



# Weekly Healthcare Market Update

**John Henningsgard**

CO-HEAD OF HEALTHCARE  
MINNEAPOLIS

**Mark Piscatelli**

MANAGING DIRECTOR  
HARTFORD

**Frank Kaul**

VICE PRESIDENT  
MINNEAPOLIS

**Keith Kleven**

CO-HEAD OF HEALTHCARE  
MINNEAPOLIS

**Nessy Shems**

MANAGING DIRECTOR  
BOSTON

**Mickey Mendoza**

VICE PRESIDENT  
MINNEAPOLIS

**Jeff Cohen**

MANAGING DIRECTOR  
ALBANY

**Todd Van Deventer**

MANAGING DIRECTOR  
KANSAS CITY

**Alisa Gingerich**

ASSISTANT VICE PRESIDENT  
MINNEAPOLIS

**Jeff Fivecoat**

MANAGING DIRECTOR  
COLUMBUS

**Andrew Jessmore**

VICE PRESIDENT  
MINNEAPOLIS

# Capital Markets Update

## Market Commentary

Treasury yields fell in the last week of 2023 as 10yr and 30yr yields fell 2 bps. After a rollercoaster year, the 10yr Treasury ended 2023 in the same place as it ended 2022 at 3.88%. To get to 3.88%, the 10yr Treasury yield experienced a furious rally in November and December, falling 110 bps from the high water point of 4.98% seen on October 19. Similar to Treasury yields, municipal yields ground lower to end 2023. Year-over-year municipal yields declined as 10yr and 30yr municipal yields fell 35 and 16 bps, respectively, from December 2022 to December 2023. Fund flows into municipal bond funds flip flopped between a week of inflows and a week of outflows to end 2023. Overall, municipal funds experienced 40 weeks of outflows in 2023 which challenged the municipal market throughout the year. Market participants are expecting multiple Fed rate cuts in 2024 with the first cut potentially occurring March.

