



National Market Update— Week of September 9, 2019

ESTRADA • HINOJOSA
INVESTMENT BANKERS

Dallas • Austin • Chicago • Houston • Los Angeles • Miami • New York • San Antonio

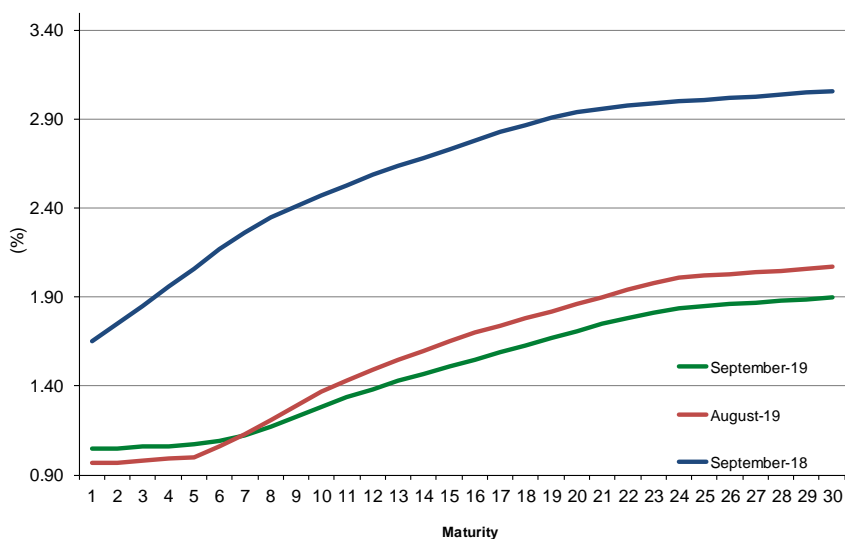
Member: FINRA & SIPC.

Market Update

• Commentary for the week of September 9th

- Municipal bond yields are slightly higher due to easing U.S. – China trade tensions. Secretary Mnuchin strikes a positive tone regarding current trade talks. As demand remains solid, the municipal market should readily absorb this week's \$10 billion in municipal issuance. Multiple high-grade issuers are expected to price Tuesday setting the market tone for the remainder of the week. As of last Friday, the 10-year and 30-year AAA MMD yields stood at 1.28% and 1.90%, respectively.
- Bond yields were moving higher today increasing optimism concerning the U.S. – China trade talks that are set to restart next month. The ongoing global economic slowdown coupled with signals of a slight domestic slowdown, point to a possible rate cut at the Fed's September 18th meeting. Equities were higher this morning and are set to hit another record this week. As of last Friday, the 10-year and 30-year Treasury yields rose to 1.55% and 2.02%, respectively.
- This week the municipal volume is estimated to be a noteworthy \$10.07 billion. The primary calendar is comprised of \$7.63 billion of negotiated deals and \$2.44 billion of competitive sales.
- Estrada Hinojosa will participate as a Financial Advisor in the following deals this week: a \$25mm Canutillo ISD Unlimited Tax Refunding Bonds, Taxable Series 2019 issue, and a \$90mm City of Corpus Christi Utility System Jr. Lien Revenue Improvement and Refunding Bonds, Series 2019 issue.
- Estrada Hinojosa will participate as an Underwriter in the following deals this week: a \$133.7mm Lamar CISD Unlimited Tax Schoolhouse Bonds, Series 2019 issue and a \$10mm City of Weslaco General Obligation Bonds, Series 2019 issue.

