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May 5, 2025

Weekly Healthcare Market Update

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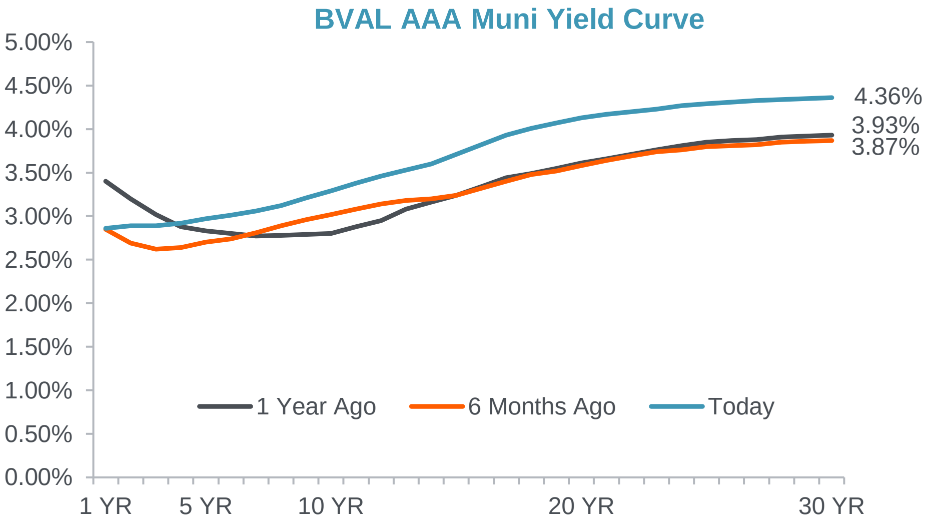
Capital Markets Update

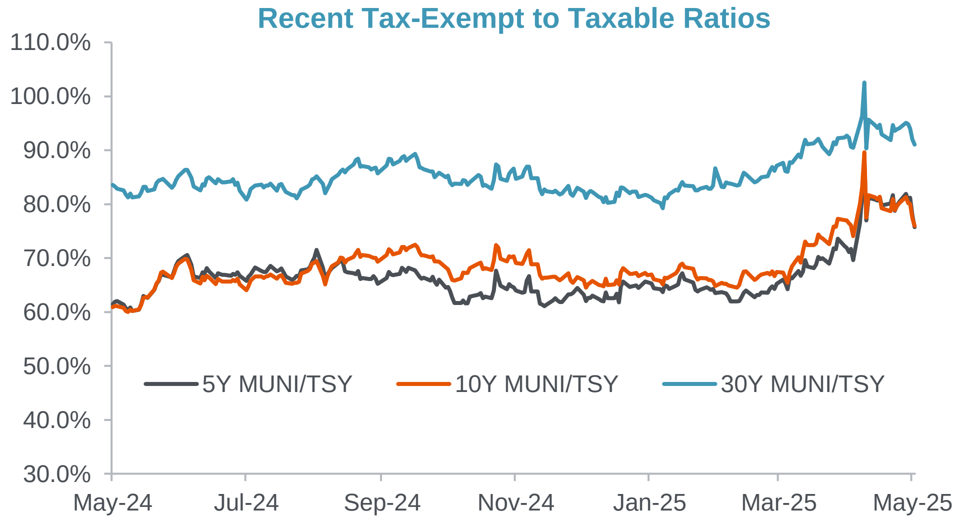
Market Commentary

Treasury yields fell through the first part of last week; however, the surprisingly strong April jobs report caused a reversal in rate movement to end the week. Ultimately, Treasury yields rose week-over-week, with 10-year and 30-year yields increasing 4 bps and 5 bps, respectively. Meanwhile, municipal yields were firmer, with the 10-year yield falling 15 bps and the 30-year yield decreasing by 10 bps. Municipal bond funds experienced $1.6 billion of inflows, breaking a 7-week streak of outflows in prior weeks. It was the largest inflow into municipal bond funds since January. The jobs report indicated U.S. employers adding 177k jobs in April, slightly below March figures and consistent with the two-year average. This job growth surpassed expectations, but the impact of the tariffs may be felt in the coming months. The May FOMC meeting will occur on Wednesday–the market does not expect any change to the rate at this week's meeting. Currently, the first rate cut in 2025 is anticipated to occur in July.

