



Texas Market Update– Week of November 22, 2021

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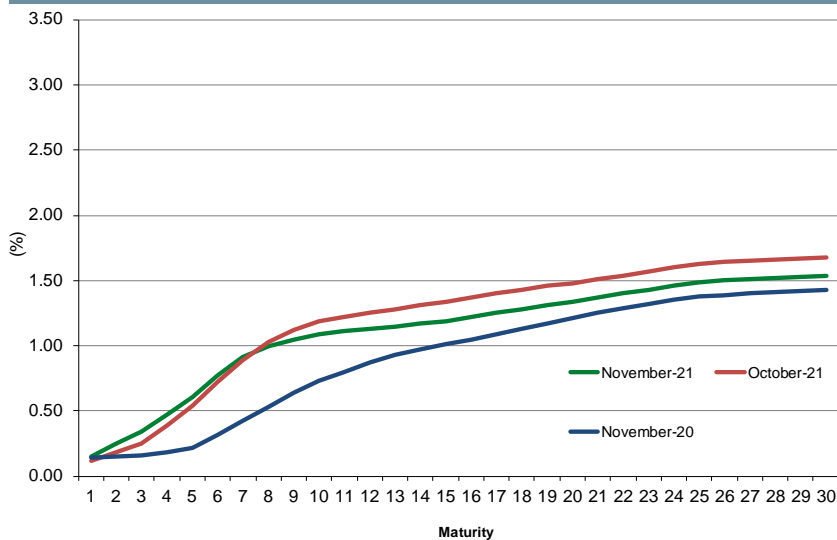
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Market Update

• Commentary for the week of November 22th

- The Municipal bond market ended the week little changed, AAA MMD yields rallied after a sell-off in munis earlier in the week. AAA MMD yields should hold due to the holiday and limited primary market supply. As we approach the end of year, municipal market technicals remain strong as cash continues to pour into muni bond funds--Refinitiv Lipper reported an additional \$1.4 billion of inflows. According to Bloomberg, there's an estimated \$23.0 billion of cash made available for reinvestment. As of last Friday, the 10-year and 30-year AAA MMD yields stood at 1.09% and 1.54%, respectively.
- U.S. equities are mixed with Dow Jones and S&P 500 indexes are higher and the tech heavy NASDAQ is lower, after President Biden announced that he'd nominate Fed Chair Powell for another term. U.S. Treasury yields are higher following a weak auction of notes and sentiment of a rate hike in June 2022. On Friday, the House passed the \$2.2 trillion Build Back Better bill, which will now head to an evenly divided Senate. The most notable provisions of the bill include climate change programs, expansion of health coverage, universal pre-K, child tax credits, investments in affordable housing and home care.
- The primary calendar is estimated to be \$2.5 billion and is comprised of \$2.4 billion in negotiated deals and \$124.5 million in competitive sales. Texas municipal issuance is estimated to be \$113.5 million this week. The Texas primary calendar is comprised of \$84.1 million in negotiated financings and \$29.4 million in competitive sales.

Municipal Market Data Yield Curve



Year	Maturity	MMD (%)	Change Over Week	Change Over Month	Change Over Year
1	2022	0.15	0.00	+0.03	+0.01
2	2023	0.25	+0.01	+0.07	+0.10
3	2024	0.34	+0.01	+0.09	+0.18
4	2025	0.47	0.00	+0.08	+0.29
5	2026	0.61	0.00	+0.07	+0.39
6	2027	0.77	0.00	+0.05	+0.45
7	2028	0.91	0.00	+0.02	+0.49
8	2029	1.00	0.00	-0.03	+0.47
9	2030	1.05	+0.01	-0.07	+0.41
10	2031	1.09	+0.01	-0.10	+0.36
11	2032	1.11	+0.01	-0.11	+0.31
12	2033	1.13	+0.01	-0.12	+0.26
13	2034	1.15	+0.01	-0.13	+0.22
14	2035	1.17	+0.01	-0.14	+0.20
15	2036	1.19	+0.01	-0.15	+0.18
16	2037	1.22	+0.01	-0.15	+0.17
17	2038	1.25	+0.01	-0.15	+0.16
18	2039	1.28	+0.01	-0.15	+0.15
19	2040	1.31	+0.01	-0.15	+0.14
20	2041	1.34	+0.01	-0.14	+0.13
21	2042	1.37	+0.01	-0.14	+0.12
22	2043	1.40	+0.01	-0.14	+0.11
23	2044	1.43	+0.01	-0.14	+0.11
24	2045	1.46	+0.01	-0.14	+0.11
25	2046	1.49	+0.01	-0.14	+0.11
26	2047	1.50	+0.01	-0.14	+0.11
27	2048	1.51	+0.01	-0.14	+0.11
28	2049	1.52	+0.01	-0.14	+0.11
29	2050	1.53	+0.01	-0.14	+0.11
30	2051	1.54	+0.01	-0.14	+0.11

