



## Texas Market Update— Week of January 23, 2023

ESTRADA • HINOJOSA  
INVESTMENT BANKERS

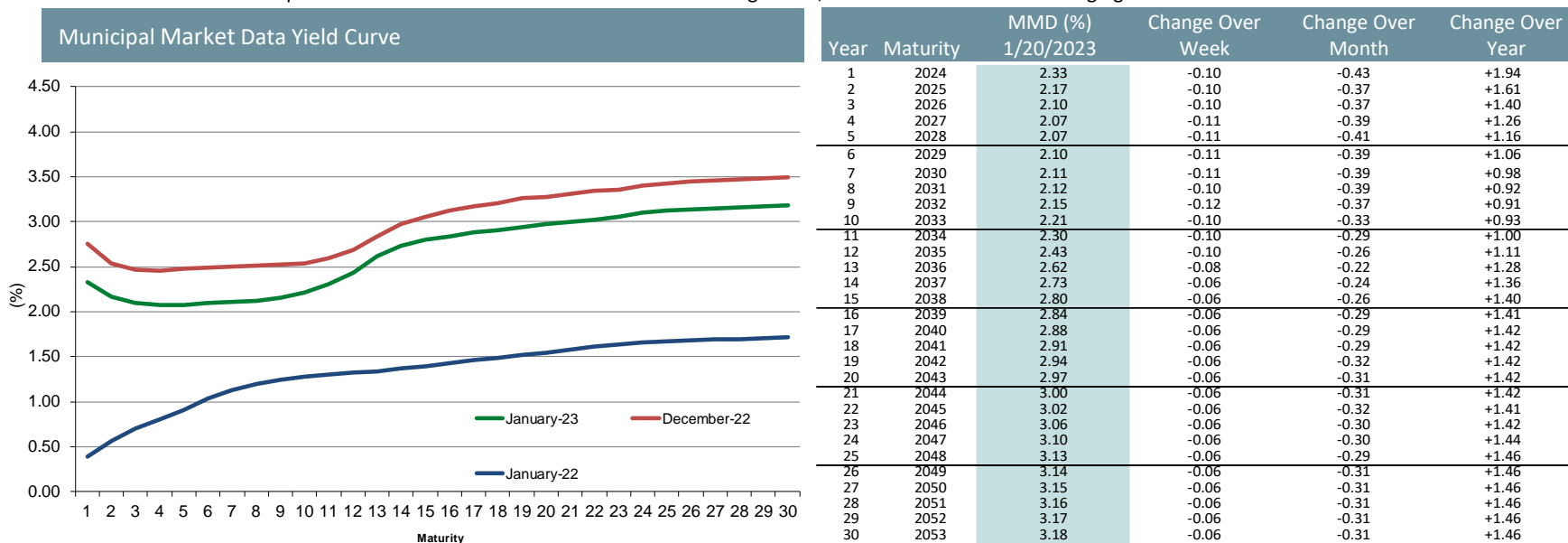
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# MARKET UPDATE

## • Commentary for the week of January 23<sup>rd</sup>

- The municipal bond market started last week on very firm ground but sold off on Friday. Despite the sell off later in the week, AAA MMD yields were 6-11 basis points lower for the week. New issues were so well received last week that credit spreads continued to compress in both the tax-exempt and taxable markets. Cash continues to pour into the muni market and Refinitiv Lipper reported \$1.5 billion of inflows into muni bond funds. Over the past few weeks, supply has ticked up, but nonetheless has not been able to satisfy demand. Consecutive weeks of inflows, strong performance on transactions, and manageable supply have all led municipals to outperform Treasuries. Ratios are now much tighter which will begin to test new issue reception. As of last Friday, the 10-year and 30-year AAA MMD yields stood at 2.21% and 3.18%, respectively.
- U.S. equities are rallying, and U.S. Treasuries are selling off Monday morning. Investors predict a slowdown in rate hikes given the softer economic data. Also, traders brace for another week of earnings. So far, earnings have been rather lackluster. Fed officials have stated that benchmark rates will need to stay above 5 percent and for longer than anticipated.
- The primary calendar is estimated to be \$6.5 billion and is comprised of \$5.2 billion in negotiated deals and \$1.3 billion in competitive sales. Texas municipal issuance is estimated to be \$1.5 billion this week. The Texas primary calendar is comprised of \$1.4 billion in negotiated deals and \$97.6 million in competitive sales.
- Estrada Hinojosa will participate in the following deals: a \$292.4 million Pflugerville Independent School District Unlimited Tax School Building Bonds, Series 2023A issue and a \$43.9 million Pflugerville Independent School District Unlimited Tax School Building Bonds, Taxable Series 2023B issue, both as Financial Advisor. A \$300.0 million Lake Travis Independent School District Unlimited Tax School Building Bonds, Series 2023 issue as Co-Managing Underwriter.