US Treasury Market			Tax-Exempt Market			Tax-Exempt to Taxable Ratios		
US Treasury	Current Yield	Weekly Change	BVAL "AAA" Muni Yield	Current Yield	Weekly Change	Muni / TSY Ratio	Current Ratio	Previous Week
1 Year	4.00%	5 bps	1 Year	2.86%	-11 bps	5Y Muni / TSY	75.8%	80.4%
5 Year	3.92%	4 bps	5 Year	2.97%	-15 bps	10Y Muni / TSY	76.0%	80.2%
10 Year	4.33%	4 bps	10 Year	3.29%	-15 bps	30Y Muni / TSY	91.0%	94.1%
20 Year	4.81%	6 bps	20 Year	4.13%	-10 bps			
30 Year	4.79%	5 bps	30 Year	4.36%	-10 bps			



Source: Bloomberg



Source: Bloomberg, Treasury.gov

Note: Rates as of May 2, 2025.

Healthcare Market Update

Pricings last week

Piper Sandler was in the market last week with a $196MM financing for HealthPartners (MN) and $113MM offering for Denver Health (CO).

Selected Healthcare Financings Priced the Week of 4/28/2025							
Borrower	Par Amount ($000s)	Rating (M/S/F)	Spread	Coupon/Yield	Maturity	Tax Status	Purpose
HealthPartners (MN)	$195,575	A2/A/NR	0.60%	5.00%/3.80%	2033	Tax-Exempt	Refunding
Denver Health (CO)	$113,475	NR/BBB/BBB	0.85%	6.00%/5.23%	2055	Tax-Exempt	New Money
Bon Secours Mercy Health	$671,220	A1/A+/AA-	0.70%	5.00%/4.97%	2048	Tax-Exempt	New Money and Refunding
Bon Secours Mercy Health[1]	$99,640	A1/A+/AA-	0.79%	5.00%/3.84%	2055	Tax-Exempt	New Money and Refunding
Bon Secours Mercy Health[2]	$98,800	A1/A+/AA-	0.80%	5.00%/3.97%	2049	Tax-Exempt	New Money and Refunding
Brown University Health (MA)	$174,800	NR/BBB+/BBB+	0.72%	5.50%/5.05%	2050	Tax-Exempt	Refunding
Brown University Health (MA)[3]	$85,000	NR/BBB+/BBB+	0.96%	5.00%/4.04%	2055	Tax-Exempt	Refunding
Brown University Health (MA)	$156,950	NR/AA/BBB+ (Ins.)	1.28% (5Y TSY)	5.05%/5.05%	2030	Taxable (Corporate CUSIP)	Refunding
Mary Washington Healthcare (VA)	$164,205	A3/NR/A	0.59%	5.25%/4.97%	2055	Tax-Exempt	New Money and Refunding
Mary Washington Healthcare (VA)[4]	$50,000	A3/NR/A	0.78%	5.00%/4.13%	2060	Tax-Exempt	New Money and Refunding
Baylor College of Medicine (TX)[5]	$150,000	NR/A/NR	0.94%	5.00%/4.00%	2054	Tax-Exempt	New Money
Total	**$1,959,665**						

[1] Mandatory tender date of November 1, 2030.
[2] Mandatory tender date of November 1, 2032.
[3] Mandatory tender date of August 15, 2031.
[4] Mandatory tender date of June 15, 2035.
[5] Mandatory tender date of May 15, 2032.

Expected pricings this week

Ochsner Clinic Foundation (LA), Dartmouth Health (NH) and Adena Health System (OH) will be in the market this week.

