



# Municipal Market Update

October 2023 Monthly Report



# MARKET COMMENTARY

September was not a friendly month for municipal issuers as rates rose over a half of a point. Although the Federal Reserve did not raise the Fed Funds rate at the September meeting, the forward guidance is there will be one more 25 basis point hike before the end of the calendar year and that rates will remain “higher for longer”. With the market counting on as much as four rate decreases next year, the September move reflects a resetting of market expectations. The 10-Year Treasury has reached its highest level in 16 years and investors have really taken notice. It’s hard to say whether or not the sell-off is over, but when there is a big move like this, it tends to entice buyers back into the market. Although munis are a different animal, it’s only natural that rates need to go up to compete with the taxable equivalents. We also note that when violent swings happen in interest rates, trading desks often find themselves on the wrong side. For the next couple of weeks, there may be some concessionary bids as they look to pare back some losses.

## REMINDERS:

### **The Timeliness of Audited Financial Statements:**

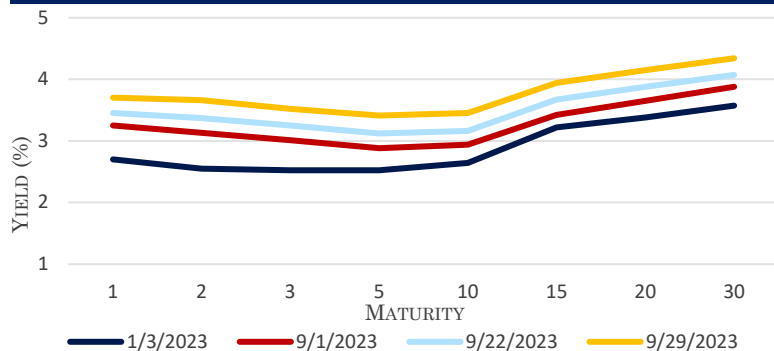
You might receive the automated email from one or more of the Rating Agencies requesting your audited financial statements. What you might notice is that such requests are coming earlier in the year. Rating Agencies are required to do annual surveillance on the credits that they cover and there is an expectation and perception that highly rated credits should complete their financial statements in a timely manner. Additionally, depending on the timing of your bond or note sale, the lack of up-to-date financials leaves a void that investors may not be comfortable with. If the rating agencies start to lose patience, it may have a detrimental effect on your rating. We encourage an open line of communication with the rating agencies and in the event you think that the release of your audit will be delayed for an extended period of time, please let us know.

### **Filing of Event Notices for Financial Obligations:**

Municipal securities for which a final official statement has been completed are filed with the MSRB pursuant to SEC Rule 15c2-12. It should be noted that Issuers are also responsible, under certain Continuing Disclosure Agreements, for disclosing and filing event notices for any incurrence of a “financial obligation”, if material. The term financial obligation as it relates to most of our clients may include large leases, direct placement debt, energy performance contracts, loans through the State revolving funds, etc. If your municipal entity has entered into a financial obligation, please let us know so we can help you determine if an event filing needs to be made.

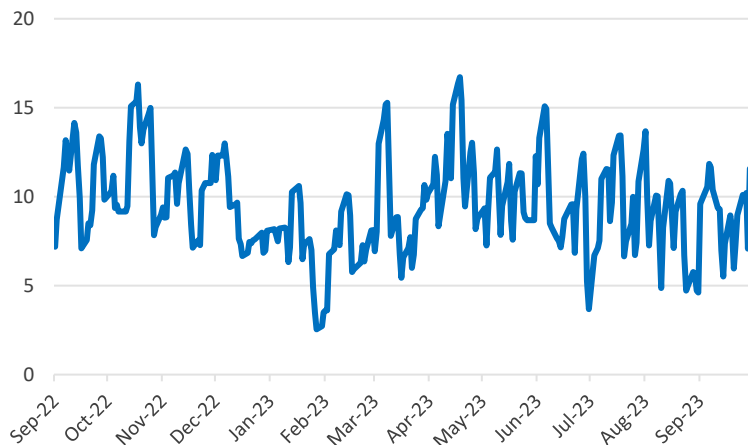
# CURRENT MARKET DATA

## AAA GO YIELD COMPARISON

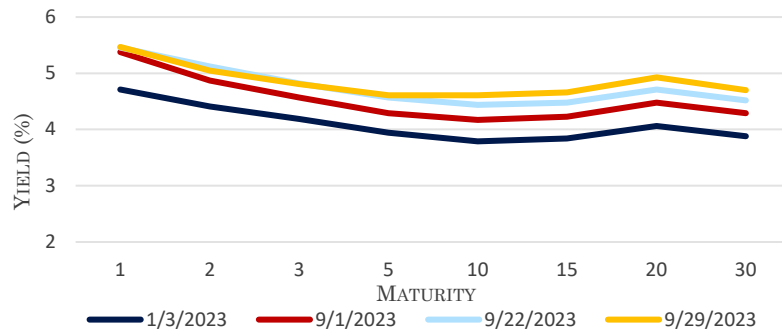


AAA Rated GO	AAA GO Yields (%)				5 day chg. 1 mo. chg. YTD chg.		
	9/29/2023	9/22/2023	9/1/2023	1/3/2023	(bps)	(bps)	(bps)
1 yr AAA GO	3.70	3.45	3.25	2.70	0.25	0.45	1.00
5 yr AAA GO	3.41	3.12	2.88	2.52	0.29	0.53	0.89
10 yr AAA GO	3.45	3.16	2.94	2.64	0.29	0.51	0.81
20 yr AAA GO	4.15	3.88	3.65	3.38	0.27	0.50	0.77