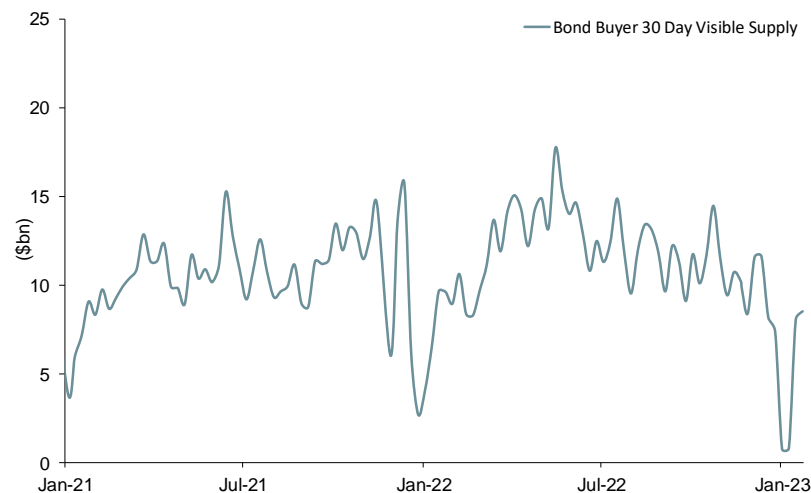
Source: \* Bond Buyer  
Municipal Market Data  
Thomson Reuters

# MARKET SUPPLY

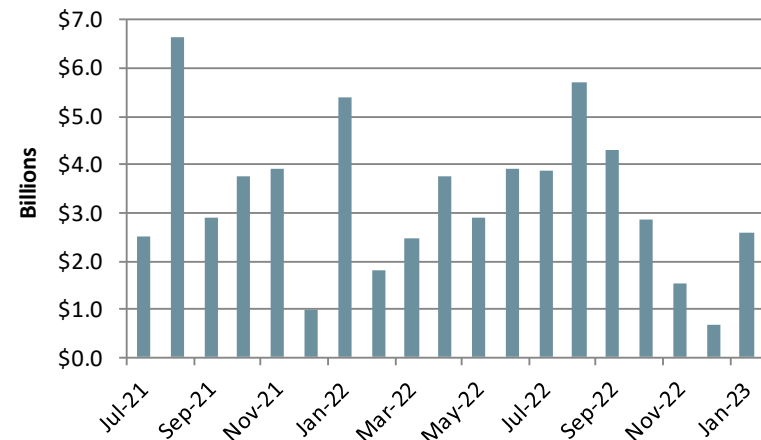
Calendar Week of January 23<sup>rd</sup>

Issue Description	Par Amount (\$000)	Ratings*			
		Moody's	S&P	Fitch	Insurance
Lake Travis Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2023	\$ 300,000	NR	AA+	AA+	-
Spring Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2023	\$ 297,945	Aa2	AA-	NR	-
Pflugerville Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2023A	\$ 292,470	NR	AA+	NR	-
Waller Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2023	\$ 168,900	A1	NR	A+	-
Texarkana Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2023	\$ 144,000	Aaa	NR	NR	PSF
Mccamey Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2023	\$ 48,510	NR	A	NR	-
Pflugerville Independent School District, TX - U/L Tax Sch Bldg Bds, Taxable Ser. 2023B	\$ 43,910	NR	AA+	NR	-
Trenton Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2023	\$ 40,000	NR	A+	NR	-
Marlin Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2023 (Non-AMT)	\$ 29,190	NR	AA	NR	-
Corrigan-Camden Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2023	\$ 16,210	NR	AA	NR	-
<b>Texas Top 10 Total Negotiated Supply</b>	<b>\$ 1,381,135</b>				
<b>Texas Total Negotiated Weekly Supply</b>	<b>\$ 1,409,060</b>				