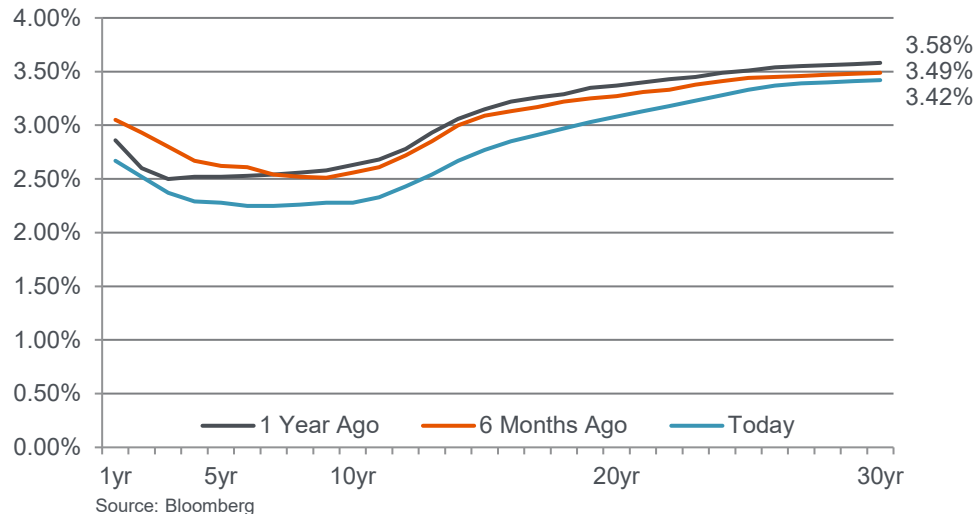
### US Treasury Market

### Tax-Exempt Market

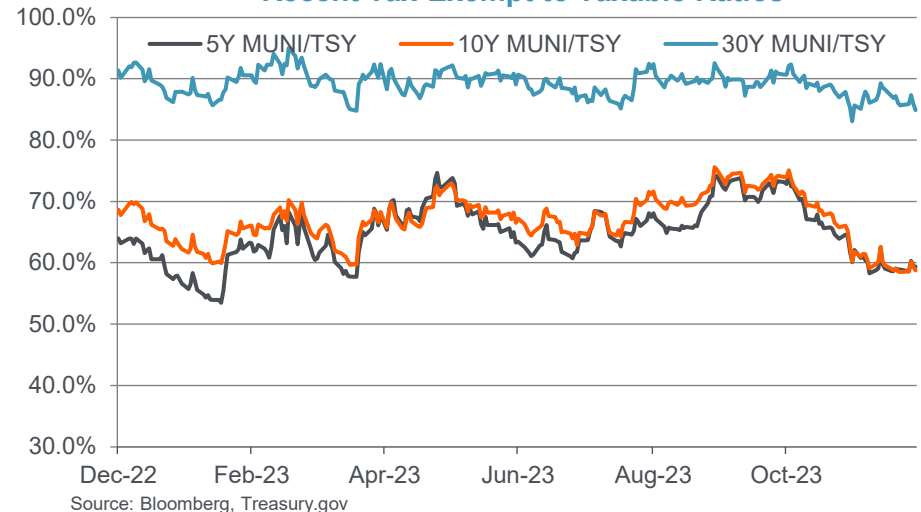
### Tax-Exempt to Taxable Ratios

US Treasury	Current Yield	Weekly Change	BVAL "AAA" Muni Yield	Current Yield	Weekly Change	Muni / TSY Ratio	Current Ratio	Previous Week
1 Year	4.79%	-3 bps	1 Year	2.67%	-2 bps	5Y Muni / TSY	59.4%	58.9%
5 Year	3.84%	-3 bps	5 Year	2.28%	0 bps	10Y Muni / TSY	58.8%	58.5%
10 Year	3.88%	-2 bps	10 Year	2.28%	0 bps	30Y Muni / TSY	84.9%	85.7%
20 Year	4.20%	-1 bps	20 Year	3.08%	-3 bps			
30 Year	4.03%	-2 bps	30 Year	3.42%	-5 bps			

### BVAL AAA Muni Yield Curve



### Recent Tax-Exempt to Taxable Ratios



\* Rates as of 12/29/2023

# Healthcare Market Update

## Pricings last week

Sharp HealthCare (CA) was in the market the second to last week of 2023.

Selected Healthcare Financings Priced the Week of 12/18/2023							
Borrower	Par Amount (\$000s)	Rating (M/S/F)	Spread	Coupon/Yield	Maturity	Tax Status	Purpose
Sharp HealthCare (CA)	\$342,125	Aa3/AA/NR	0.02%	5.00%/2.48%	2035	Tax-Exempt	New Money and Refunding
<b>Total</b>	<b>\$342,125</b>						

## Expected pricings this week

No healthcare issues are expected to price this week.

Selected Healthcare Financings Expected the Week of 1/1/2024						
Borrower	Par Amount (\$000s)	Rating (M/S/F)	Expected Pricing Date	Tax Status	Purpose	
No healthcare issues on the negotiated calendar						

## Recent rating actions

Selected Rating Actions for the Week of 12/18/2023			Selected Rating Actions for the Week of 12/18/2023			Selected Rating Actions for the Week of 12/18/2023		
Borrower	Rating (Outlook)	Note	Borrower	Rating (Outlook)	Note	Borrower	Rating (Outlook)	Note
<b>Moody's</b>			<b>Standard and Poor's</b>			<b>Fitch</b>		
HealthPartners (MN)	A2 (Sta)	Rating affirmed	Avera Health (SD)	AA- (Sta)	Rating affirmed	Tampa General (FL)	A (Sta)	Rating affirmed
Seattle Children's (WA)	Aa2 (Sta)	Revised to Sta	Saint Luke's Health (MO)	A+ (Pos)	Revised to Pos	Asante Health (OR)	A+ (Neg)	Rating affirmed

Note: Expected pricings based on negotiated calendar which was released on Thursday, December 28.

