

## Public Finance Market Comment

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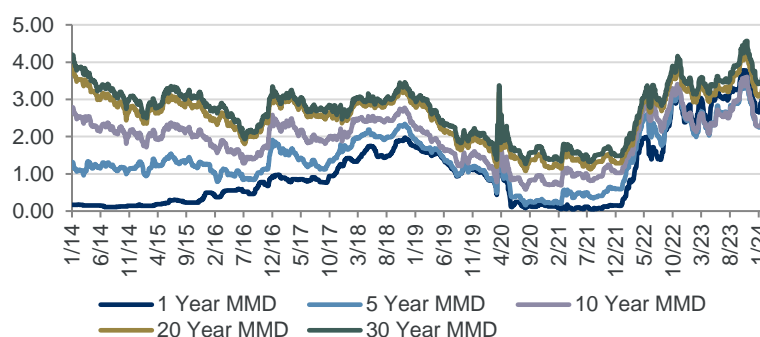
**Bond yields fell last week on a mixed job report and weaker data.** Friday's jobs report came in stronger than expected but revisions were down sharply. In his semiannual report to Congress last week, Fed Chair Powell re-iterated that rates are at the peak and said the Fed is prepared to begin lowering rates at some time this year. While his comments were non-committal, the market saw this as a positive for lower rates. Fed Chair Powell could have a key role in this year's election cycle, depending on the Fed's timing of rate cuts. This week the market attention turns to inflation reports (CPI and PPI), retail sales and UST treasury supply; 3, 10 and 30-year notes and bonds. The markets are still pricing in 4 interest rate cuts this year with the first happening as soon as June.

**Last week**, Treasuries were lower by 9 basis points in 5 years, lower by 10 basis points in 10 years, and lower by 8 basis points in 30 years. Municipal yields were lower by 4 basis points in 5 years, lower by 6 basis points in 10 years, and lower by 2 basis points in 30 years. **Ratios vs. Treasuries** ended the week cheaper. The five-year spot is at 59.1% of Treasuries, the ten-year spot is at 59% of Treasuries, and the thirty-year spot ended the week at 84% of comparable Treasuries. **This week's supply** totals \$10.7 bln, higher than last week's \$7.4 bln calendar. **U.S. municipal bond funds** reported \$869 mln of net inflows in the week ended March 6<sup>th</sup>, after an inflow of \$72 mln last week, according to data released by Lipper on Thursday. The SIFMA Index was higher by 7 basis points at 3.37% from last week.

## KEY INTEREST RATES

Rate	Today 3/8/2024	Last Week 3/1/2024	Last Month 2/7/2024	Last Year 3/8/2023
Federal Funds Rate	5.50	5.50	5.50	4.75
Prime Rate	8.50	8.50	8.50	7.75
LIBOR (1 month)	5.43	5.44	5.44	4.76
LIBOR (3 month)	5.58	5.59	5.58	5.12
SIFMA	3.37	3.30	3.24	2.21
SIFMA/1 M LIBOR %	62.0	60.7	59.6	46.4
B.B. 20 Bond Index	3.52	3.54	3.34	3.75
B.B. Rev. Index	3.80	3.82	3.62	4.03
30-Day Visible Supply	12.4 B	8.7 B	8.2 B	15.3 B
10-Year MMD	2.40	2.46	2.43	2.61

## 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	2.95	0.01	0.07	0.46	0.01	0.07	0.46	0.05	0.16	0.49
5	2.40	0.02	0.15	0.58	0.02	0.15	0.58	0.10	0.24	0.59
10	2.40	0.07	0.31	0.83	0.07	0.31	0.83	0.18	0.38	0.90
20	3.25	0.17	0.40	0.90	0.17	0.40	0.90	0.34	0.55	0.99
30	3.57	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	4.93	4.44	2.89	-0.06	5.40	3.78	3.36
5	4.05	4.54	2.95	0.55	4.46	3.12	2.88
10	4.07	4.79	3.11	0.71	4.38	3.07	2.94
20	4.35	5.11	3.32	0.07	4.36	3.05	3.05
30	4.25	5.22	3.39	-0.18	4.16	2.91	3.04