Bond Buyer 30-Day Visible Supply\*\*



Texas Monthly Negotiated Issuance \*\*\*



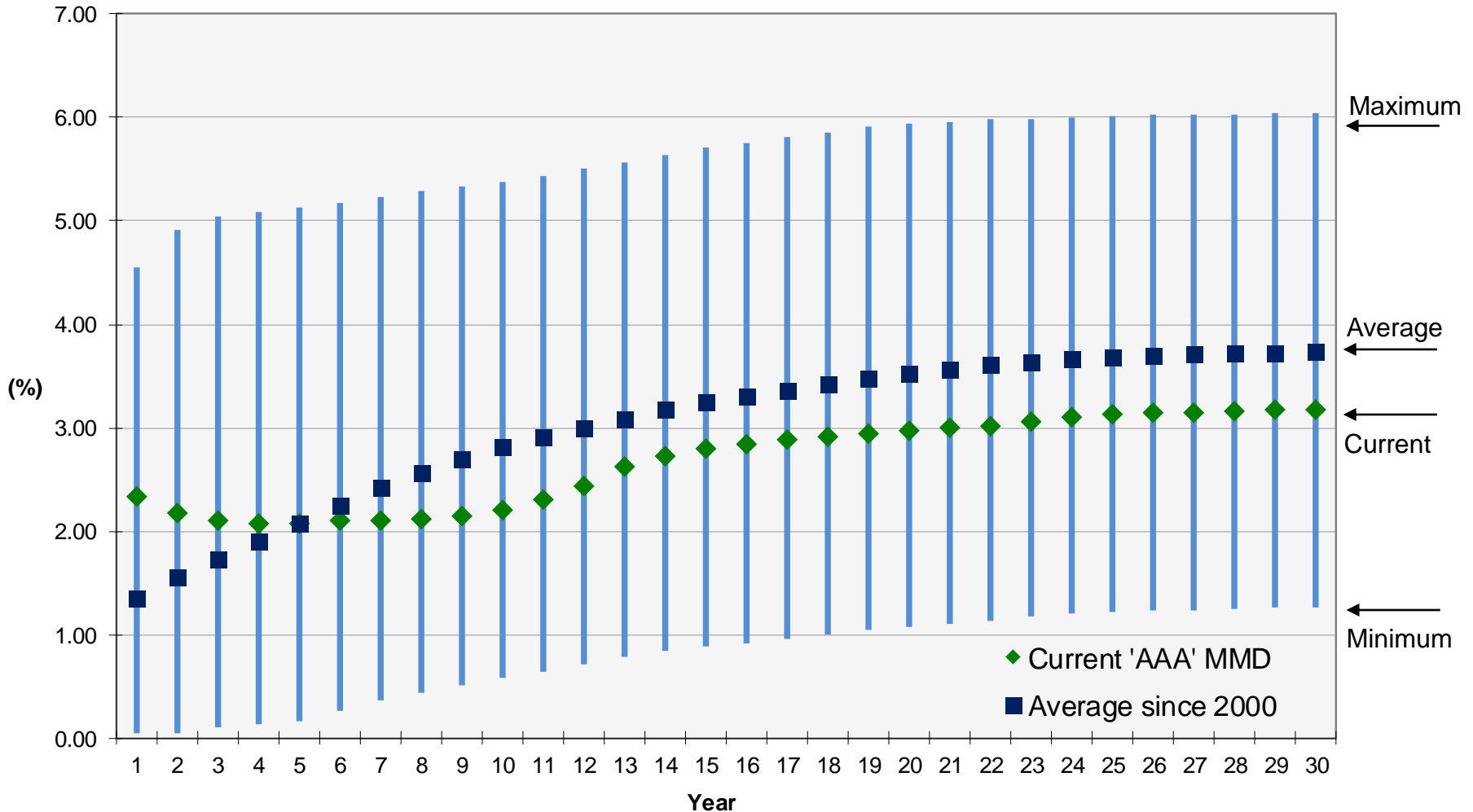
Total Texas	2023	2022	2021
Negotiated Issuance YTD (000s)	\$ 2,590,875	\$ 2,771,430	\$ 2,860,197

