

# Public Finance Market Comment

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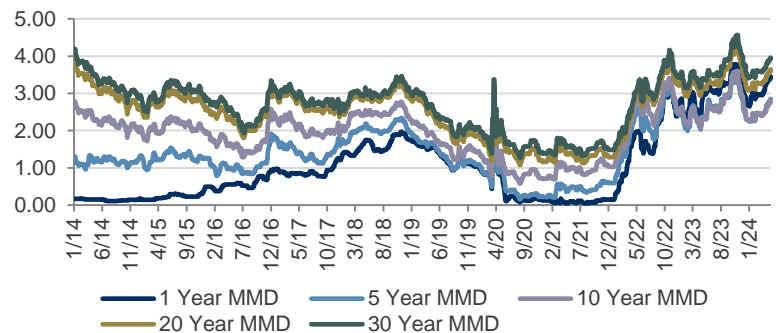
**Economic data releases continued to pressure rates last week as the market awaits the Fed meeting and Friday's employment number.** The GDP number for the first quarter came in as expected, but it showed underlying price pressures and rates moved higher again. Volatility in the markets continued to spook investors as the likelihood of any Fed cuts this year has moved from six at the start of the year to now just one. This week the Fed meeting will be the focus. While no cuts are expected in the Fed Funds rate, the Wednesday afternoon news conference and statement will be closely watched for any signs of a change in outlook on rates by the Fed. In other news, overnight the Bank of Japan intervened to support the Japanese Yen, which had hit its weakest level against the dollar in 34 years. This has put a bid into the Treasury market this morning.

**Last week**, Treasuries were higher by 2 basis points in 5 years, higher by 5 basis points in 10 years, and higher by 6 basis points in 30 years. Municipal yields were higher by 7 basis points in 5 years, higher by 7 basis point in 10 years, and higher by 6 basis points in 30 years. **Ratios vs. Treasuries** ended the week slightly higher. The five-year spot is at 61% of Treasuries, the ten-year spot is at 60.2% of Treasuries, and the thirty-year spot ended the week at 83% of comparable Treasuries. **This week's supply** totals \$7 bln, lower than last week's \$13.3 bln calendar. **U.S. municipal bond funds** reported \$200 mln of net inflows in the week ended April 24<sup>th</sup>, after an outflow of \$1.5 bln last week, according to data released by Lipper on Thursday. The SIFMA Index was lower by 58 basis points at 3.77% from last week.

## KEY INTEREST RATES

Rate	Today 4/26/2024	Last Week 4/19/2024	Last Month 3/27/2024	Last Year 4/26/2023
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	5.43	5.44	5.02
LIBOR (3 month)	5.59	5.59	5.56	5.27
SIFMA	3.77	4.35	3.64	3.86
SIFMA/1 M LIBOR %	69.4	80.1	66.9	76.8
B.B. 20 Bond Index	4.07	3.79	3.55	3.56
B.B. Rev. Index	4.36	4.08	3.83	3.84
30-Day Visible Supply	9.7 B	9.7 B	5.8 B	11.3 B
10-Year MMD	2.81	2.74	2.51	2.33

## 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	3.45	0.01	0.07	0.46	0.01	0.07	0.46	0.03	0.14	0.49
5	2.85	0.02	0.15	0.58	0.02	0.15	0.58	0.08	0.22	0.59
10	2.81	0.07	0.31	0.83	0.07	0.31	0.83	0.16	0.36	0.90
20	3.64	0.17	0.40	0.90	0.17	0.40	0.90	0.34	0.55	0.99
30	3.96	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	5.19	5.07	3.30	-0.15	5.40	3.78	3.50
5	4.69	5.15	3.35	0.50	4.46	3.12	3.23
10	4.66	5.35	3.48	0.67	4.38	3.07	3.27
20	4.89	5.63	3.66	0.02	4.36	3.05	3.39
30	4.78	5.74	3.73	-0.23	4.16	2.91	3.37