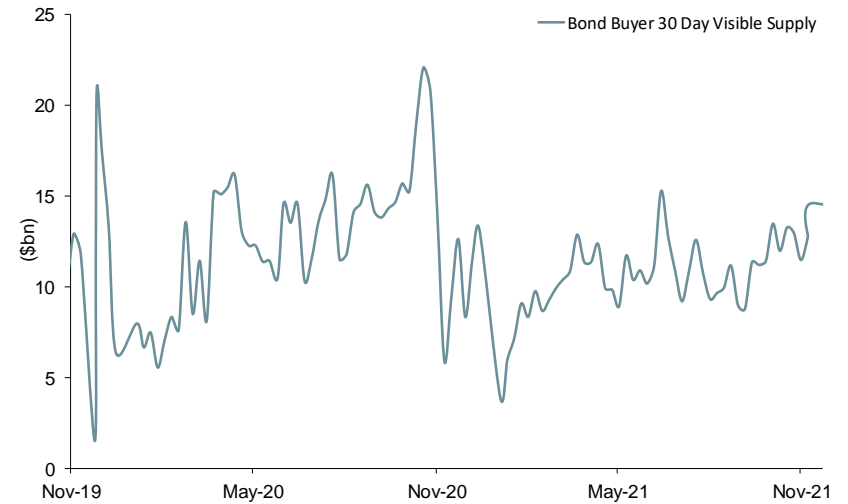
Source: * Bond Buyer
Municipal Market Data
Thomson Reuters

Market Supply

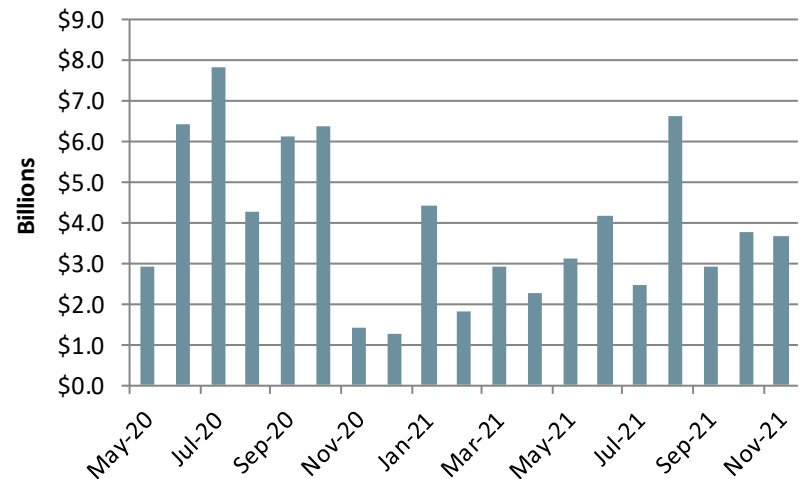
Calendar Week of November 22th

Issue Description	Par Amount (\$000)	Ratings*			
		Moody's	S&P	Fitch	Insurance
Schertz-Cibolo-Universal City Independent School District, TX - U/L Tax Ref Bds, Ser. 2021A & Taxable Ser. 2021B	\$ 62,725	Aaa	NR	NR	PSF
City of Baytown, TX - GO Ref Bds, Ser. 2021A	\$ 17,860	Aa2	AA	NR	-
Fort Bend County Levee Improvement District No.17, TX - U/L Tax Park Ref Bds, Ser.	\$ 3,605	Aa3	NR	NR	-
Texas Top 3 Total Negotiated Supply	\$ 84,190				
Texas Total Negotiated Weekly Supply	\$ 84,190				