---

# 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.

### [Piper Sandler 2024 US Interest Rate Outlook](#)

*“With several well-established recession indicators flashing red, the odds of a significant slowdown in 2024 is high. Collectively these signals have not been wrong in the past. The Fed's monetary stance is the most restrictive in four decades and is projected to become more so in early 2024 as inflation passively declines. Historically, a recession tends to set in after the Fed begins cutting rates. Based on historical averages and the current economic slowdown, the Fed may cut rates as early as March 2024. Interest rates across the curve always decrease following the Fed's transition to a more accommodative monetary policy and the yield curve steepens. The decline in rates accelerates once the Fed actively starts cutting rates. We forecast the 10yr Treasury rate to drop near 3% by YE 2024. Whether the economy hits a recession or a soft landing, historical trends indicate that bond yields tend to fall in both cases during the first three months leading up to the Fed's first rate cut.”*

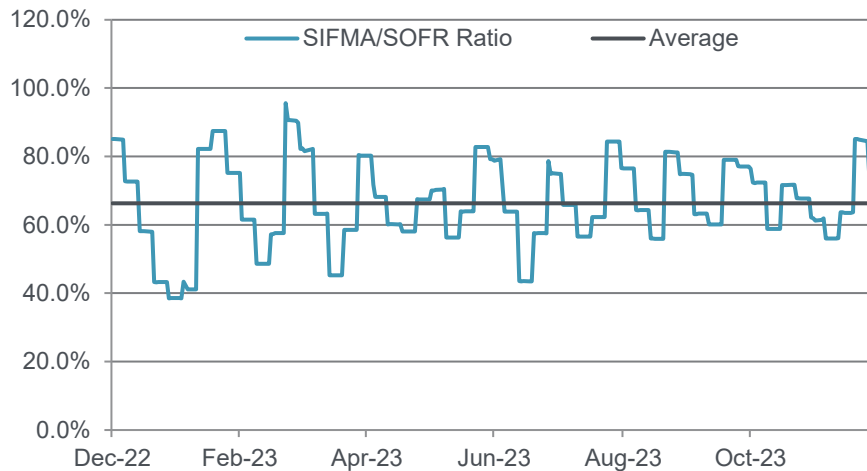
# Rate Movements Last 12 Months

## Long-term and short-term rates

Index	Current	Max	Min	Average
<b>BBRBI</b>	3.54%	4.47%	3.54%	3.95%
<b>10Y Muni</b>	2.28%	3.61%	2.08%	2.66%
<b>10Y Treasury</b>	3.88%	4.98%	3.30%	3.96%
<b>SIFMA</b>	3.87%	4.52%	1.66%	3.33%
<b>SOFR</b>	5.38%	5.40%	4.30%	5.00%
<b>SIFMA/SOFR Ratio</b>	71.9%	95.6%	38.5%	66.3%