\*Rating reflects underlying or insured rating, as appropriate

\*\*Source: The Bond Buyer

\*\*\*Source: Bloomberg

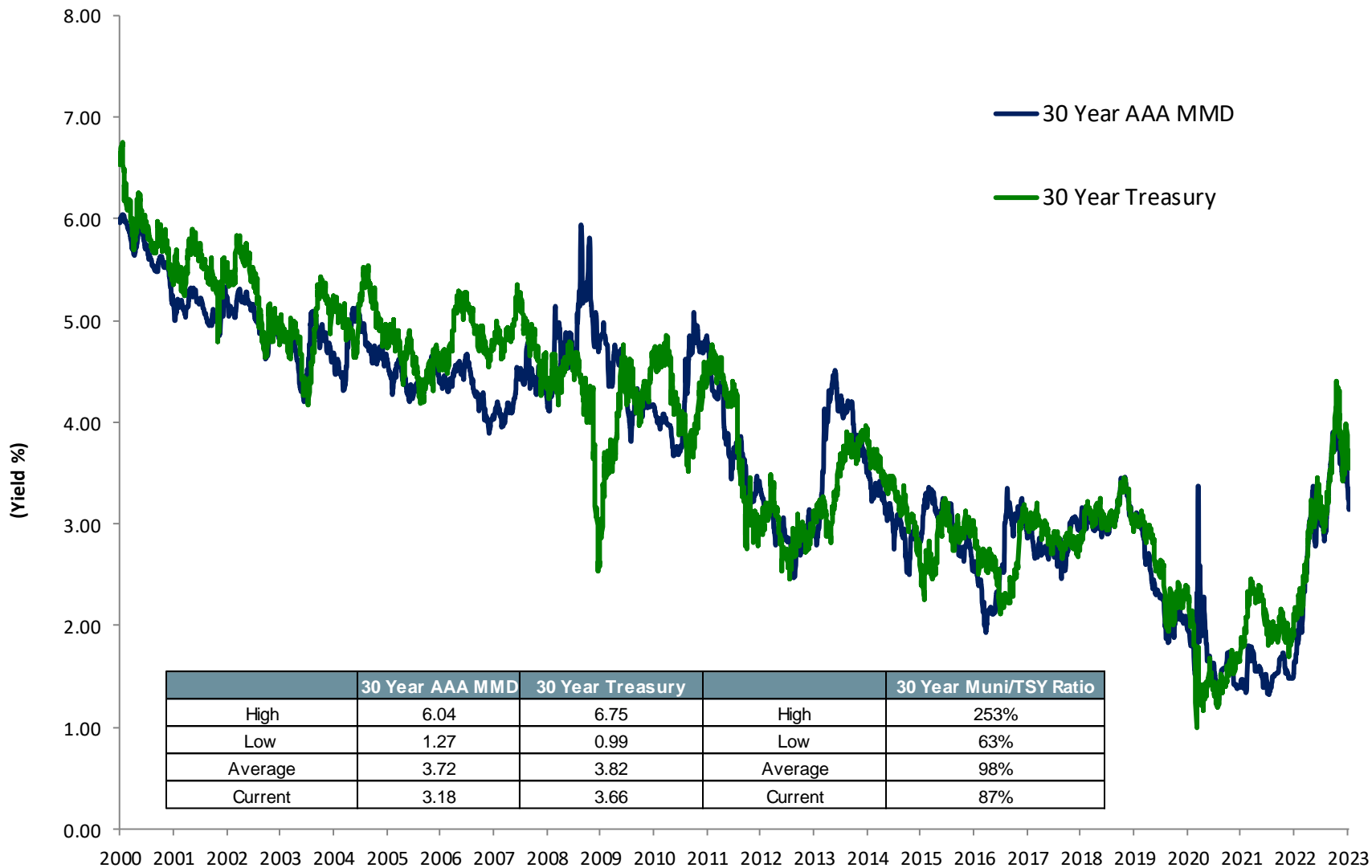
# 'AAA' MMD HISTORY SINCE 2000



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	21%	28%	33%	39%	43%	48%	54%	60%	64%	66%	67%	66%	61%	59%	59%	60%	61%	61%	62%	62%	62%	63%	63%	63%	62%	62%	62%	62%	62%	62%

As of 1/20/2023

# 30 YEAR AAA MMD vs. 30 YEAR TREASURY: SINCE 2000



Source: Thomson Reuters & Bloomberg

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