Bond Buyer 30-Day Visible Supply**



Texas Monthly Negotiated Issuance ***



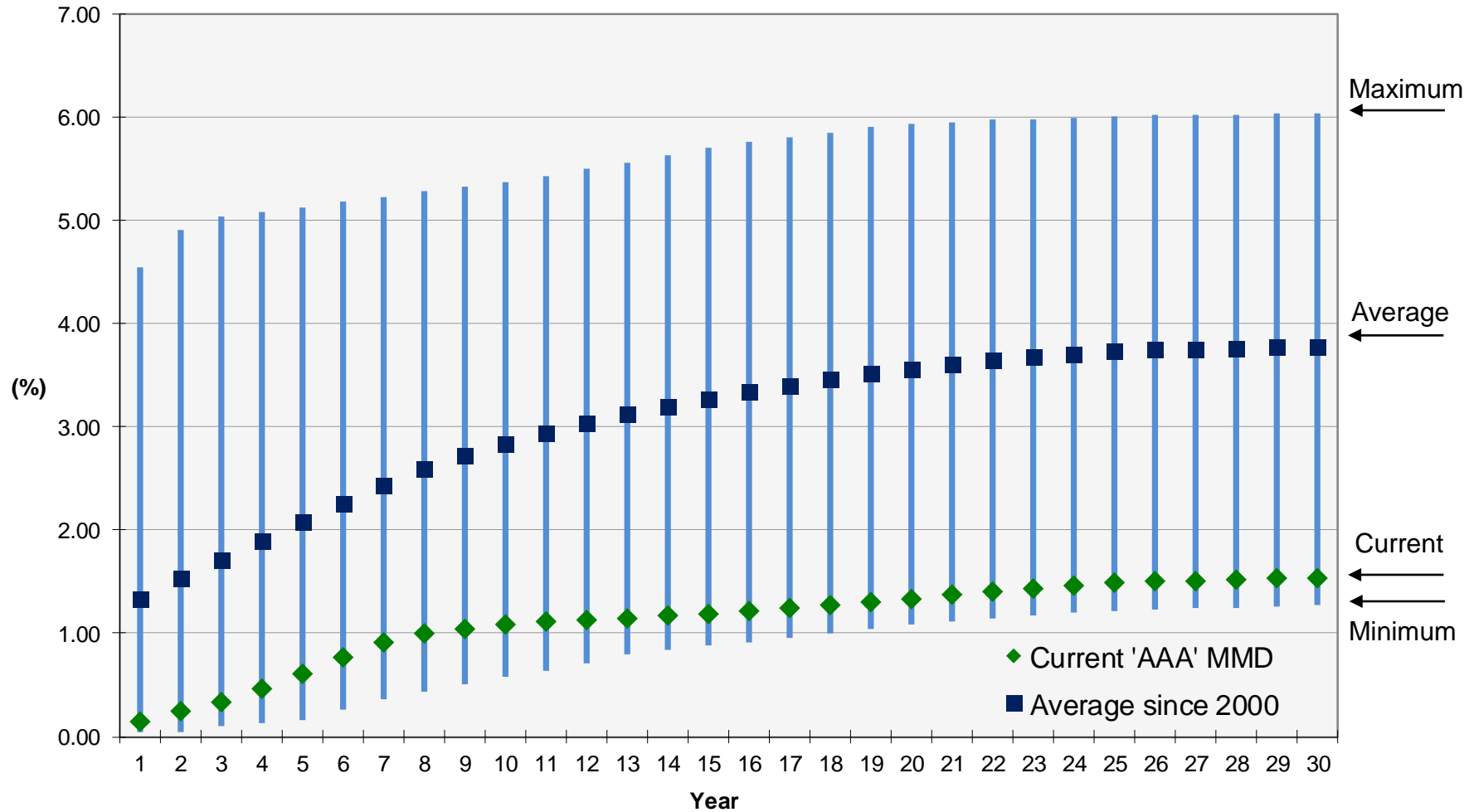
	2021	2020	2019
Total Texas Issuance YTD (000s)	\$ 38,631,992	\$ 46,560,234	\$ 37,923,449

