



Texas Market Update— Week of September 9, 2019

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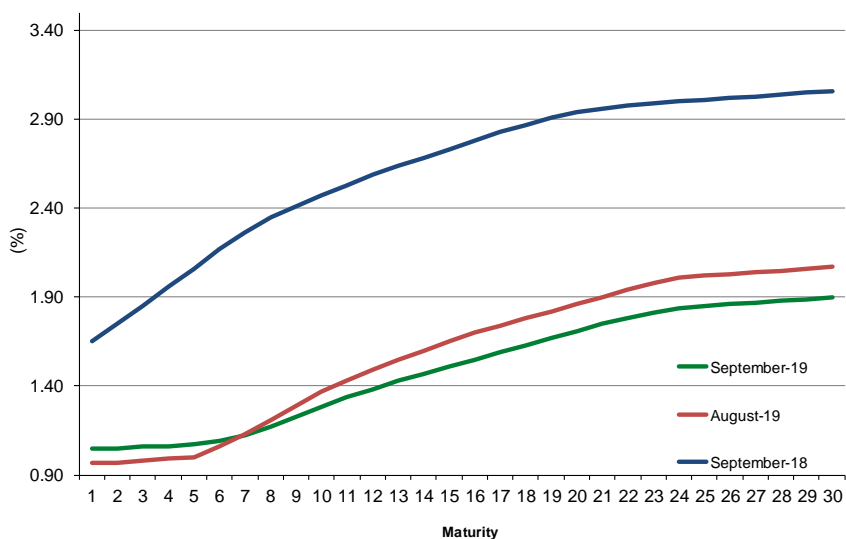
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Market Update

• 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. Texas municipal issuance is in negotiated financings and \$110 million in 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)	Ratings*		
		Moody's	S&P	Fitch
Mansfield ISD, TX - U/L Tax Sch Bldg Bds Ser 2019A	\$ 158,525	Aa2	AA+	NR
City of Austin, TX - Pub Imp & Ref Bds Ser 2019	\$ 146,915	Aaa	AAA	AAA
Lamar CISD, TX- U/L Tax Schhse Bds Ser 2019	\$ 133,715	Aa2	AA	NR
City of Corpus Christi, TX - Ref Bds, Ser. 2019	\$ 90,000	NR	NR	NR
Mesquite ISD, TX - U/L Tax Sch Bldg Bds Ser 2019	\$ 84,425	Aaa	AA	AA+
Old Spanish Trail Alameda, TX - Tax Increment Contract Rev & Ref Bds Ser 2019	\$ 62,780	NR	A	NR
Lake Dallas ISD, TX - U/L Tax Sch Bldg Bds Ser 2019-A	\$ 61,450	NR	AA-	NR
City of Austin, TX - Pub Imp Bds Taxable Ser 2019	\$ 40,550	Aaa	AAA	AAA
Deer Park ISD, TX - U/L Tax Sch Bldg Bds Ser 2019	\$ 40,000	Aa1	AA+	NR
City of Austin, TX - Pub Prop Fin Contractual Obligns Ser 2019	\$ 25,865	Aaa	AAA	AAA
Texas Top 10 Total Negotiated Supply	\$ 844,225			
Texas Total Negotiated Weekly Supply	\$ 934,830			

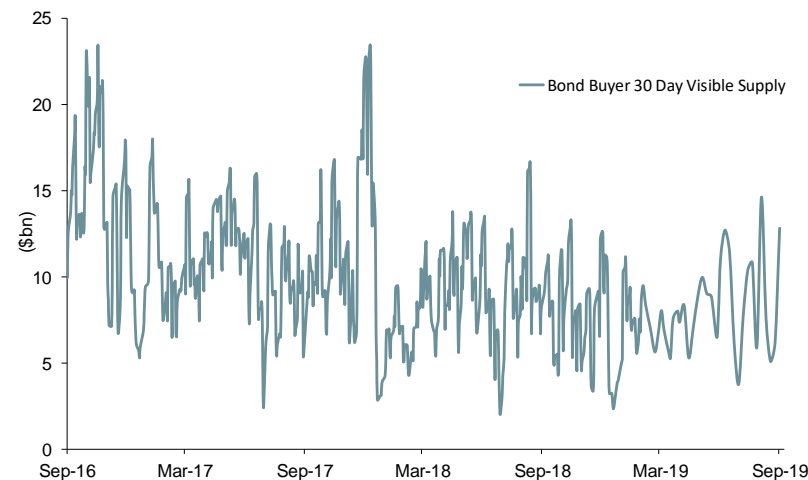
	2019	2018	2017
Total Texas Issuance YTD (000s)	\$ 28,980,930	\$ 23,632,943	\$ 27,197,718