Municipal Market Data Yield Curve



Year	Maturity	MMD (%) 09/06/2019	Change Over Week	Change Over Month	Change Over Year
1	2020	1.05	+0.05	+0.08	-0.60
2	2021	1.05	+0.07	+0.08	-0.70
3	2022	1.06	+0.07	+0.08	-0.79
4	2023	1.06	+0.07	+0.07	-0.90
5	2024	1.07	+0.07	+0.07	-0.99
6	2025	1.09	+0.07	+0.03	-1.08
7	2026	1.12	+0.07	-0.01	-1.14
8	2027	1.17	+0.08	-0.04	-1.18
9	2028	1.23	+0.08	-0.06	-1.18
10	2029	1.28	+0.07	-0.09	-1.19
11	2030	1.34	+0.08	-0.09	-1.19
12	2031	1.38	+0.07	-0.11	-1.21
13	2032	1.43	+0.07	-0.12	-1.21
14	2033	1.47	+0.07	-0.13	-1.21
15	2034	1.51	+0.07	-0.14	-1.22
16	2035	1.55	+0.07	-0.15	-1.23
17	2036	1.59	+0.07	-0.15	-1.24
18	2037	1.63	+0.07	-0.15	-1.24
19	2038	1.67	+0.07	-0.15	-1.24
20	2039	1.71	+0.07	-0.15	-1.23
21	2040	1.75	+0.07	-0.15	-1.21
22	2041	1.78	+0.07	-0.16	-1.20
23	2042	1.81	+0.07	-0.17	-1.18
24	2043	1.84	+0.07	-0.17	-1.16
25	2044	1.85	+0.07	-0.17	-1.16
26	2045	1.86	+0.07	-0.17	-1.16
27	2046	1.87	+0.07	-0.17	-1.16
28	2047	1.88	+0.07	-0.17	-1.16
29	2048	1.89	+0.07	-0.17	-1.16
30	2049	1.90	+0.07	-0.17	-1.16

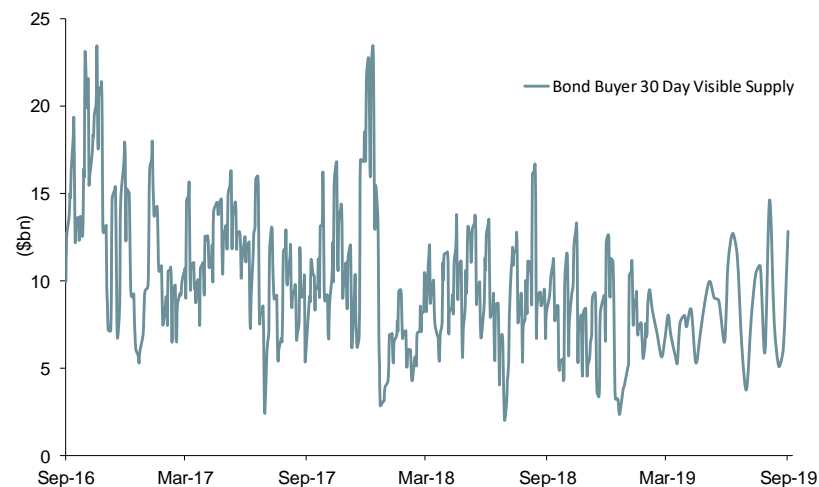
Source: * Bond Buyer
Municipal Market Data
Thomson Reuters

