



Weekly Healthcare Market Update

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Capital Markets Update

Market Commentary

Treasury yields increased across the yield curve last week with 10yr Treasury yields moving 12 bps higher and 30yr yields rising 11 bps. Municipal yields followed Treasury yields higher week-over-week as 10yr and 30yr municipal yields rose 7 bps, respectively. The seven week streak of inflows into municipal bond funds was snapped last week as funds experienced \$1.5 billion in net withdrawals. The odds of a Fed rate cut this summer continue to dwindle as the first full rate cut is not priced in until November. In comments last week, Fed Chair Jerome Powell said inflation has not moved quickly enough towards the Fed's 2% policy target. As a result, the current interest rate policy will remain intact until additional progress on inflation is shown. The Personal Consumption Expenditures (PCE) report will be released on Friday and will provide another inflation data point for the Fed as they prepare for the FOMC meeting next week.

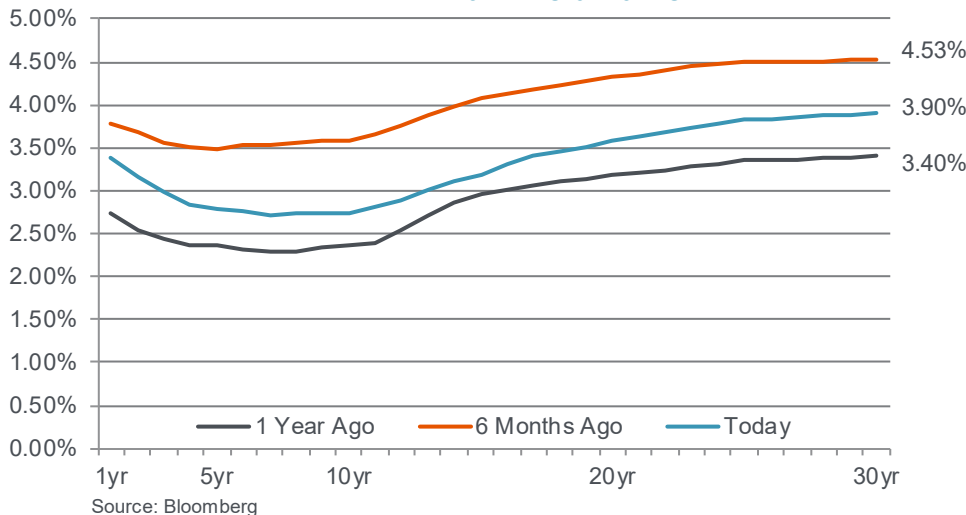
US Treasury Market

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	5.17%	4 bps	1 Year	3.38%	4 bps	5Y Muni / TSY	59.7%	59.5%
5 Year	4.66%	12 bps	5 Year	2.78%	8 bps	10Y Muni / TSY	59.3%	59.3%
10 Year	4.62%	12 bps	10 Year	2.74%	7 bps	30Y Muni / TSY	82.6%	83.1%
20 Year	4.83%	10 bps	20 Year	3.57%	6 bps			
30 Year	4.72%	11 bps	30 Year	3.90%	7 bps			

BVAL AAA Muni Yield Curve



Recent Tax-Exempt to Taxable Ratios



* Rates as of 4/19/2024

Healthcare Market Update

Pricings last week

Piper Sandler priced an issue for Margaret Mary Health (IN) last week.

Selected Healthcare Financings Priced the Week of 4/15/2024							
Borrower	Par Amount (\$000s)	Rating (M/S/F)	Spread	Coupon/Yield	Maturity	Tax Status	Purpose
Margaret Mary Health (IN)	\$80,000	NR/BBB-/NR	1.36%	5.75%/5.26%	2054	Tax-Exempt	New Money
Total	\$80,000						

Expected pricings this week

RWJBarnabas Health (NJ) and CHRISTUS Health (TX) are expected to price issues this week.