Selected Healthcare Financings Expected the Week of 5/5/2025					
Borrower	Par Amount ($000s)	Rating (M/S/F)	Expected Pricing Date	Tax Status	Purpose
Ochsner Clinic Foundation (LA)	$567,895	A3/A/NR	5/8	Tax-Exempt	New Money and Refunding
Dartmouth Health (NH)	$420,285	NR/A/A	5/8	Tax-Exempt	New Money and Refunding
Adena Health System (OH)	$87,520	A3/A-/NR	5/8	Tax-Exempt	New Money
Total	**$1,075,700**				

Recent rating actions

Selected Moody's Rating Actions for the Week of 4/28		
Borrower	Rating (Outlook)	Note
No healthcare rating actions for the week		

Selected S&P Rating Actions for the Week of 4/28		
Borrower	Rating (Outlook)	Note
Ector County Hospital District (TX)	BBB- (Sta)	Rating affirmed
TriHealth (OH)	A+ (Sta)	Rating affirmed
Dartmouth Health (NH)	A (Sta)	Rating affirmed

Selected Fitch Rating Actions for the Week of 4/28		
Borrower	Rating (Outlook)	Note
Sutter Health (CA)	AA- (Sta)	Upgraded
Cape Cod Healthcare (MA)	AA- (Sta)	Rating affirmed
Meritus Health (MD)	A (Sta)	Rating affirmed

Note: Expected pricings based on the negotiated calendar, which was released on Thursday, May 1st.

Fixed Income Analytics Group

In-depth market analysis

Piper Sandler has a nationally recognized fixed income analytics team that provides comprehensive research into market trends and outlook.

Nonfarm Payrolls and Unemployment (Broadly Positive in the Wake of "Liberation Day")

"Despite sharp declines in business sentiment, U.S. employers added 177k jobs in April, slightly below March figures and consistent with the two-year average. This job growth surpassed expectations, even amid concerns over President Trump's blanket tariffs on U.S. trading partners. However, the impact of the tariffs may be felt in the coming months. Employees are counted in payroll as long as they worked at any time during their employer's pay period, which includes the 12th of the month. Consequently, they would still appear in April payroll figures even if employers started reducing their workforce after the April 2 tariff announcement. Payroll gains were widespread, with the healthcare and transportation & warehousing sectors leading the way, while the federal government experienced job cuts for the third consecutive month. The federal sector has recorded the highest number of layoffs across all U.S. industries thus far in 2025, with federal employment trending downward as the private sector continues to expand. Reports indicate that DOGE has already implemented or announced layoffs impacting over 280k federal workers. Year-over-year wage growth held at 3.8%, below the anticipated 3.9%. This development should provide some relief to the Federal Reserve as it seeks to balance employment and inflation amid the evolving tariff situation."

S&P/Case-Shiller US HPI (Prices Rise, But Not in Tampa)

"Even with affordability still stretched, the Case-Shiller National Composite notched its twenty-fifth straight monthly gain and set another record high. Yet its annual pace of appreciation cooled after three consecutive months of re-acceleration. Instead of broad declines, the market may be settling into a gentler, arguably healthier, rate of increase. The stubborn rise is powered primarily by the scarcity of listings, especially from owners locked into ultra-low pandemic mortgage rates. On a real basis (i.e., inflation adjusted) though, the index now stands roughly 7.5 percent below its June 2022 peak. Among the twenty large metros covered by S&P CoreLogic Case-Shiller, nineteen still recorded year-over-year gains. Momentum has tilted toward the Northeast and Midwest, where affordability holds up better. New York topped the growth table, followed by Chicago and Cleveland, while Tampa again this month declined. Sun Belt markets that exploded during the zero-rate era are now digesting earlier excesses as higher borrowing costs curb demand. The result is a patchwork landscape, with resilient supply-constrained heartland cities pushing prices higher, while previously overheated coastal or Southern hubs easing back toward balance."