Market Supply

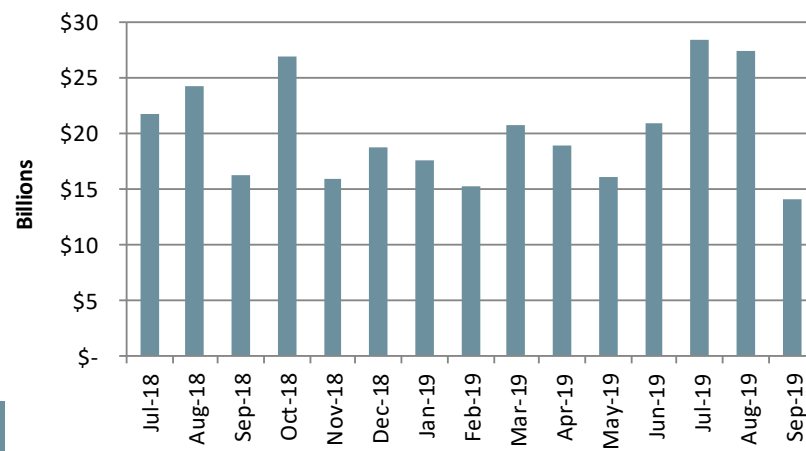
Calendar Week of September 9th

Issue Description	Par Amount (\$000)	Moody's	S&P	Fitch
Saint John The Baptist, LA - Rev Ref Bds, Ser.2017	\$ 600,000	Baa3	BBB	BBB
Broward Co, FL - Facilities Rev Bds, Ser. 2019	\$ 468,950	A1	A	NR
The State University of Rutgers, NJ - General Obligation Bds, Ser.2019	\$ 330,000	Aa3	A+	NR
Los Angeles Dept of Wtr and Pwr, CA - System Rev Bds, Ser.2019	\$ 325,000	NR	AA	AA
Jefferson Sales Tax, LA - Sales Tax RevBds, Ser.2019	\$ 280,000	NR	AA	NR
New York City Housing Development, NY - Multi-Family Housing Rev Bds, Ser.2019.	\$ 221,340	Aa2	AA+	NR
