

## Public Finance Market Comment

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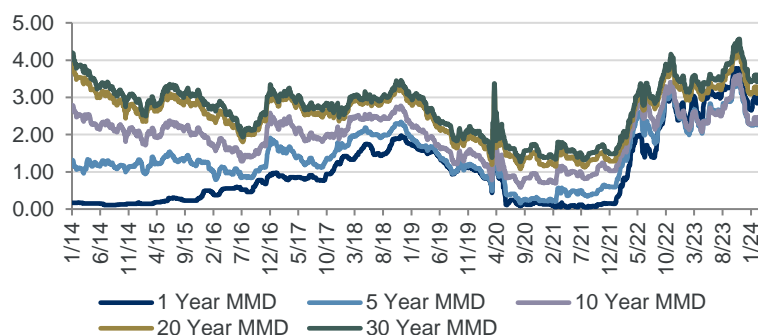
The market is starting to listen to the Fed again, and the adage “don’t fight the Fed” has really played out over the last two weeks as rates have trended much higher. Following the last Fed meeting in March, the ten-year has moved higher by almost 25 basis points. The market is once again behind the curve when it comes to the expectations of rate movement by the Fed. The market expectations have now settled into three cuts and even some pundits calling for no cuts this year. Last week the employment report came in stronger than expected, further adding to the view that the economy remains robust and easing is not needed. The inflation data coming out this week will be even more important to watch due to the market implications around inflation. CPI and PPI on Wednesday and Thursday will be the closely watched inflation releases this week.

**Last week**, Treasuries were higher by 18 basis points in 5 years, higher by 19 basis points in 10 years, and higher by 20 basis points in 30 years. Municipal yields were higher by 15 basis points in 5 years, higher by 14 basis points in 10 years, and higher by 13 basis points in 30 years. **Ratios vs. Treasuries** ended the week cheaper again. The five-year spot is at 62% of Treasuries, the ten-year spot is at 61% of Treasuries, and the thirty-year spot ended the week at 84% of comparable Treasuries. **This week’s supply** totals \$9 bln, higher than last week’s \$5.8 bln calendar. **U.S. municipal bond funds** reported \$80 mln of net inflows in the week ended April 3<sup>rd</sup>, after an inflow of \$447 mln last week, according to data released by Lipper on Thursday. The SIFMA Index was unchanged last week.

## KEY INTEREST RATES

Rate	Today 4/5/2024	Last Week 3/29/2024	Last Month 3/6/2024	Last Year 4/5/2023
Federal Funds Rate	5.50	5.50	5.50	5.00
Prime Rate	8.50	8.50	8.50	8.00
LIBOR (1 month)	5.43	5.44	5.43	4.89
LIBOR (3 month)	5.56	5.56	5.59	5.21
SIFMA	3.64	3.64	3.37	3.04
SIFMA/1 M LIBOR %	67.0	66.9	62.0	62.2
B.B. 20 Bond Index	3.68	3.58	3.54	3.50
B.B. Rev. Index	3.96	3.86	3.82	3.78
30-Day Visible Supply	11.7 B	7.6 B	8.5 B	11.2 B
10-Year MMD	2.66	2.51	2.42	2.14

## AAA-RATED GENERAL OBLIGATION TAX-EXEMPT RATES



## GENERAL OBLIGATION TAX-EXEMPT BOND MARKETS

Year	AAA Tax-Exempt	Current Tax-Exempt Credit Spreads			1 Month Ago Tax-Exempt Credit Spreads			1 Year Ago Tax-Exempt Credit Spreads		
		AA	A	BBB	AA	A	BBB	AA	A	BBB
1	3.34	0.01	0.07	0.46	0.01	0.07	0.46	0.03	0.14	0.49
5	2.68	0.02	0.15	0.58	0.02	0.15	0.58	0.08	0.22	0.59
10	2.66	0.07	0.31	0.83	0.07	0.31	0.83	0.16	0.36	0.90
20	3.49	0.17	0.40	0.90	0.17	0.40	0.90	0.34	0.55	0.99
30	3.81	0.18	0.41	0.92	0.18	0.41	0.92	0.37	0.57	1.01

## GENERAL OBLIGATION TAXABLE MARKET

Year	Treasury	AAA Taxable	65% Taxable	Spread to AAA Tax-Exempt	SOFR Fixed/Float Swap	70% SOFR Fixed/Float Swap	SIFMA
1	5.05	4.77	3.10	-0.24	5.40	3.78	3.41
5	4.39	4.85	3.15	0.47	4.46	3.12	3.06
10	4.40	5.05	3.28	0.62	4.38	3.07	3.13
20	4.66	5.38	3.50	0.01	4.36	3.05	3.24
30	4.55	5.49	3.57	-0.24	4.16	2.91	3.24