### Short-Term Rates

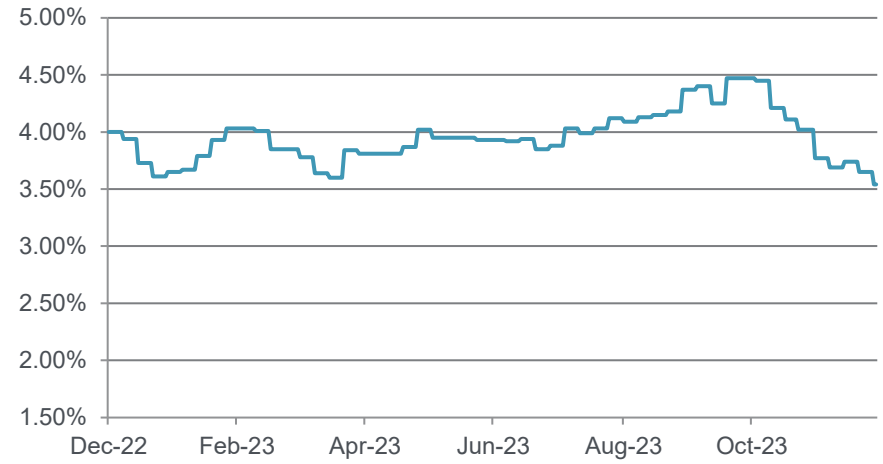
#### SIFMA/SOFR Ratio



Source: SIFMA, Bloomberg

### Long-Term Rates

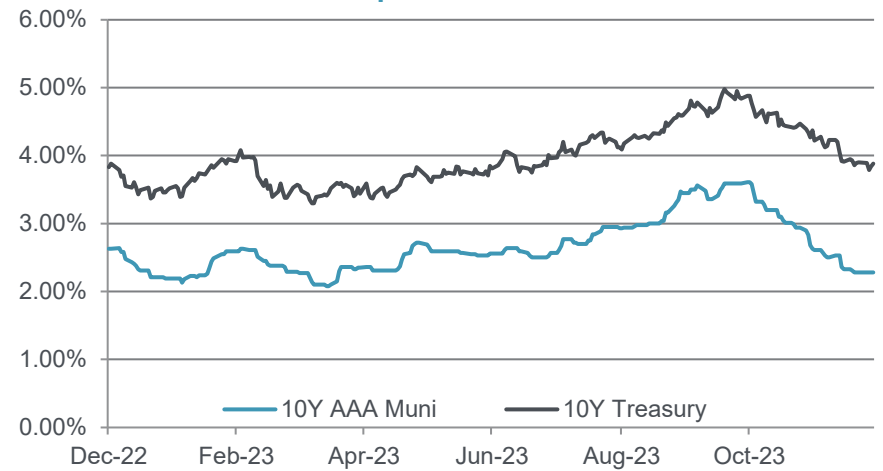
#### The Bond Buyer Revenue Bond Index



Source: Bond Buyer

### 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+"

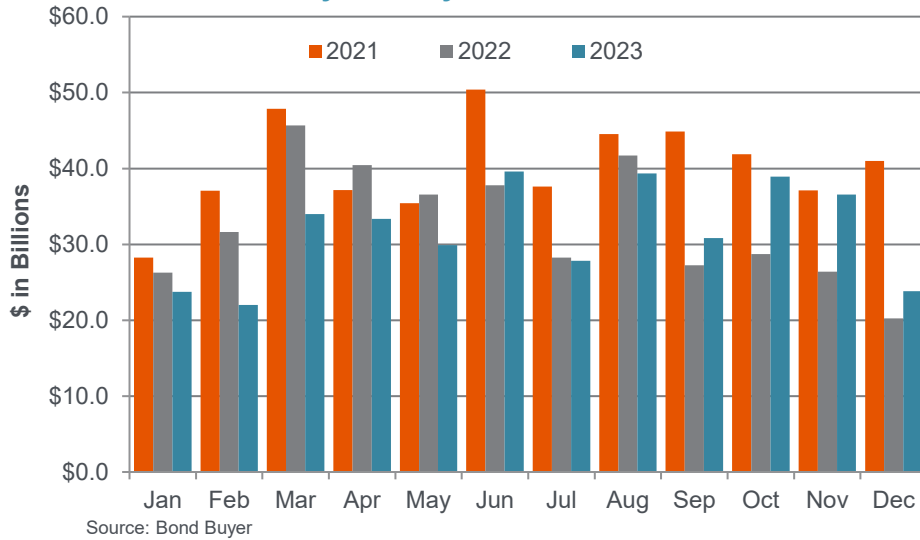
Bloomberg's BVAL AAA Callable Curve (Muni) is the yield curve of the highest-rated ("AAA" GO) municipal bonds