The Delaware River and Bay, DE- Auth Rev Bds, Ser.2019	\$ 172,965	A1	A	NR
Utah Hsg Corp-A, UT- Single Family Mortgage Bds, Ser.2019	\$ 162,710	Aa2	NR	NR
Mansfield ISD-A, TX- U/L Tax Sch Bldg Bds, Ser.2019A	\$ 158,525	Aa2	AA+	NR
Bi- Sate Dev Agy, MO- Ref Bds, Ser.2019	\$ 158,505	NR	AA+	NR
National Top 10 Total Negotiated	\$ 3,077,995			
National Total Negotiated Weekly	\$ 7,630,000			

Bond Buyer 30-Day Visible Supply**



National Monthly Negotiated Issuance ***



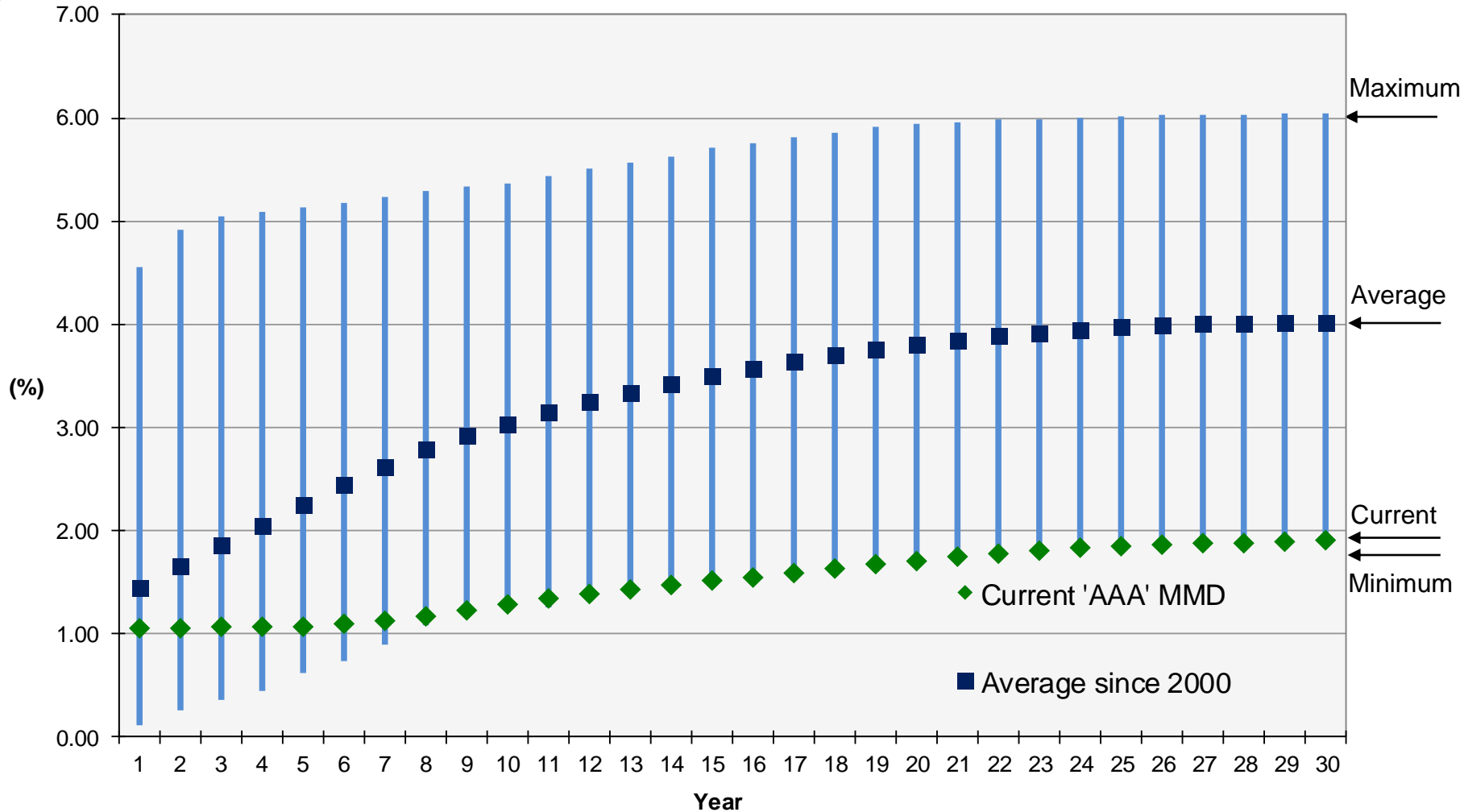
	2019	2018	2017
Total National Issuance YTD (000s)	\$ 243,099,100	\$ 233,559,000	\$ 267,557,100