Conference Board Consumer Confidence (Expectations Plummet to 14-Year Low)

"Consumer confidence declined for the fifth consecutive month in April, reaching its lowest point since the pandemic. Respondents displayed a marked increase in pessimism regarding business conditions, with 32.1% anticipating a reduction in job availability over the next six months—an outlook not seen since April 2009. Short-term inflation expectations surged from 6% to 7%, marking the highest level since November 2022. While some respondents reported lower gasoline prices and decreases in certain grocery costs, many pointed to tariffs as a significant factor contributing to their expectations of rising prices and a weakening economy. Despite the inflation increase in softer sentiment indicators, such as consumer and business surveys, hard inflation data remains relatively stable. The most notable decline was in consumers' expectations, which plummeted to the lowest level in 14 years, falling below the critical threshold of 80 that typically signals an impending recession. According to the survey, '…expectations about future income prospects turned clearly negative for the first time in five years, suggesting that concerns about the economy have now spread to consumers worrying about their own personal situations.' Furthermore, the decline in the stock market may have exacerbated negative perceptions, as nearly half of the participants predict a drop in stock prices over the next year."

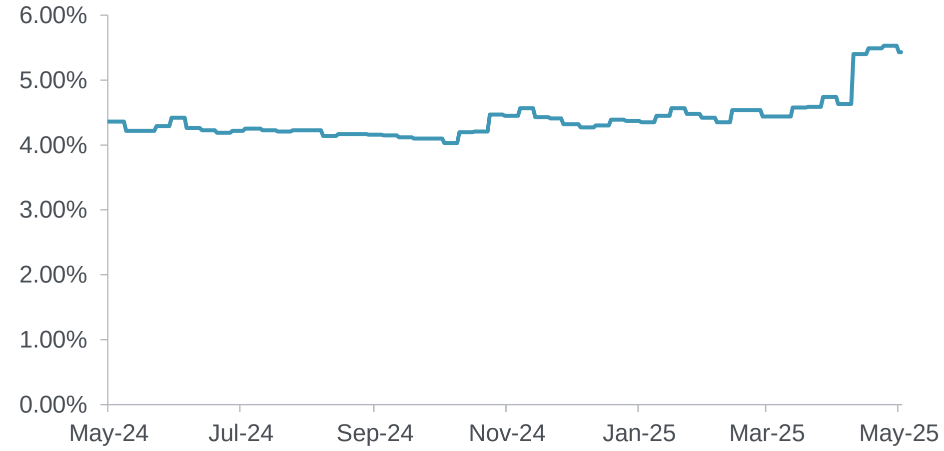
Rate Movements Last 12 Months

Long-term and short-term rates

Index	Current	Max	Min	Average
BBRBI	5.43%	5.53%	4.03%	4.37%
10Y Muni	3.29%	3.89%	2.52%	2.92%
10Y Treasury	4.33%	4.79%	3.63%	4.26%
SIFMA	2.78%	4.41%	1.83%	3.16%
SOFR	4.36%	5.40%	4.27%	4.82%
SIFMA/SOFR Ratio	63.8%	101.8%	42.4%	65.8%