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

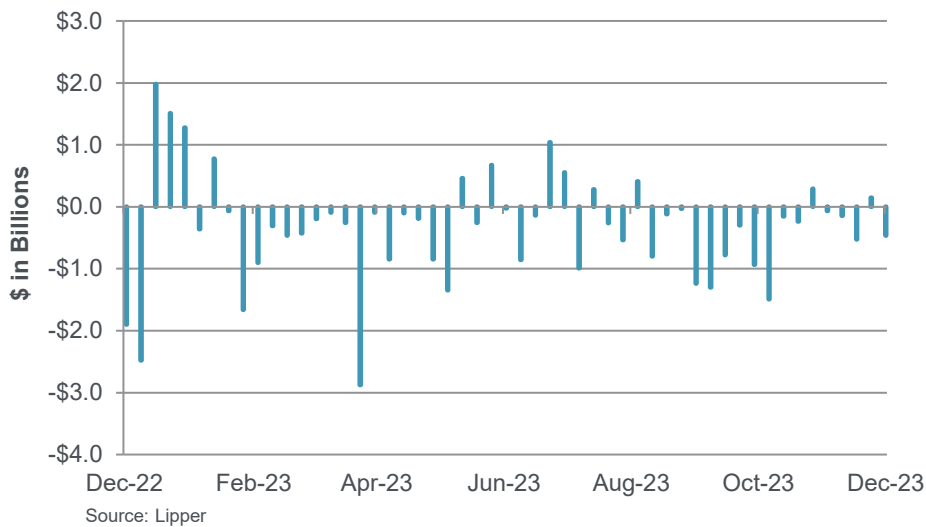
### Primary Monthly Issuance Volume



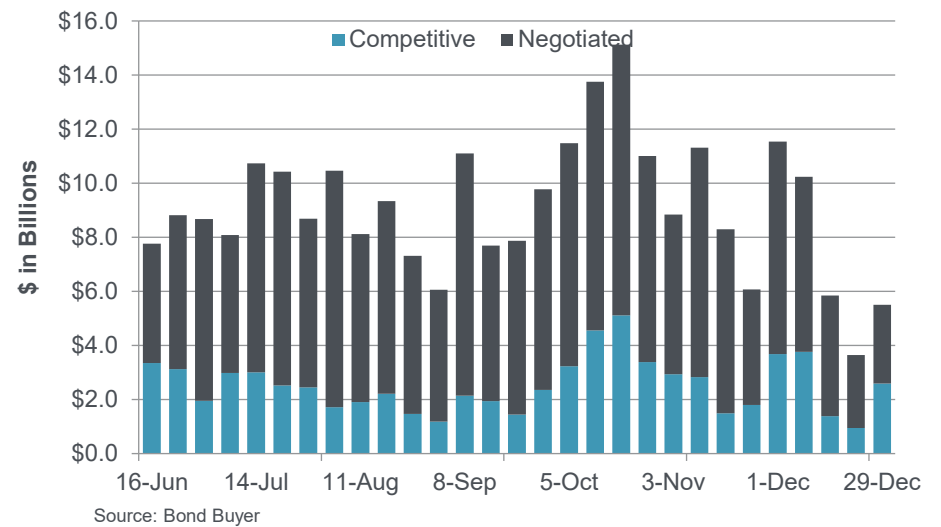
### Economic Outlook

Monday, January 1	Tuesday, January 2	Wednesday, January 3
	PMI Manufacturing Final	Motor Vehicle Sales
	Construction Spending	ISM Manufacturing Index
		Job Openings and Labor Turnover Survey (JOLTS)
		FOMC Minutes
Thursday, January 4	Friday, January 5	
ADP Employment Report	Employment Situation	Reference Key
Jobless Claims	Factory Orders	Market Moving Indicator
EIA Natural Gas Report	ISM Services Index	Merits Extra Attention
EIA Petroleum Status		Source: Bloomberg.com

### Long-Term Municipal Fund Weekly Net Cash Flows



### Visible Supply - Weekly Averages



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

The material contained herein is not a product of any research department of Piper Sandler & Co. or any of its affiliates. Nothing herein constitutes a recommendation of any security or regarding any issuer; nor is it intended to provide information sufficient to make an investment decision. The information provided is herein not intended to be and should not be construed as a recommendation or "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934.