*Rating reflects underlying or insured rating, as appropriate

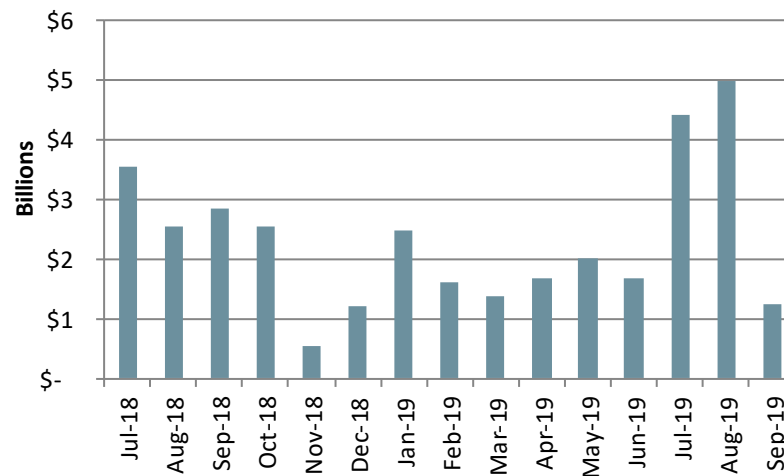
**Source: The Bond Buyer

***Source: Bloomberg

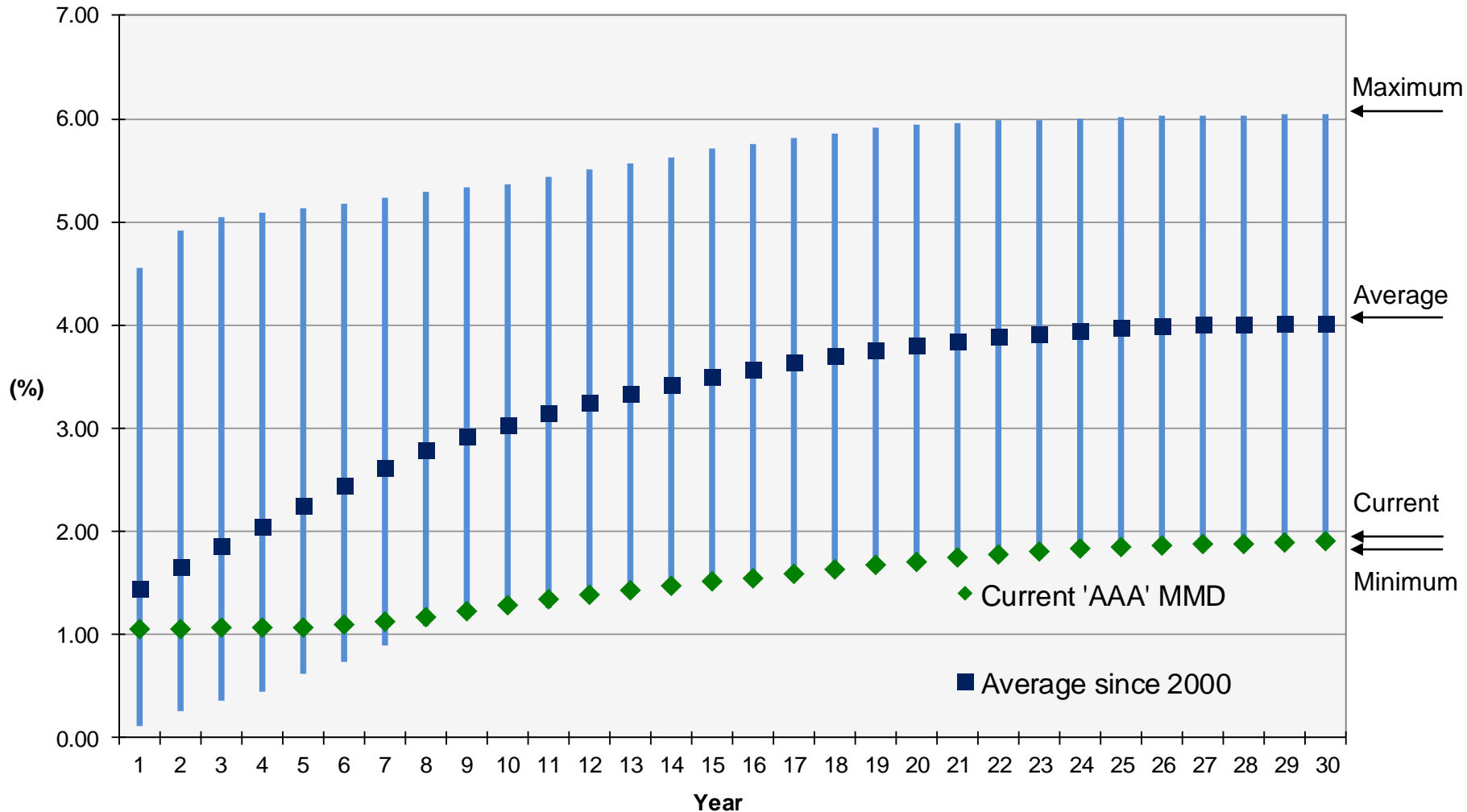
Bond Buyer 30-Day Visible Supply**



Texas Monthly Negotiated Issuance ***