Selected Healthcare Financings Expected the Week of 4/22/2024						
Borrower	Par Amount (\$000s)	Rating (M/S/F)	Expected Pricing Date	Tax Status	Purpose	
RWJBarnabas Health (NJ)	\$370,320	A1/AA-/NR	4/24	Tax-Exempt	New Money and Refunding	
CHRISTUS Health (TX)*	210,695	A1/NR/A+	4/24	Tax-Exempt	New Money	
Total	\$581,015					

*Includes mandatory tender bonds.

Recent rating actions

Selected Rating Actions for the Week of 4/15/2024			Selected Rating Actions for the Week of 4/15/2024			Selected Rating Actions for the Week of 4/15/2024		
Borrower	Rating (Outlook)	Note	Borrower	Rating (Outlook)	Note	Borrower	Rating (Outlook)	Note
Moody's			Standard and Poor's			Fitch		
Children's Nebraska (NE)	A1 (Sta)	Rating affirmed	Salem Health (OR)	A+ (Sta)	Revised to Sta	Children's Minnesota (MN)	AA (Sta)	Rating affirmed
Stormont Vail Health (KS)	A1 (Sta)	Upgraded	Providence St. Joseph	A (Neg)	Rating affirmed	Redlands Hospital (CA)	A- (Sta)	Rating affirmed

Note: Expected pricings based on negotiated calendar which was released on Friday, April 19.

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.

[Nominal Sales Paint Robust Picture \(Retail Sales\)](#)

“Last month’s unexpected jump in headline retail sales was followed by another positive surprise this month, with the prior month revised even higher. The ‘control group,’ critical for GDP calculations, also exceeded expectations suggesting the anticipated slowdown in consumer spending is taking longer than expected, as higher borrowing costs have not significantly deterred consumer spending (at least not yet). Year-over-year, the control group recorded its most significant increase in over 12 months. When roughly adjusted for inflation, the report paints a less robust picture. While nominal retail sales rose by 4.0% year-over-year, real retail sales, which reflect the actual volume of goods purchased, increased only by 1.6%. This discrepancy becomes even more pronounced over a two-year period: nominal retail sales saw an annualized increase of 3.19%, but real retail sales grew by just 0.28%.”

[Piper Sandler Bond Market Outlook Q2 2024](#)

“The municipal market witnessed a modest increase in yields over the first quarter, following the Treasury market higher as economic data remained strong reducing expectations for future Federal Reserve easing. While issuance volume increased compared to the first quarter of 2023, strong demand from separately managed accounts led to municipal yields falling to historical lows compared to Treasuries especially on the front end. A resurgence of refundings drove the increase in issuance, with municipalities finding opportunities to refinance eligible taxable bonds to tax exempts. A significant portion of this activity reflected issuers exercising optional extraordinary redemption provisions in Build America Bonds based on the diminishment of the federal interest subsidy due to sequestration. With rates remaining elevated at the onset of the second quarter, issuance may slow as issuers wait for lower rates and refunding opportunities decline. On the credit side, increasing signs of slowing revenues and budgetary pressure and as well as growing concerns that rising homeowners insurance costs may negatively influence property values and related tax collections suggest credit trends may move downward in coming quarters.”

[Largest Drop Since COVID \(Housing Starts and Building Permits\)](#)

“Following last month’s robust performance, housing starts and building permits significantly declined in March, marking the largest monthly drop since the COVID lockdowns. This downturn was driven by both single-family and multifamily construction, with multifamily starts reaching their lowest point since April 2020. The scarcity of pre-owned homes on the market continues to support new construction. However, a rise in mortgage rates seems for now to be sidelining potential buyers. Indeed, single-family construction posted its largest monthly drop in nearly three years, as the average 30-year fixed mortgage rate has once more increased above 7%. As expectations for lower interest rates this year diminish, the housing sector’s recovery could further weaken. The link between the anticipated rate cuts by the end of 2024 and building permits suggests more subdued activity in the coming months. Additionally, the wide gap between mortgage applications for home purchases and the number of single-family building permits highlights increased downside risks.”

