

HIGHER EDUCATION MARKET UPDATE

Market Commentary

*Last week, 9 issues priced in the higher education sector, with a total par amount of \$1.45 billion.

*"Higher rates for longer" was the very clear message from Fed Chairman Powell last week. The market is now only pricing in one or two rate cuts for the year, while some economists are calling for no cuts. This is a 180-degree shift from the start of the year. US bond yields hit new highs for 2024 last week after Powell's comments about the Fed being in no rush to begin cutting rates until inflation shows signs of stabilizing. The ten-year yield touched a 4.70% last week and eventually settled at a 4.62% to end the week. The two-year note hit a 5.00% last week and settled at a 4.99%. The pressure on rates will continue until the Fed sees clear signs that monetary policy is achieving the desired results. This week will feature US Treasury auctions of 2-, 5- and 7-year notes, as well as an array of economic numbers. The key data releases will be Durable Goods orders on Wednesday, first quarter GDP on Thursday and Personal Income and Spending (PCE) on Friday. PCE is a favorite inflation data point for the Fed.

*For the week, U.S. Treasury rates were higher by +12 bps in 5 years, +12 bps in 10 years and +11 bps in 30 years. This week, the calendar is approximately \$13.3 billion.

*For the week, municipal bond funds reported \$1.5 billion in net outflows compared to the previous week's inflows of \$415 million.

Key Interest Rates (%)

Description	Last Close	1mth ago	1yr ago	5yrs ago
Prime Rate	8.50	8.50	8.00	5.50
SIFR	5.31	5.31	4.80	2.46
SIFMA Index	4.35	3.45	2.81	2.04
12-month Treasury Note	5.16	4.98	4.79	2.45
2-year Treasury Bond	4.99	4.60	4.24	2.39
3-year Treasury Bond	4.82	4.39	3.95	2.35
5-year Treasury Bond	4.67	4.24	3.70	2.39
10-year Treasury Bond	4.62	4.27	3.59	2.59
30-year Treasury Bond	4.71	4.45	3.79	2.99

Source: Bloomberg

Tax-Exempt AAA General Obligation Yields (%)

Index	Last Close	1mth ago	1yr ago	5yrs ago
1-year AAA G.O. Rate	3.38	3.07	2.74	1.54
2-year AAA G.O. Rate	3.15	2.84	2.53	1.56
3-year AAA G.O. Rate	2.98	2.67	2.43	0.95
5-year AAA G.O. Rate	2.78	2.47	2.36	1.19
10-year AAA G.O. Rate	2.74	2.47	2.36	1.85
30-year AAA G.O. Rate	3.90	3.65	3.40	2.77

Source: Thomson Reuters

4/22/2024

Recent Higher Education Pricings

Issuer	State	Description	Par (000s)	Final Maturity	Tax Status	10YR/30YR Spreads	Ratings
Arizona Board of Regents	AZ	Northern Arizona University System Revenue Refunding Bonds, Series 2024	29,555	6/1/2038	Tax-Exempt	31 / --	A1 / A+ / NR
Arizona Board of Regents	AZ	System Revenue Bonds, Series 2024A (Green Bonds)	153,970	7/1/2054	Tax-Exempt	18 / --	Aa2 / AA / NR
Arizona Board of Regents	AZ	System Revenue Bonds, Series 2024B	168,440	7/1/2044	Tax-Exempt	18 / --	Aa2 / AA / NR
Arizona Board of Regents	AZ	System Revenue Bonds, Series 2024C (Arizona State University)(Taxable)	60,455	7/1/2045	Taxable	48.4 / --	Aa2 / AA / NR
Board of Regents of The University of Oklahoma	OK	General Revenue Bonds, Series 2024A (Taxable)	55,360	7/1/2049	Taxable	63.6 / --	NR / AA- / AA
Board of Regents of the University of Texas System	TX	Revenue Financing System Bonds, Series 2024A	801,735	8/15/2054	Tax-Exempt	20 / --	Aaa / AAA / AAA
Board of Trustees of Oakland University	MI	General Revenue Refunding Bonds, Series 2024A	18,810	3/1/2039	Tax-Exempt	44 / --	A1 / NR / NR
Arizona Board of Regents	AZ	(Arizona State University) Speed Revenue Bonds, (Stimulus Plan for Economic and Educational Development) Series 2024	151,485	8/1/2054	Tax-Exempt	25 / --	Aa3 / AA- / NR
Cumberland County Municipal Authority	PA	Revenue Bonds, Series 2024 WW1 (Commonwealth of Pennsylvania) (AICUP Financing Program - Messiah University Project)	12,735	5/1/2044	Tax-Exempt	-- / --	A1 / NR / 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
Univ of Iowa Facs Corp	IA	Revenue Bonds (Athletic Training Center Projects), Series 2024	20,140	4/24/2024	Competitive	-/-
Iowa BOR	IA	Academic Building Revenue Refunding Bonds, Series S.U.I. 2024 (The State University of Iowa)	17,440	4/24/2024	Competitive	-/-
Louisiana Local Gov Env	LA	Revenue Bonds Mcneese State University - Cowboy Facilities, Inc. Student Union Project, Series 2024	12,100	week of 04/22/24	Negotiated	-/-
South Carolina Jobs Economic Development Authority	SC	Educational Facilities Revenue Bonds (Furman University), Series 2024	69,450	4/24/2024	Negotiated	A1 / -- / AA-
The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges	OK	Oklahoma State University General Revenue and Refunding Bonds, Series 2024	39,505	4/25/2024	Negotiated	-- / AA- / AA-

Source: Thomson Reuters

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