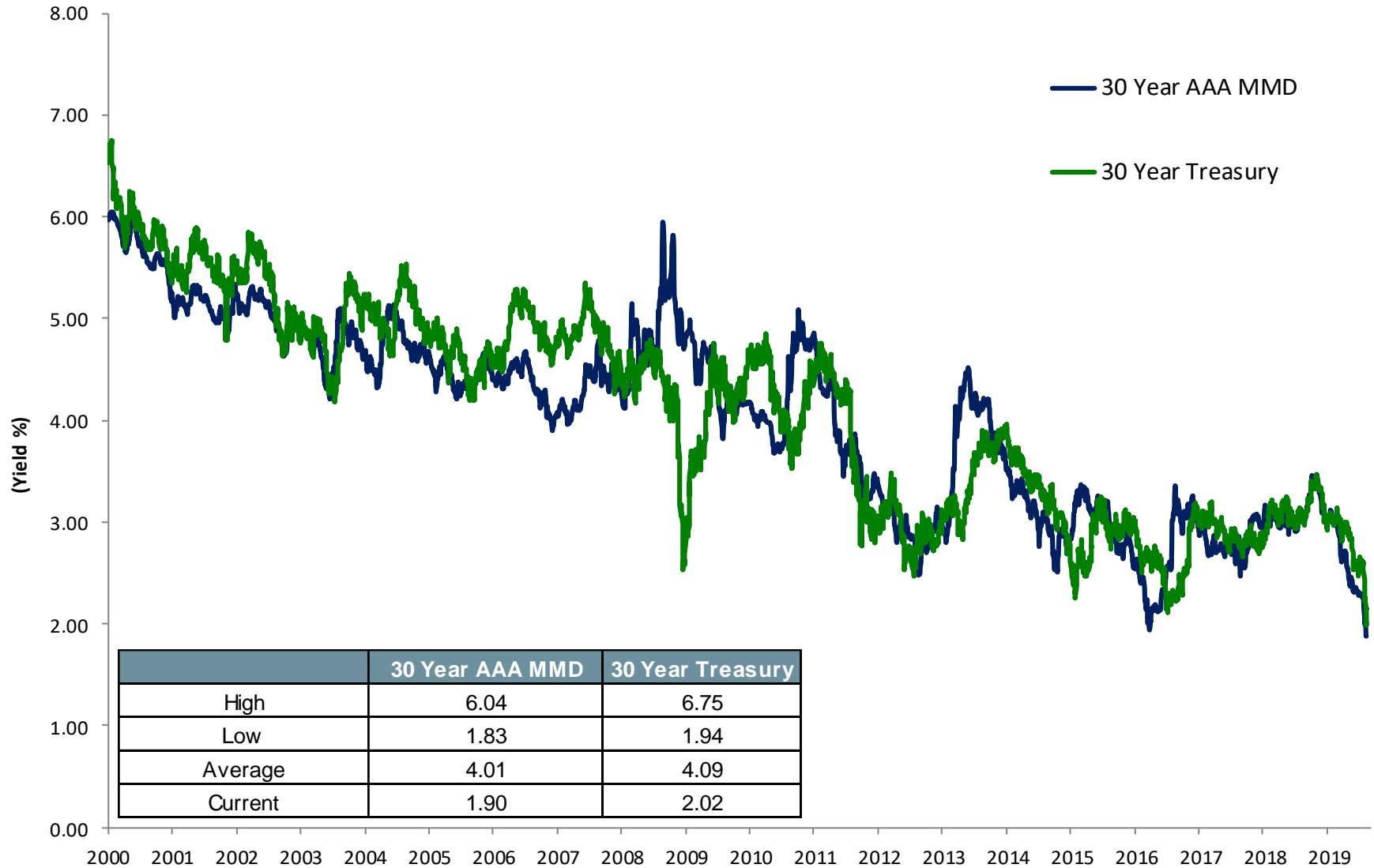
'AAA' MMD History Since 2000



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%	99%

As of 9/06/2019

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



Source: Thomson Reuters & Bloomberg

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