

HIGHER EDUCATION MARKET UPDATE

Market Commentary

•Last week, 8 issues priced in the higher education sector, with a total par amount of \$1.69 billion.

•Last week kicked off with limited movement in Treasuries on Monday and strength on Tuesday, with short exposure being unwound before the inflation data on Wednesday and Thursday. CPI came in hotter than expected and Treasuries were quick to react, slashing expectations of rate cuts this year. Treasuries weakened by 19-23 basis points in the 10 year and the 30 year was off by 12 basis points at the close. PPI on Thursday increased less than expected and the market reaction was largely muted, with some of the weakness on Wednesday bleeding into the following day. Friday saw some retracement with a flight to quality with fears regarding Israel/Iran and escalation in the Middle East. Overall, Treasuries ended the week cheaper by 8-15 basis points, with the front end seeing the most movement as the market recalibrates monetary policy expectations. Munis outperformed, pushing ratios back below 60% in 10 years and shorter.

•For the week, U.S. Treasury rates were higher by +16 bps in 5 years, +12 bps in 10 years and +8 bps in 30 years. This week, the calendar is approximately \$7.5 billion.

•Fund flows continue to be positive. For the week, municipal bond funds reported \$415 million in net inflows compared to the previous week's inflows of \$80 million.

Key Interest Rates (%)

Description	Last Close	1mth ago	1yr ago	5yrs ago
Prime Rate	8.50	8.50	8.00	5.50
SOFR	5.31	5.31	4.80	2.47
SIFMA Index	3.67	3.43	2.17	1.54
12-month Treasury Note	5.13	5.03	4.64	2.42
2-year Treasury Bond	4.90	4.63	3.96	2.39
3-year Treasury Bond	4.73	4.38	3.69	2.36
5-year Treasury Bond	4.56	4.20	3.46	2.37
10-year Treasury Bond	4.52	4.19	3.39	2.55
30-year Treasury Bond	4.63	4.34	3.62	2.97

Source: Bloomberg

Tax-Exempt AAA General Obligation Yields (%)

Index	Last Close	1mth ago	1yr ago	5yrs ago
1-year AAA G.O. Rate	3.34	2.95	2.31	1.53
2-year AAA G.O. Rate	3.11	2.73	2.18	1.55
3-year AAA G.O. Rate	2.91	2.56	2.08	0.95
5-year AAA G.O. Rate	2.70	2.40	2.03	1.19
10-year AAA G.O. Rate	2.67	2.40	2.08	1.85
30-year AAA G.O. Rate	3.83	3.57	3.16	2.77

Source: Thomson Reuters

PUBLIC FINANCE

4/15/2024

Recent Higher Education Pricings

Issuer	State	Description	Par (000s)	Final Maturity	Tax Status	10YR/30YR Spreads	Ratings
Board of Regents of The University of Oklahoma	OK	General Revenue and Refunding Bonds, Series 2024A	210,530	7/1/2054	Tax-Exempt	28 / --	NR / A+ / A+
Board of Regents of The University of Oklahoma	OK	General Revenue Bonds, Series 2024B (Taxable)	20,110	7/1/2054	Taxable	75 / --	NR / A+ / A+
Massachusetts Development Finance Agency	MA	Revenue Bonds, Series 2024B (Harvard University Issue)	734,995	2/15/2036	Tax-Exempt	-- / --	Aaa / AAA / NR
Dormitory Authority of the State of New York	NY	Cornell University Revenue Bonds, Series 2024A	600,000	7/1/2054	Tax-Exempt	-- / --	Aa1 / AA / NR
North Carolina State University at Raleigh	NC	General Revenue Bonds, Series 2024A	50,410	6/1/2053	Tax-Exempt	8 / --	Aa1 / AA / NR
Illinois Finance Authority	IL	Revenue Refunding Bonds, Series 2024 (Bradley University Project)	16,990	8/1/2032	Tax-Exempt	95 / --	NR / BBB+ / NR
Nevada System of Higher Education	NV	Universities Revenue Refunding Bonds, Series 2024	32,275	6/1/2042	Tax-Exempt	24 / --	Aa2 / AA- / NR
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

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
Arizona BOR	AZ	Arizona State University System Revenue Bonds, Series 2024A (Green Bonds), 2024B and Taxable Series 2024C	380,890	week of 04/15/24	Negotiated	-/-/-
Arizona BOR	AZ	Arizona State University Speed Revenue Bonds Series 2024 (Stimulus Plan For Economic and Educational Development)	150,655	week of 04/15/24	Negotiated	-/-/-
Board of Regents of the University of Texas System	TX	Revenue Financing System Bonds, Series 2024A	527,465	4/19/2024	Negotiated	Aaa / AAA / AAA
Board of Regents of The University of Oklahoma	OK	General Revenue Bonds, Federally Taxable Series 2024A	55,380	4/16/2024	Negotiated	-- / AA- / AA

Source: Thomson Reuters

Raymond James National Higher Education Contact

Chuck Ellingsworth

(901) 579-3575

chuck.ellingsworth@raymondjames.com