Long-Term Rates

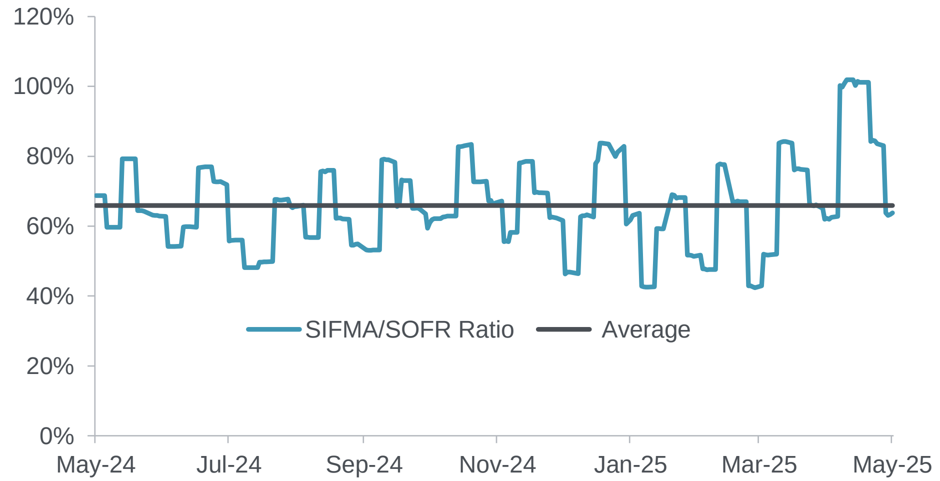
The Bond Buyer Revenue Bond Index



Source: Bond Buyer

Short-Term Rates

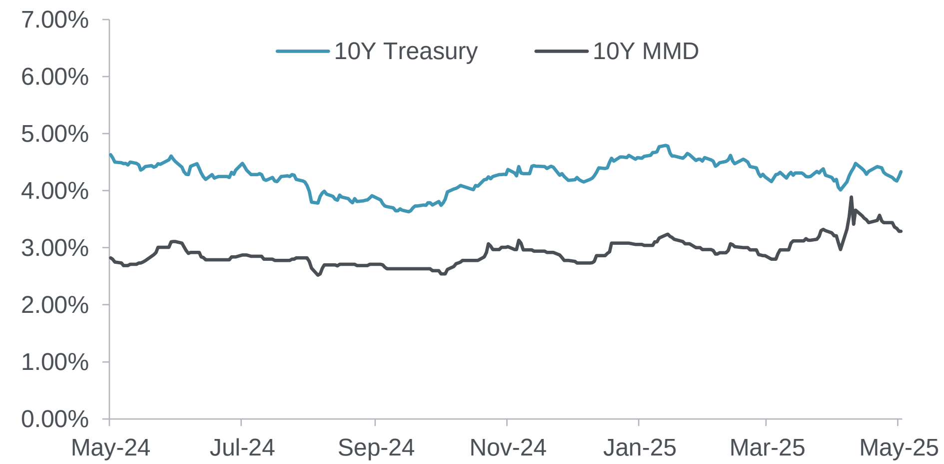
SIFMA/SOFR Ratio



Source: SIFMA, Bloomberg

Long-Term Rates

Tax-Exempt and Taxable Rates

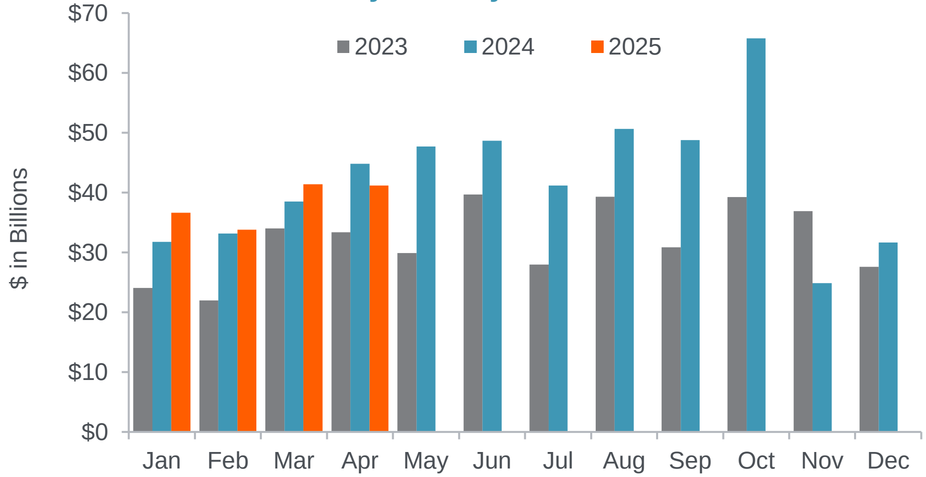


Source: Treasury.gov, Bloomberg

Bond Buyer Revenue Bond Index (BBRBI) shows the average yield on a basket of 25 revenue bonds with 30-year maturities and an average rating equivalent to Moody's "A1" and S&P's "A+."
Bloomberg's BVAL AAA Callable Curve (Muni) is the yield curve of the highest-rated ("AAA" GO) municipal bonds.
SIFMA rate is a weekly short-term index comprised of tax-exempt variable rate bonds which serves as a benchmark floating rate.
Secured Overnight Financing Rate (SOFR) is a benchmark rate at which banks charge each other for short-term loans. SOFR is a replacement for LIBOR.

