

HIGHER EDUCATION MARKET UPDATE

Market Commentary

•Last week, 9 issues priced in the higher education sector, with a total par amount of \$815.6 million.

•Better than expected economic releases last week provided the backdrop for a US treasury rally in the bond market. PPI and CPI data was mixed, but softer revisions fueled a broad-based rally in the bond market. Given the more benign market data, the Fed is now expected to initiate its first easing by September. This week the data releases are much lighter than last week with the headline release being FOMC minutes. This will be a very busy week for the fixed income markets ahead of the Memorial Day holiday weekend with a heavy Corporate (\$25bln) and Muni (\$13bln) calendar.

•For the week, U.S. Treasury rates were lower by 8 bps in 5 years, lower by 8 bps in 10 years and lower by 8 bps in 30 years. Munis underperformed the rally in U.S. Treasuries last week with ratios moving cheaper. This week, the calendar is approximately \$13 billion.

•For the week, municipal bond funds reported \$548 million in net outflows compared to the previous week's inflows of \$1.1 billion.

Key Interest Rates (%)

Description	Last Close	1mth ago	1yr ago	5yrs ago
Prime Rate	8.50	8.50	8.25	5.50
SOFR	5.31	5.31	5.05	2.39
SIFMA Index	4.21	4.35	2.93	1.35
12-month Treasury Note	5.13	5.14	4.89	2.34
2-year Treasury Bond	4.82	4.93	4.15	2.22
3-year Treasury Bond	4.61	4.76	3.82	2.17
5-year Treasury Bond	4.45	4.61	3.58	2.20
10-year Treasury Bond	4.42	4.59	3.56	2.42
30-year Treasury Bond	4.56	4.70	3.85	2.84

Source: Bloomberg

Tax-Exempt AAA General Obligation Yields (%)

Index	Last Close	1mth ago	1yr ago	5yrs ago
1-year AAA G.O. Rate	3.23	3.38	3.11	1.45
2-year AAA G.O. Rate	3.09	3.15	2.85	1.46
3-year AAA G.O. Rate	2.93	2.98	2.66	0.95
5-year AAA G.O. Rate	2.78	2.78	2.47	1.19
10-year AAA G.O. Rate	2.77	2.74	2.37	1.85
30-year AAA G.O. Rate	3.76	3.90	3.40	2.77

Source: Thomson Reuters

PUBLIC FINANCE

5/20/2024

Recent Higher Education Pricings

Issuer	State	Description	Par (000s)	Final Maturity	Tax Status	10YR/30YR Spreads	Ratings
Lehigh County General Purpose Authority	PA	College Revenue Bonds, Series of 2024 (Muhlenberg College Project)	76,470	2/1/2054	Tax-exempt	72 / --	A3 / NR / NR
Board of Trustees of the University of Illinois	IL	Auxiliary Facilities System Refunding Revenue Bonds, Series 2024A	141,915	4/1/2044	Tax-exempt	26 / --	Aa2 / AA- / NR
Board of Trustees of the University of Illinois	IL	Auxiliary Facilities System Revenue Bonds, 2024B (Taxable)	22,640	4/1/2044	Tax-exempt	65.3 / --	Aa2 / AA- / NR
Clemson University	SC	Higher Education Revenue Bonds, Series 2024A (Manning Hall Project)	51,975	5/1/2054	Tax-exempt	21 / --	Aa2 / NR / AA
Board of Regents of the University of Texas System	TX	Permanent University Fund Bonds, Series 2024B	413,230	7/1/2050	Tax-exempt	18 / --	Aaa / AAA / AAA
Cheltenham Township Industrial Development Authority	PA	Revenue Bonds, Series of 2024 (Arcadia University)	23,025	4/1/2054	Tax-exempt	-- / --	NR / BBB- / NR
Murray State University	KY	General Receipts Bonds, 2024 Series A	19,105	6/1/2044	Tax-exempt	35 / --	A1 / NR / NR
City of San Antonio Education Facilities Corporation	TX	Higher Education Revenue Refunding and Improvement Bonds, Series 2024A (Trinity University Project)	62,165	6/1/2034	Tax-exempt	-- / --	NR / AA- / NR
City of San Antonio Education Facilities Corporation	TX	Higher Education Revenue Refunding and Improvement Bonds, Series 2024B (Trinity University Project) (Taxable)	5,075	6/1/2034	Tax-exempt	-- / --	NR / AA- / 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
Board of Regents, Texas State University System	TX	Revenue Financing System Revenue and Refunding Bonds, Series 2024	607,900	5/21/2024	Negotiated	Aa2/--/AA
The Trustees of Indiana University	IN	Indiana University Consolidated Revenue Bonds, Series 2024A	102,050	5/21/2024	Negotiated	Aaa/AAA/--
Volusia County Educational Facilities Authority	FL	Educational Facilities Revenue Bonds (Stetson University, Inc. Project), Series 2024	63,675	5/21/2024	Negotiated	Baa1/BBB+/--
South Carolina Jobs-Economic Development Authority	SC	Economic Development Revenue Bonds (Wofford College Project), Series 2024	30,000	5/23/2024	Negotiated	--/A+/--
Illinois Finance Authority	IL	Revenue Bonds, The Chicago School	81,350	5/21/2024	Negotiated	Baa1/--/--

Source: Thomson Reuters

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