

HIGHER EDUCATION MARKET UPDATE

Market Commentary

*Last week, 6 issues priced in the higher education sector, with a total par amount of \$1.17 billion.

*Inflation data is the most important data this week. The markets will be hyper focused on two important inflation reports: PPI and CPI. Mixed data prints last week set up an already volatile week for the markets. The data will test the markets resolve as rates were in a holding pattern last week. In addition to the inflation data, there is also a retail sales figure on Wednesday. The market is fully in a data dependent mode as it tries to assess the timing of the Fed's first interest rate cut. Currently the markets are pricing in the first easing in September, but if inflation is higher that could be moved out to December, following the election. Recent data showed weakness in labor markets and that has given hope to the market that the Fed is still on track to ease sometime by year end. Regardless, this will be a volatile week.

*For the week, U.S. Treasury rates were higher by +3 bps in 5 years, unchanged in 10 years and lower by 2 bps in 30 years. This week, the calendar is approximately \$11.5 billion.

*Fund flows continue to be positive. For the week, municipal bond funds reported \$1.1 billion in net inflows compared to the previous week's inflows of \$515 million.

Key Interest Rates (%)

Description	Last Close	1mth ago	1yr ago	5yrs ago
Prime Rate	8.50	8.50	8.25	5.50
SOFR	5.31	5.31	5.06	2.38
SIFMA Index	3.17	3.67	3.04	1.59
12-month Treasury Note	5.17	5.19	4.67	2.32
2-year Treasury Bond	4.87	4.97	3.91	2.19
3-year Treasury Bond	4.67	4.80	3.57	2.15
5-year Treasury Bond	4.51	4.60	3.38	2.18
10-year Treasury Bond	4.50	4.54	3.44	2.40
30-year Treasury Bond	4.64	4.62	3.80	2.84

Source: Bloomberg

Tax-Exempt AAA General Obligation Yields (%)

Index	Last Close	1mth ago	1yr ago	5yrs ago
1-year AAA G.O. Rate	3.23	3.35	2.97	1.51
2-year AAA G.O. Rate	3.07	3.12	2.66	1.51
3-year AAA G.O. Rate	2.91	2.93	2.47	0.95
5-year AAA G.O. Rate	2.72	2.72	2.31	1.19
10-year AAA G.O. Rate	2.71	2.72	2.31	1.85
30-year AAA G.O. Rate	3.77	3.86	3.36	2.77

Source: Thomson Reuters

5/13/2024

Recent Higher Education Pricings

Issuer	State	Description	Par (000s)	Final Maturity	Tax Status	10YR/30YR Spreads	Ratings
Miami University	OH	General Receipts Revenue and Refunding Bonds, Series 2024A	74,025	9/1/2039	Tax-exempt	28 / --	Aa3 / NR / AA
Arizona Board of Regents	AZ	Refunding Certificates of Participation, Series 2024 (Northern Arizona University Project)	26,395	9/1/2030	Tax-exempt	-- / --	A2 / A / NR
Illinois Finance Authority	IL	Revenue Bonds, Series 2024 Series A (University of Chicago)	633,890	4/1/2052	Tax-exempt	31 / 59	Aa2 / AA- / AA+
Illinois Finance Authority	IL	Revenue Bonds, Series 2024 Series B (University of Chicago)	384,380	4/1/2039	Tax-exempt	31 / --	Aa2 / AA- / AA+
Allegheny County Capital Resources Corporation	NY	Revenue Bonds, Series 2024 (Alfred University Project)	19,015	4/1/2054	Tax-exempt	75 / --	NR / BBB+ / NR
Redevelopment Authority of the City of Bethlehem	PA	University Revenue Bonds, Series of 2024 (Moravian University Project)	39,970	10/1/2054	Tax-exempt	-- / --	NR / BBB+ / NR

Source: Thomson Reuters; *10YR/30YR Spreads* reflects the respective basis point spread over the AAA G.O. MMD Curve for tax-exempt issuances and over the US Treasury Curve for taxable issuances. "--" reflects no overlapping maturity to spread for the respective year.

Upcoming Higher Education Pricings

Issuer	State	Description	Par (000s)	Sale Date	Sale Type	Ratings
Murray St Univ	KY	General Receipts Bonds, 2024 Series A	19,990	5/16/2024	Competitive	--/--
The Board of Trustees of the University of Illinois	IL	University of Illinois Auxiliary Facilities System Refunding Revenue Bonds, Series 2024A	146,315	5/15/2024	Negotiated	Aa2/AA/--
The Board of Trustees of the University of Illinois	IL	University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2024B (Taxable)	25,210	5/15/2024	Negotiated	Aa2/AA/--
City of San Antonio, Texas Education Facilities Corporation	TX	Higher Education Revenue Refunding and Improvement Bonds (Trinity University Project) Series 2024A	61,470	5/15/2024	Negotiated	--/AA/--
City of San Antonio, Texas Education Facilities Corporation	TX	Higher Education Revenue Refunding and Improvement Bonds (Trinity University Project) Series 2024B Taxable	5,050	5/15/2024	Negotiated	--/AA/--
Clemson University, South Carolina	SC	Higher Education Revenue Bonds, Series 2024A (Manning Hall Project)	52,355	Week of 5/13/2024	Negotiated	Aa2/--/AA
Cheltenham Township Industrial Development Authority	PA	Arcadia University Revenue Bonds, Series 2024	22,905	5/16/2024	Negotiated	--/BBB/--
Lehigh County General Purpose Authority	PA	College Revenue Bonds (Muhlenberg College Project)	77,190	Week of 5/13/2024	Negotiated	A3/--

Source: Thomson Reuters

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