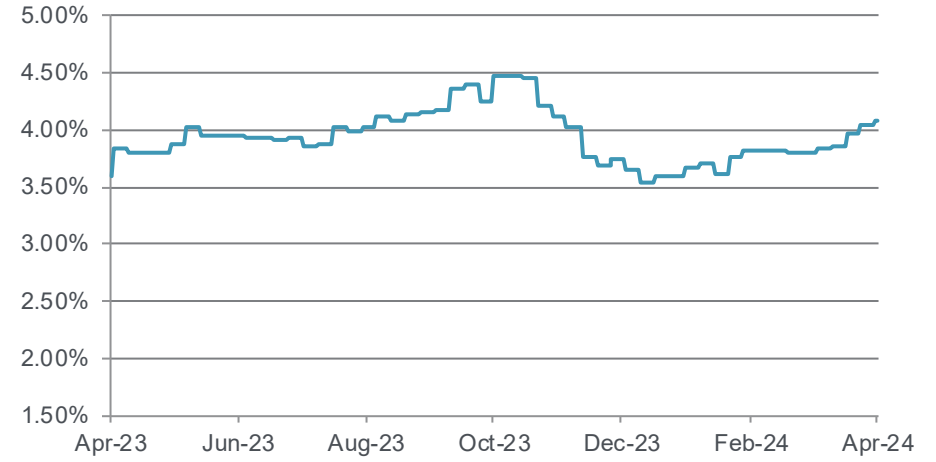
Rate Movements Last 12 Months

Long-term and short-term rates

Index	Current	Max	Min	Average
BBRBI	4.08%	4.47%	3.54%	3.94%
10Y Muni	2.74%	3.61%	2.28%	2.70%
10Y Treasury	4.62%	4.98%	3.37%	4.14%
SIFMA	4.35%	4.55%	1.90%	3.47%
SOFR	5.31%	5.40%	4.80%	5.23%
SIFMA/SOFR Ratio	81.9%	85.7%	35.7%	66.4%

