12,550,000	6/24/2026	Competitive	360 Days	3.11%
6/17/2025	T/O Philipstown, Series B	N/R	\$2,371,000	7/1/2026	Competitive	360 Days	3.80%
6/26/2025	V/O New Platz, Series B	N/R	\$3,450,000	7/17/2026	Competitive	360 Days	3.38%
6/26/2025	T/O Fishkill	N/R	\$1,230,000	7/10/2026	Competitive	360 Days	3.50%

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 2024, we advised on approximately \$3.1 billion in par value and were ranked as **the #8 municipal advisor in the Country** by number of transactions.

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