



## Texas Market Update– Week of October 5, 2020

ESTRADA • HINOJOSA  
INVESTMENT BANKERS

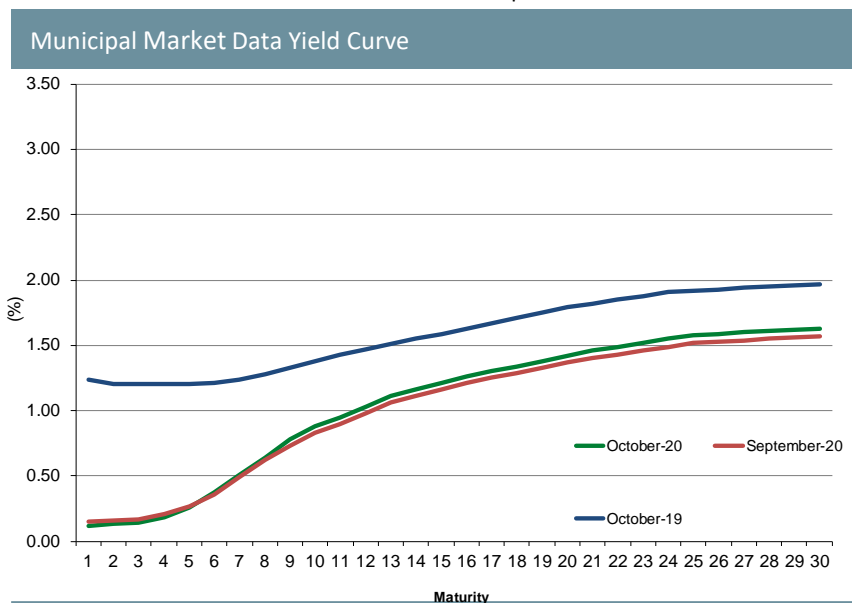
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# Market Update

## • Commentary for the week of October 5<sup>th</sup>

- After a week of robust issuance, the Municipal bond market was slightly weaker, AAA municipal bond yields were 2-5 basis points higher from 5 years out to the end of the curve. Currently, there is \$24.0 billion in cash made available for reinvestment nationally, \$1.9 billion is available in Texas. As of last Friday, the 10-year and 30-year AAA MMD yields stood at 0.88% and 1.63%, respectively.
- U.S. equities are trading higher and U.S Treasury yields are higher on optimism of a potential stimulus bill passing before the Presidential election and President Trump's improving health.
- The primary calendar is estimated to be \$22.3 billion and is comprised of \$16.6 billion in negotiated deals and \$5.7 billion in competitive sales. Texas municipal issuance is estimated to be \$2.0 billion this week. The Texas primary calendar is comprised of \$1.9 billion in negotiated financing and \$44.1 million in competitive sales.
- Estrada Hinojosa will participate in the following deals: a \$30.4 million Edinburg Consolidated Independent School District Maintenance Tax Notes, Series 2020 issue and a \$1.2 million Santa Maria Independent School District Unlimited Tax Refunding Bonds, Series 2020 issue, both as Financial Advisor. A \$27.9 million City of Beaumont, Texas General Obligation Refunding Bonds, Series 2020A; a \$81.6 City of Beaumont, Texas General Obligation Refunding Bonds, Taxable Series 2020B issue; a \$38.1 million City of Beaumont, Texas Waterworks and Sewer System Revenue and Refunding Bonds, Series 2020A issue; a \$13.2 million City of Beaumont, Texas Waterworks and Sewer System Revenue Refunding Bonds, Taxable Series 2020B issue; \$68.7 million Port Arthur Independent School District Unlimited Tax Refunding Bonds, Taxable Series 2020A (PSF) issue; a \$14.8 million Port Arthur Independent School District Unlimited Tax Refunding Bonds, Taxable Series 2020B (Non-PSF) issue, all as Co-Senior Underwriter and a \$26.6 million Brenham Independent School District Unlimited Tax Refunding Bonds, Taxable Series 2020 issue, as Co-Managing Underwriter.