Municipal Bond Supply and Economic Calendar

Primary Monthly Issuance Volume



Source: Bond Buyer

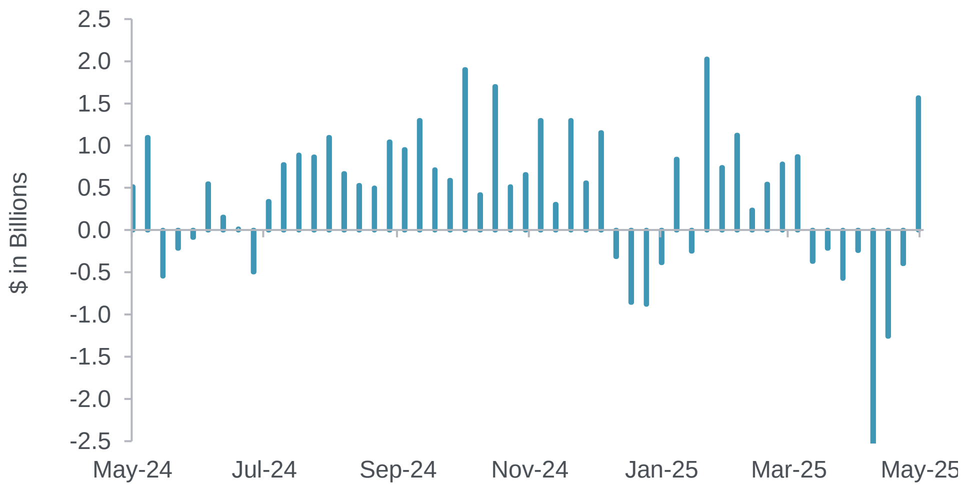
Economic Outlook

Monday, May 5	Tuesday, May 6	Wednesday, May 7
ISM Services Index	International Trade in Goods	EIA Petroleum Status Report
		FOMC Announcement
		Fed Chair Press Conference

Thursday, May 8	Friday, May 9	Reference Key
Jobless Claims		Market Moving Indicator
Productivity and Costs		Merits Extra Attention
EIA Natural Gas Report		
Fed Balance Sheet		

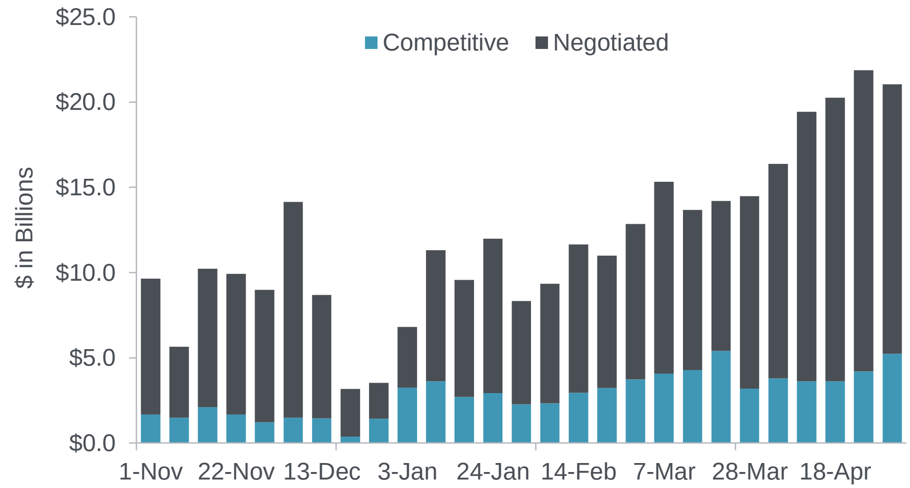
Source: Bloomberg.com

Long-Term Municipal Fund Weekly Net Cash Flows



Source: Lipper

Visible Supply - Weekly Averages



Source: Bond Buyer

Visible Supply reflects the dollar volume of bonds expected to reach the municipal market in the next 30 days.

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