*Rating reflects underlying or insured rating, as appropriate

**Source: The Bond Buyer

***Source: Bloomberg

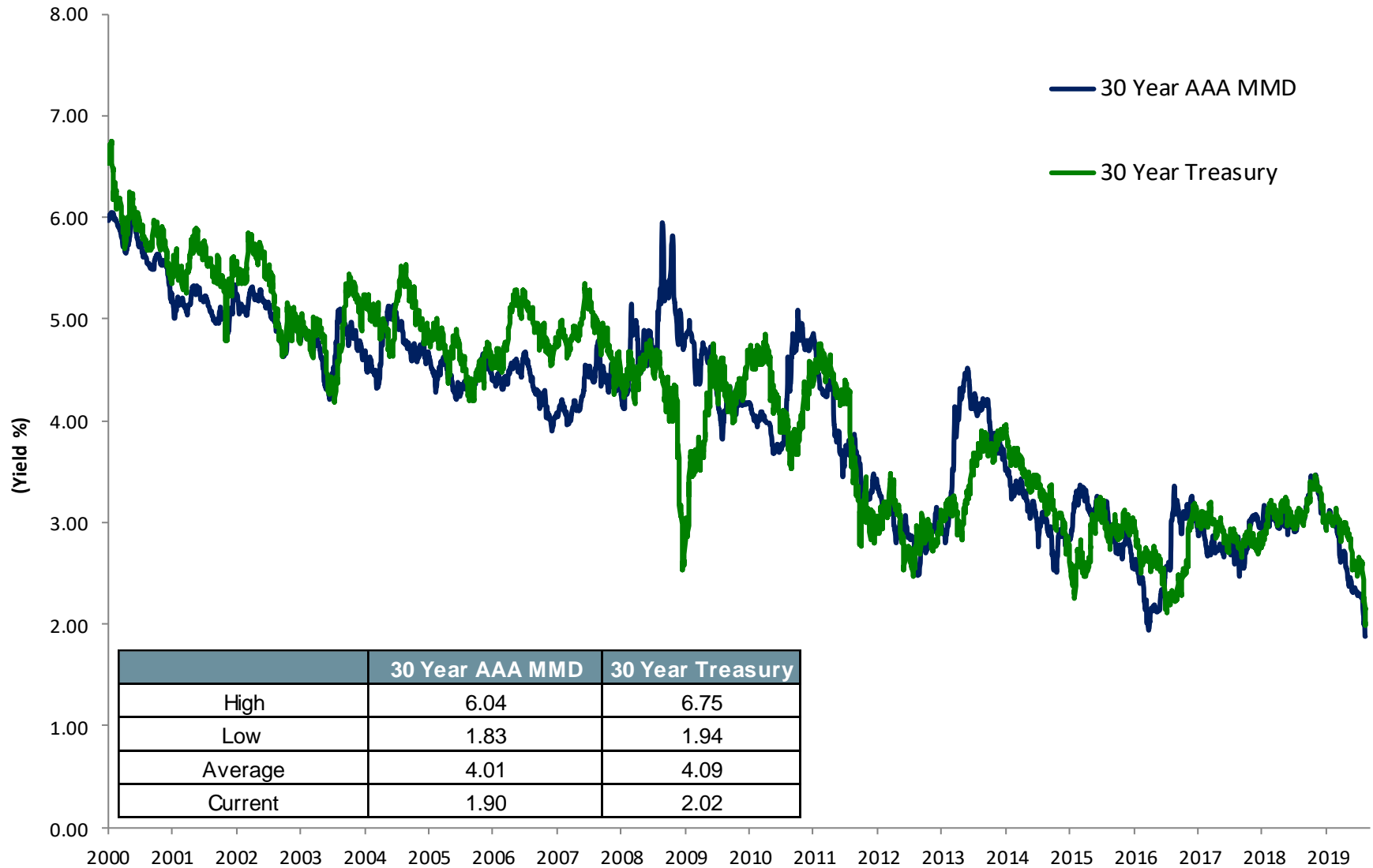
'AAA' MMD History Since 2000



Maturity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
% of time above current MMD	50%	57%	62%	73%	86%	91%	97%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	

As of 9/06/2019

30 Year AAA MMD vs. 30 Year Treasury: Since 2000



Source: Thomson Reuters & Bloomberg

Disclaimer

This document is intended for discussion purposes only and, in conjunction with oral presentations and further negotiations, is subject to the final terms of definitive transaction related written agreements, if appropriate, and is not a commitment to lend money, underwrite or purchase securities or commit capital, nor does it obligate this firm to enter into written agreements. Terms and conditions described herein are an indicative summary which may be amended or replaced by subsequent summaries.

This document is intended for the exclusive use of the entity identified on the cover page hereof or otherwise identified as the recipient by a member of the firm and may contain information proprietary to Estrada Hinojosa, which by acceptance of this document obligates you to use discretion when sharing the proposed terms for any prospective transaction. With this communication, Estrada Hinojosa is **not** assuming the role of your independent registered municipal advisor and is **not** attempting to establish a fiduciary relationship with you pursuant to the SEC's Municipal Advisor Rule. Estrada Hinojosa is acting in its own interests with a view to underwriting and distributing your municipal securities in an arm's length commercial transaction and you should discuss any action you intend to take with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material

In addition, Estrada Hinojosa does not provide accounting, tax or legal advice and any discussion of such matters herein should not be relied upon by you as a guarantee or commitment of a specific result should a transaction occur. All numbers and prices discussed herein are preliminary and indicative of market conditions on the date prepared and do not represent bids or offers, and you should determine, without reliance upon us, the economic risks and merits as well as the legal and tax consequences of any such transaction, keeping in mind that the results of analyses from any quantitative model which represent potential future events that may or may not occur, and that may not include every particular material fact related to a proposed transaction, are by their nature subject to further discussion and examination.

2019 Estrada Hinojosa & Company, Inc. © Member: FINRA & SIPC.

All rights reserved. No part of this document may be reproduced in any manner without the written permission of Estrada Hinojosa & Company, Inc.