Year	Maturity	MMD (%) 10/2/2020	Change Over Week	Change Over Month	Change Over Year
1	2021	0.12	0.00	-0.03	-1.12
2	2022	0.13	0.00	-0.03	-1.07
3	2023	0.14	0.00	-0.03	-1.06
4	2024	0.18	0.00	-0.03	-1.02
5	2025	0.26	+0.02	-0.01	-0.94
6	2026	0.37	+0.02	+0.01	-0.84
7	2027	0.51	+0.03	+0.02	-0.73
8	2028	0.64	+0.03	+0.02	-0.64
9	2029	0.78	+0.05	+0.05	-0.55
10	2030	0.88	+0.05	+0.05	-0.50
11	2031	0.95	+0.05	+0.05	-0.48
12	2032	1.03	+0.05	+0.05	-0.44
13	2033	1.11	+0.05	+0.05	-0.40
14	2034	1.16	+0.05	+0.05	-0.39
15	2035	1.21	+0.05	+0.05	-0.38
16	2036	1.26	+0.05	+0.05	-0.37
17	2037	1.30	+0.05	+0.05	-0.37
18	2038	1.34	+0.05	+0.05	-0.37
19	2039	1.38	+0.05	+0.05	-0.37
20	2040	1.42	+0.05	+0.05	-0.37
21	2041	1.46	+0.05	+0.06	-0.36
22	2042	1.49	+0.05	+0.06	-0.36
23	2043	1.52	+0.05	+0.06	-0.36
24	2044	1.55	+0.05	+0.06	-0.36
25	2045	1.58	+0.05	+0.06	-0.34
26	2046	1.59	+0.05	+0.06	-0.34
27	2047	1.60	+0.05	+0.06	-0.34
28	2048	1.61	+0.05	+0.06	-0.34
29	2049	1.62	+0.05	+0.06	-0.34
30	2050	1.63	+0.05	+0.06	-0.34

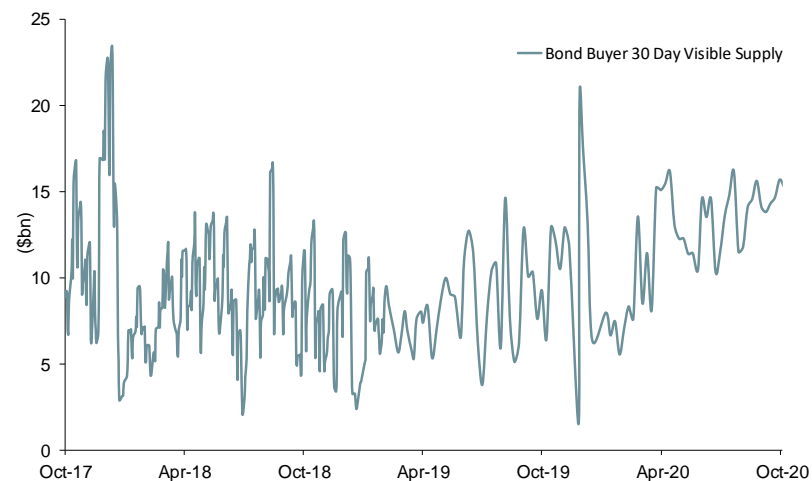
Source: \* Bond Buyer  
Municipal Market Data  
Thomson Reuters

# Market Supply

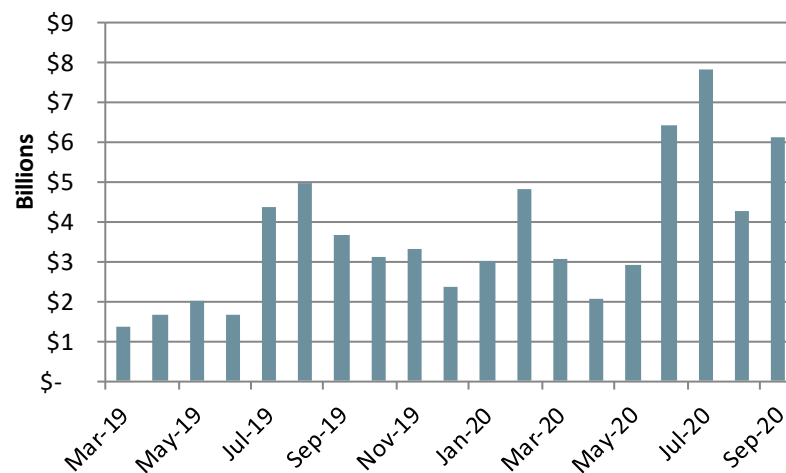
## Calendar Week of October 5<sup>th</sup>