The information contained in this communication has been compiled by Piper Sandler & Co. from sources believed to be reliable, but no representation or warranty, express or implied, is made by Piper Sandler & Co., its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates contained in this communication constitute Piper Sandler & Co.'s judgment as of the date of this communication, are subject to change without notice and are provided in good faith but without legal responsibility. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur.

Nothing in this communication constitutes legal, accounting or tax advice or individually tailored investment advice. This material is prepared for general circulation to clients and may have been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The investments or services contained in this communication may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about the suitability of such investments or services.

Every state in the U.S., and most countries throughout the world have their own laws regulating the types of securities and other investment products which may be offered to their residents, as well as the process for doing so. As a result, any specific securities discussed in this communication may not be eligible for sale in some jurisdictions. This communication is not, and under no circumstances should be construed as, a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction.

In providing information contained herein to a municipal entity or obligated person, Piper Sandler (i) is not providing discretionary investment advice recommending an action to any municipal entity or obligated person recipient (ii) is not acting as an advisor providing discretionary investment advice to any municipal entity or obligated person and (iii) does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to any municipal entity or obligated person with respect to the information and material contained in this communication. Piper Sandler is acting for its own interests, and any municipal entity or obligated person recipient of this information should discuss any information and material contained in this communication with any and all internal or external advisors and experts that the municipal entity or obligated person deems appropriate before acting on this information or material.

To the fullest extent permitted by law neither Piper Sandler & Co., nor any of its affiliates, nor any other person, accepts any liability whatsoever for any direct or consequential loss arising from any use of this communication or the information contained herein. No matter contained in this document may be reproduced or copied by any means without the prior consent of Piper Sandler & Co. Piper Sandler & Co. may buy from or sell to customers on a principal basis for its own account or as an agent for another person in the securities or related derivatives that are the subject of this communication (in reliance on Rule 206(3)-1, we will not obtain client consent for each principal trade).

Piper Sandler & Co. has or may have proprietary positions in the securities or in related derivatives that are the subject of this communication. Piper Sandler & Co. may have been manager or co-manager of a public offering of securities of the issuer within the past twelve months. Additional information is available upon request.

Piper Sandler outgoing and incoming e-mail is electronically archived and recorded and is subject to review, monitoring and/or disclosure to someone other than the recipient. This e-mail may be considered an advertisement or solicitation for purposes of regulation of commercial electronic mail messages. If you do not wish to receive commercial e-mail communications from Piper Sandler, visit: [www.pipersandler.com/do\\_not\\_email](http://www.pipersandler.com/do_not_email) to review the details and submit your request to be added to the Piper Sandler "Do Not E-mail" directory. For additional disclosure information, see [www.pipersandler.com/disclosures](http://www.pipersandler.com/disclosures).

Piper Sandler Companies (NYSE: PIPR) is a leading investment bank driven to help clients Realize the Power of Partnership®. Securities brokerage and investment banking services are offered in the U.S. through Piper Sandler & Co., member SIPC and NYSE; in the U.K. through Piper Sandler Ltd., authorized and regulated by the U.K. Financial Conduct Authority; and in Hong Kong through Piper Sandler Hong Kong Limited, authorized and regulated by the Securities and Futures Commission. Alternative asset management and fixed income advisory services are offered through separately registered advisory affiliates.

© 2024 Piper Sandler & Co., 800 Nicollet Mall, Suite 900, Minneapolis, MN 55402-7036

The Bloomberg information may not be used for any of the following purposes: (i) to determine the amount payable under a financial instrument or a financial contract; (ii) to determine the price at which a financial instrument may be bought or sold or traded or redeemed; (iii) to determine the value of a financial instrument; or (iv) to measure the performance of an investment fund, including without limitation, for the purpose of tracking such information or of defining the asset allocation of a portfolio or for computing performance fees.