*Rating reflects underlying or insured rating, as appropriate

**Source: The Bond Buyer

***Source: Bloomberg

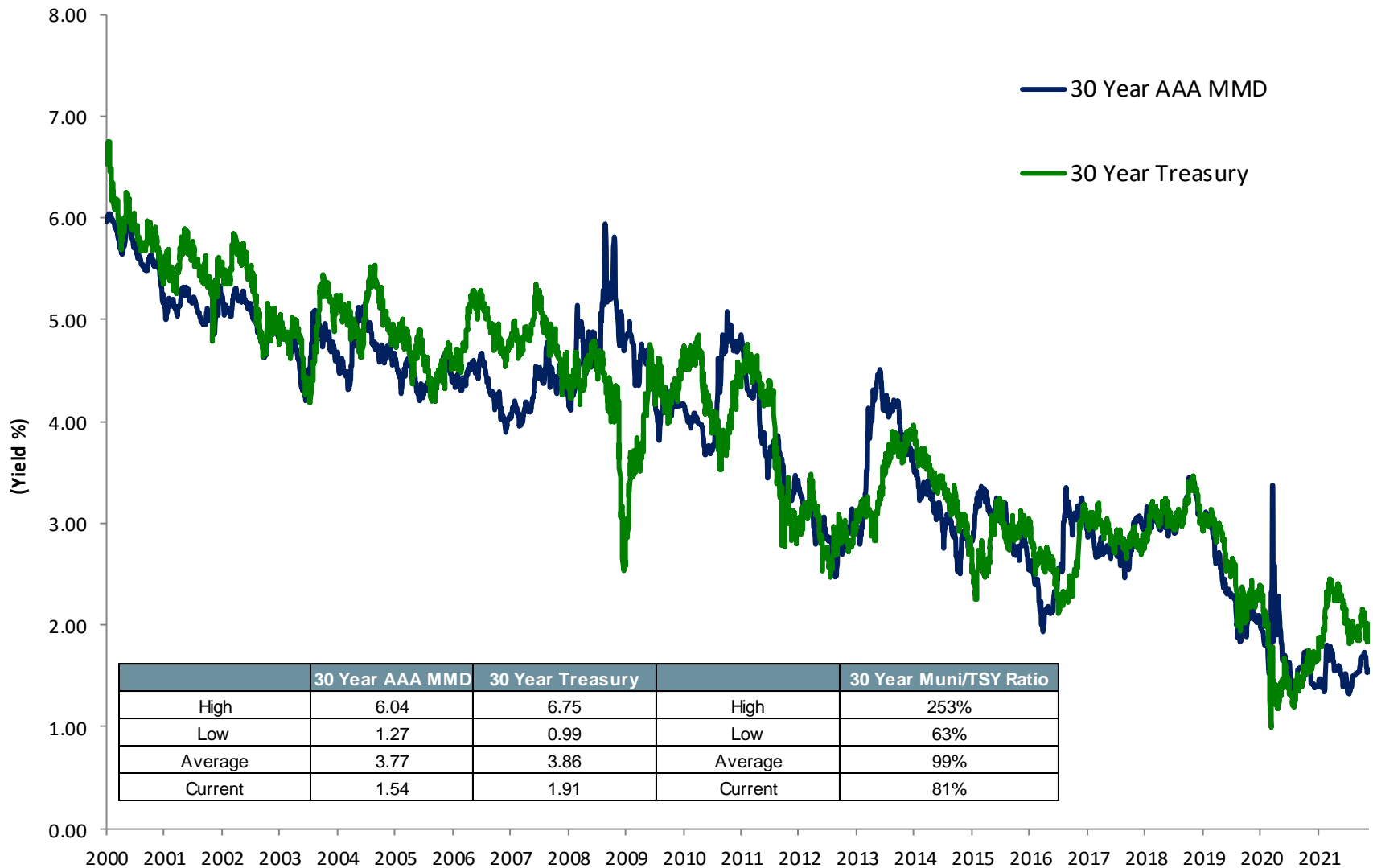
'AAA' MMD History Since 2000



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	91%	93%	93%	93%	93%	92%	92%	93%	93%	93%	93%	94%	94%	95%	95%	95%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%

As of 11/19/2021

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



Source: Thomson Reuters & Bloomberg

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