Issue Description	Par Amount (\$000)	Ratings*			
		Moody's	S&P	Fitch	Kroll
Mansfield Independent School District, TX - U/L Tax Ref Bds, Taxable Ser. 2020	\$ 399,485	Aaa	NR	AAA	NR
Conroe Independent School District, TX - U/L Tax Sch Bldg & Ref Bds, Ser. 2020A	\$ 329,480	Aaa	AAA	NR	NR
North East Independent School District, TX - U/L Tax Ref Bds, Taxable Ser. 2020	\$ 250,225	Aaa	NR	AAA	NR
Magnolia Independent School District, TX - U/L Tax Ref Bds, Taxable Ser. 2020A-2020B (Taxable Non-PSF)	\$ 116,210	Aaa/Aa2	NR	NR	NR
City of Beaumont, TX - GO Ref Bds, Ser. 2020A-2020B (Taxable)	\$ 109,570	Aa2	AA-	NR	NR
Frenship Independent School District, TX - U/L Tax Ref Bds, Taxable Ser. 2020	\$ 103,010	Aaa	NR	AAA	NR
Port Arthur Independent School Distrct, TX - U/L Tax Ref Bds, Taxable Ser. 2020A-2020B (Taxable Non-PSF)	\$ 83,685	Aaa/A1	NR	AAA/A+	NR
Hays Consolidated Independent School District, TX - U/L Tax Bds, Taxable Ser. 2020	\$ 70,035	NR	NR	NR	NR
City of Beaumont, TX - WWSS Rev & Ref Bds, Ser. 2020A-2020B (Taxable)	\$ 51,440	A1	A+	NR	NR
Garland Independent School District, TX - U/L Tax Ref Bds, Ser. 2020	\$ 50,830	Aaa	NR	AAA/AA+	NR
<b>Texas Top 10 Total Negotiated Supply</b>	<b>\$ 1,563,970</b>				
<b>Texas Total Negotiated Weekly Supply</b>	<b>\$ 1,976,146</b>				

## Bond Buyer 30-Day Visible Supply\*\*



## Texas Monthly Negotiated Issuance \*\*\*



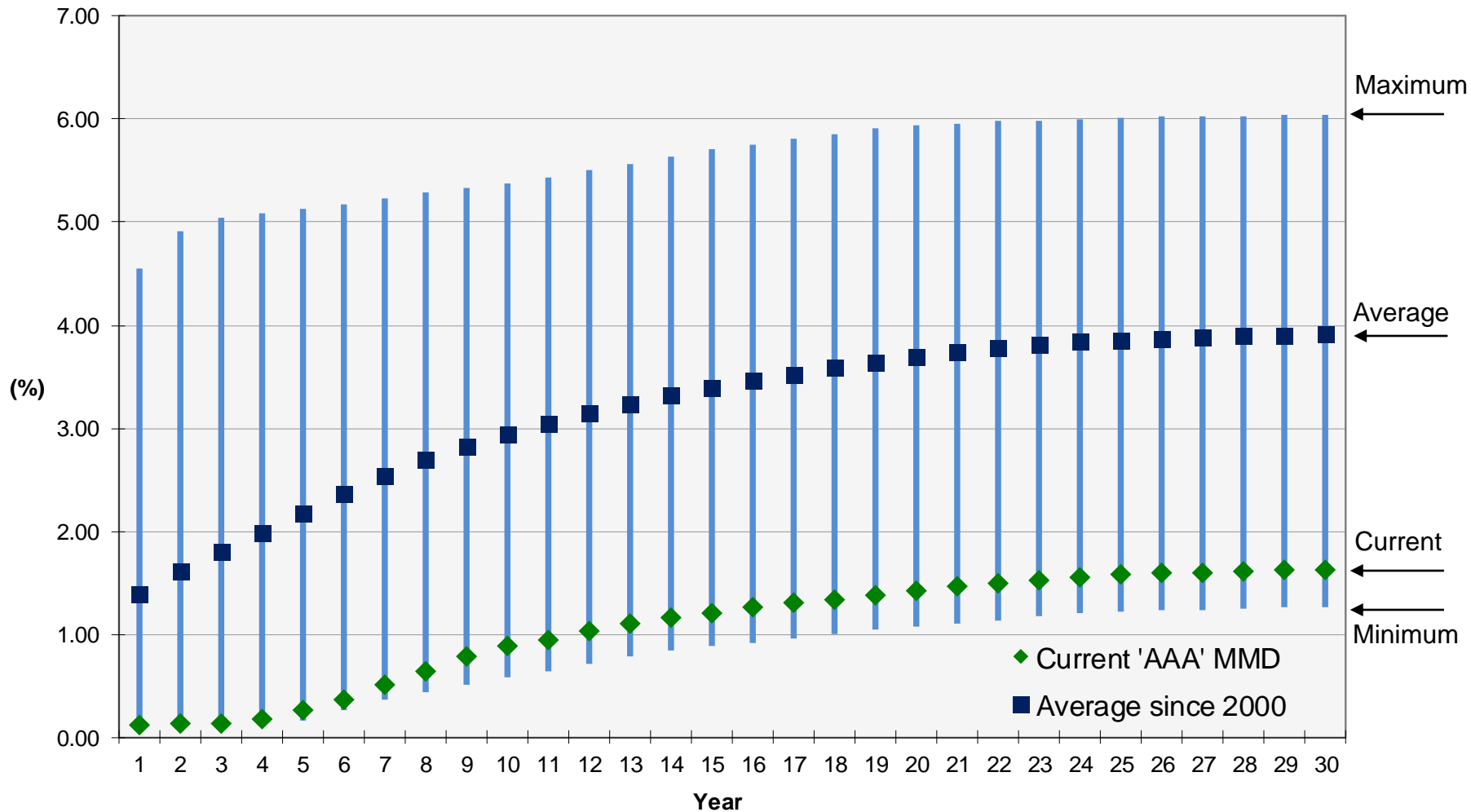
	2020	2019	2018
<b>Total Texas Issuance YTD (000s)</b>	<b>\$ 41,209,353</b>	<b>\$ 32,351,440</b>	<b>\$ 27,351,725</b>

