

PUBLIC FINANCE

HIGHER EDUCATION MARKET UPDATE

Market Commentary

•Last week, 3 issues priced in the higher education sector, with a total par amount of \$154.1 million.

•Non-farm payroll data this week will be the “main event,” as markets turn their attention to fundamentals. Last week the markets were facing a holiday shortened week that featured large month end US Treasury auctions and lots of data. This week’s calendar of data is much lighter than last week’s, but the non-farm payroll data will be closely watched for signs of a weakening labor market. If Friday’s number is weak, then the Fed will most likely cut in June. If not, it pushes out the timeline of easing. PCE, a Fed favorite for inflation, released on Friday came in higher than what the market expected but was revised lower for the previous month, a net non-event. Corporate bond sales this week are expected to be about \$20 billion.

•For the week, U.S. Treasury rates were higher by +3 bps in 5 years, unchanged in 10 years and lower by 3 bps in 30 years. This week, the calendar is approximately \$5.8 billion.

•Fund flows continue to be positive. For the week, municipal bond funds reported \$447 million in net inflows compared to the previous week’s inflows of \$64 million.

Key Interest Rates (%)

Description	Last Close	1mth ago	1yr ago	5yrs ago
Prime Rate	8.50	8.50	8.00	5.50
SOFR	5.34	5.31	4.84	2.46
SIFMA Index	3.64	3.24	4.35	1.50
12-month Treasury Note	5.02	5.02	4.52	2.41
2-year Treasury Bond	4.62	4.69	4.08	2.33
3-year Treasury Bond	4.41	4.49	3.89	2.29
5-year Treasury Bond	4.21	4.31	3.68	2.32
10-year Treasury Bond	4.20	4.30	3.57	2.50
30-year Treasury Bond	4.34	4.43	3.77	2.89

Source: Bloomberg

Tax-Exempt AAA General Obligation Yields (%)

Index	Last Close	1mth ago	1yr ago	5yrs ago
1-year AAA G.O. Rate	3.24	2.98	2.49	1.51
2-year AAA G.O. Rate	2.97	2.74	2.40	1.52
3-year AAA G.O. Rate	2.77	2.57	2.30	0.95
5-year AAA G.O. Rate	2.54	2.44	2.22	1.19
10-year AAA G.O. Rate	2.51	2.46	2.29	1.85
30-year AAA G.O. Rate	3.68	3.59	3.35	2.77

Source: Thomson Reuters

4/1/2024

Recent Higher Education Pricings

Issuer	State	Description	Par (000s)	Final Maturity	Tax Status	10YR/30YR Spreads	Ratings
Washington Higher Education Facilities Authority	WA	Revenue Bonds, (Whitman College Project) Series 2024	37,980	1/1/2049	Tax-exempt	-- / --	Aa3 / NR / NR
Philadelphia Authority for Industrial Development	PA	(La Salle University) Revenue Bonds, Series 2024	43,595	5/1/2042	Tax-exempt	-- / --	NR / BB- / BB
Purdue University Trustees	IN	Purdue University Student Fee Bonds, Series GG	72,530	7/1/2035	Tax-exempt	11 / --	Aaa / AAA / NR

Source: Thomson Reuters; “10YR/30YR Spreads” reflects the respective basis point spread over the AAA G.O. MMD Curve for tax-exempt issuances and over the US Treasury Curve for taxable issuances. “--” reflects no overlapping maturity to spread for the respective year.

Upcoming Higher Education Pricings

Issuer	State	Description	Par (000s)	Sale Date	Sale Type	Ratings
Massachusetts Dev Fin Agy	MA	Revenue Bonds, Harvard University Issue, Series 2024B	594,660	week of 04/08/24	Negotiated	Aaa/AAA/--
N Carolina Univ at Raleigh [D]	NC	General Revenue Bonds, Series 2024A	50,605	4/10/2024	Competitive	-/-/-
Nevada Sys of Hgr Ed	NV	Universities Revenue Refunding Bonds, Series 2024	30,735	4/9/2024	Competitive	-/-/-
Univ of N Arizona BOR	AZ	Speed Revenue Refunding Bonds, Series 2024 (Stimulus Plan For Economic and Educations Development)	27,820	4/2/2024	Negotiated	A2/A/-
Cornell University	NY	Taxable Bonds, Series 2024B (Corporate Cusips)	500,000	4/4/2024	Negotiated	Aa1/AA/--
Rhode Island Health and Educational Building Corporation	RI	Higher Educational Facility Revenue Bonds, Bryant University Issue, Series 2024	132,665	4/2/2024	Negotiated	A3/A/-

Source: Thomson Reuters

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