## 30-DAY VISIBLE SUPPLY (BILLIONS)

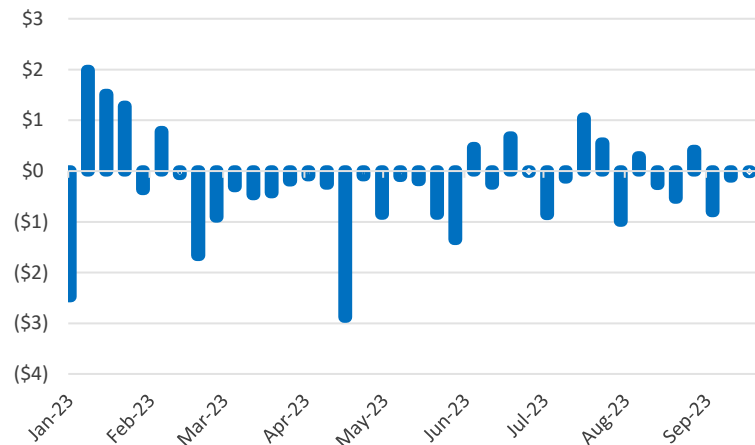


## TREASURY YIELDS



	Treasury Yields (%)				5 day chg. 1 mo. chg. YTD chg.		
	9/29/2023	9/22/2023	9/1/2023	1/3/2023	(bps)	(bps)	(bps)
1 yr Treasury	5.47	5.46	5.38	4.71	0.01	0.09	0.76
5 yr Treasury	4.61	4.57	4.29	3.94	0.04	0.32	0.67
10 yr Treasury	4.61	4.44	4.17	3.79	0.17	0.44	0.82
30 yr Treasury	4.70	4.52	4.29	3.88	0.18	0.41	0.82

## MUNICIPAL BOND FUND FLOWS (BILLIONS)



# MUNISTAT RECENT SALES

## Bond Transactions

### Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
9/7/2023	Bloomfield Center FD	AA-	\$10,535,000	9/15/2043	Negotiated	12.383	3.87%

### New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Average Life	TIC
9/12/2023	T/O Southold	Aaa	\$9,130,000	9/15/2042	Competitive	11.067	3.65%

## Note Transactions

### Connecticut Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
9/5/2023	T/O North Haven	N/R	\$1,890,000	11/2/2023	Competitive	48 Days	5.96%
9/20/2023	T/O Stratford	N/R	\$19,285,000	1/30/2024	Competitive	117 Days	4.70%
9/25/2023	Southeaster CT Water Auth.	N/R	\$380,000	10/2/2024	Competitive	350 Days	5.00%

### New York Transactions

Sale Date	Issuer	Rating	Par Amount	Final Maturity	Type	Term	NIC
9/6/2023	V/O Nyack	N/R	\$3,000,000	9/13/2024	Competitive	359 Days	4.06%
9/6/2023	N. Merrick UFSD	N/R	\$2,000,000	5/29/2024	Competitive	255 Days	4.19%
9/6/2023	East Hampton UFSD	N/R	\$10,000,000	6/27/2024	Competitive	283 Days	3.71%
9/6/2023	East Hampton UFSD	N/R	\$6,000,000	2/27/2024	Competitive	163 Days	3.63%
9/7/2023	Springs UFSD	N/R	\$6,000,000	6/26/2024	Competitive	275 Days	3.79%
9/7/2023	Rocky Point UFSD	N/R	\$3,500,000	6/26/2024	Competitive	277 Days	3.96%
9/7/2023	V/O Ossining	N/R	\$9,367,338	9/20/2024	Competitive	359 Days	3.88%
9/7/2023	Hauppauge UFSD	N/R	\$33,000,000	6/25/2024	Competitive	276 Days	3.68%
9/12/2023	V/O Wappingers Falls	N/R	\$2,025,000	9/20/2024	Competitive	359 Days	4.05%
9/12/2023	T/O Southold	N/R	\$5,795,000	9/20/2024	Competitive	1 Year	3.72%
9/14/2023	Seaford UFSD	N/R	\$5,000,000	6/26/2024	Competitive	269 Days	3.78%
9/14/2023	Cold Spring Harbor CSD	N/R	\$13,500,000	6/26/2024	Competitive	268 Days	3.76%
9/19/2023	V/O Highland Falls	N/R	\$2,430,000	9/27/2024	Competitive	359 Days	4.18%
9/19/2023	Eastport-South Manor CSD	N/R	\$18,200,000	6/21/2024	Competitive	264 Days	3.73%
9/19/2023	Eastport-South Manor CSD	SP-1+	\$25,000,000	5/24/2024	Competitive	237 Days	3.66%
9/27/2023	Mattituck-Cutchogue UFSD	N/R	\$4,000,000	2/22/2024	Competitive	131 Days	4.17%
9/27/2023	Mattituck-Cutchogue UFSD	N/R	\$3,000,000	6/25/2024	Competitive	254 Days	4.35%
9/28/2023	T/O New Platz	N/R	\$3,000,000	10/4/2024	Competitive	359 Days	4.25%
9/28/2023	T/O New Platz	N/R	\$5,861,760	10/4/2024	Competitive	359 Days	4.27%
9/28/2023	Babylon UFSD	N/R	\$8,000,000	6/25/2024	Competitive	253 Days	4.23%
9/28/2023	East Williston UFSD	N/R	\$3,000,000	5/23/2024	Competitive	222 Days	4.19%
9/28/2023	T/O Wappinger	N/R	\$1,000,000	10/11/2024	Competitive	359 Days	4.39%

# 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 2022, we advised on approximately \$2.5 billion in par amount and were ranked in the Top 10 amongst all Advisors in the Country in terms of the amount 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)