\*Rating reflects underlying or insured rating, as appropriate

\*\*Source: The Bond Buyer

\*\*\*Source: Bloomberg

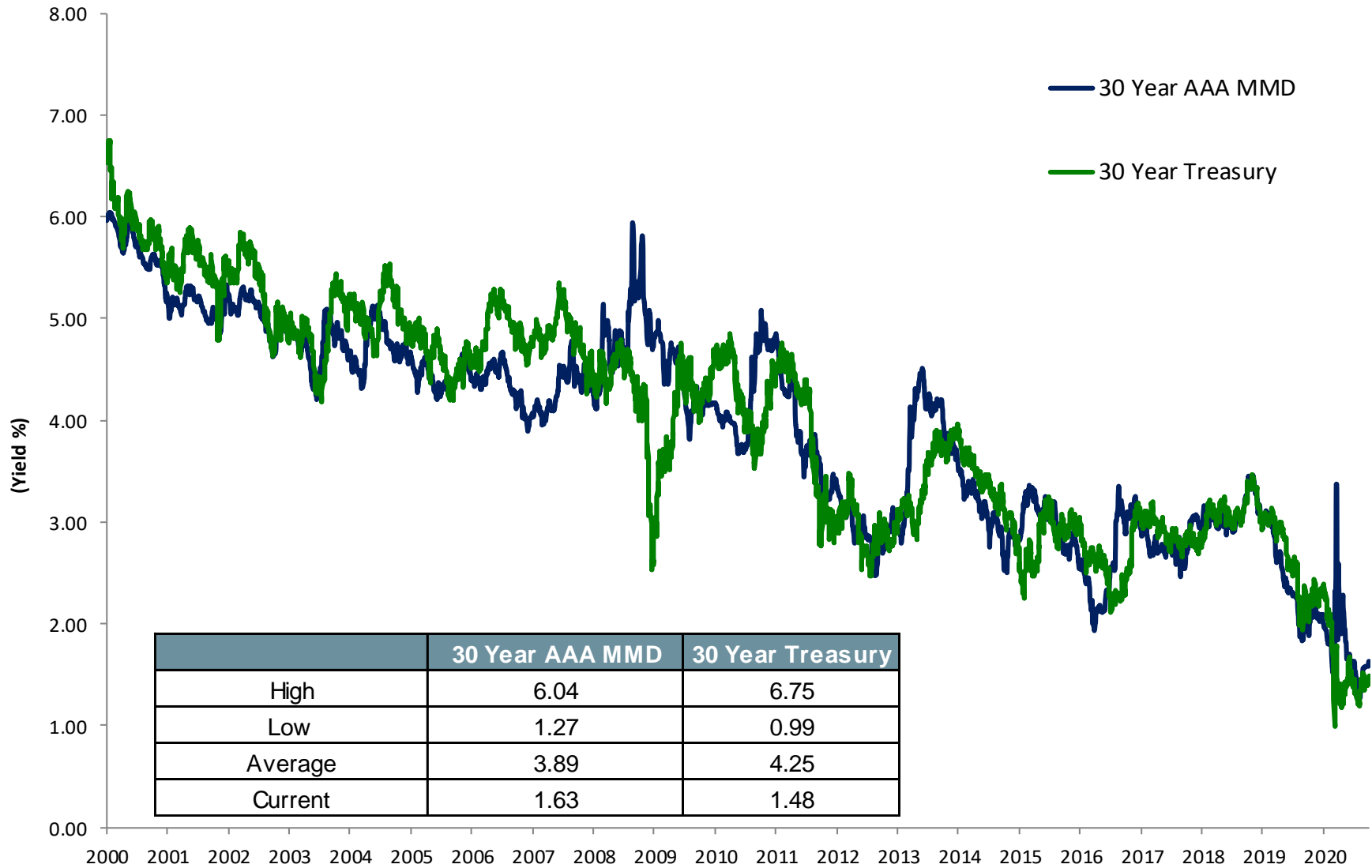
# 'AAA' MMD History Since 2000



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	98%	99%	99%	99%	99%	99%	99%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	

As of 10/2/2020

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



Source: Thomson Reuters & Bloomberg

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