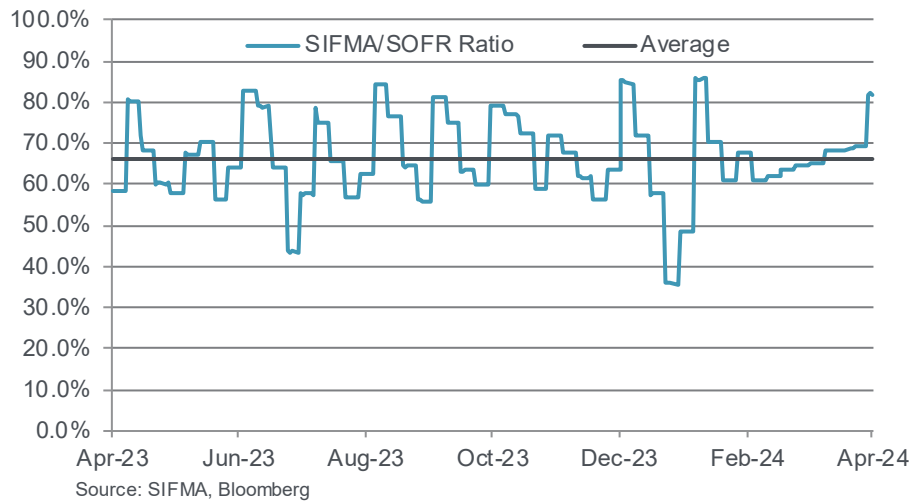
Long-Term Rates

The Bond Buyer Revenue Bond Index



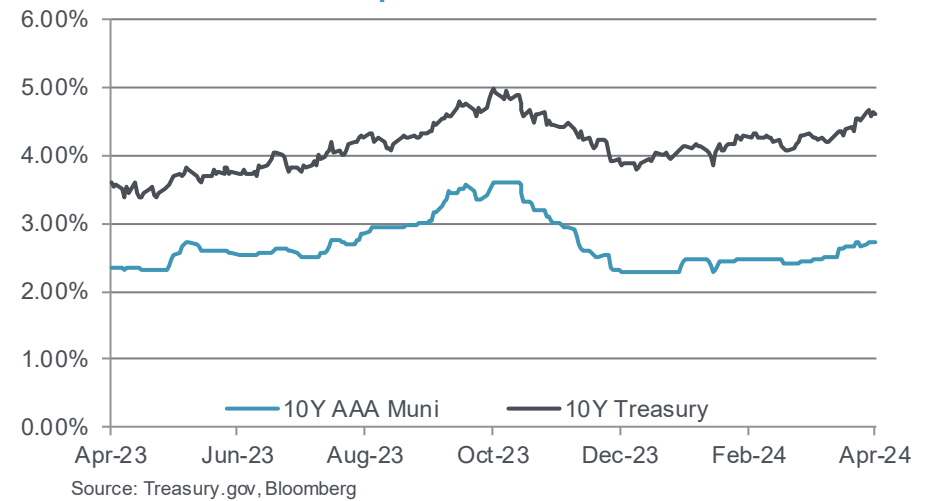
Short-Term Rates

SIFMA/SOFR Ratio



Long-Term Rates

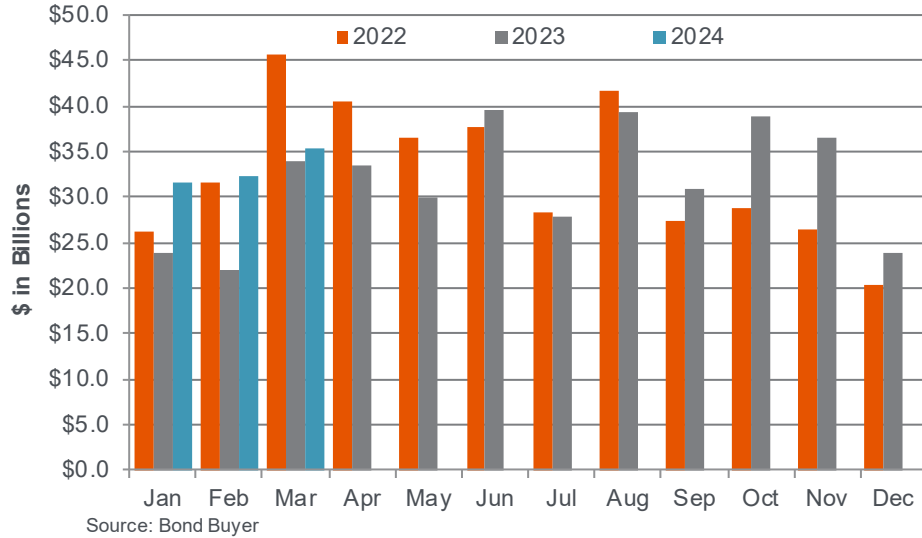
Tax-Exempt and Taxable Rates



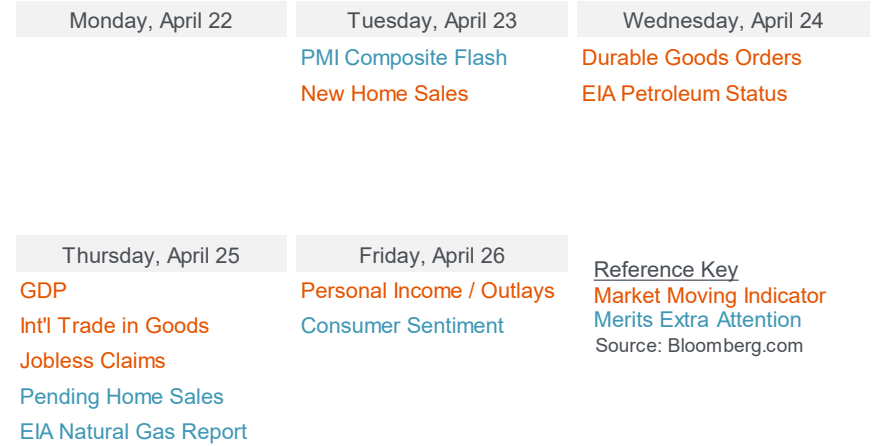
Bond Buyer Revenue Bond Index (BBRBI) shows the average yield on a basket of 25 revenue bonds with 30-year maturities and an average rating equivalent to Moody's "A1" and S&P's "A+"
 Bloomberg's BVAL AAA Callable Curve (Muni) is the yield curve of the highest-rated ("AAA" GO) municipal bonds
 SIFMA rate 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

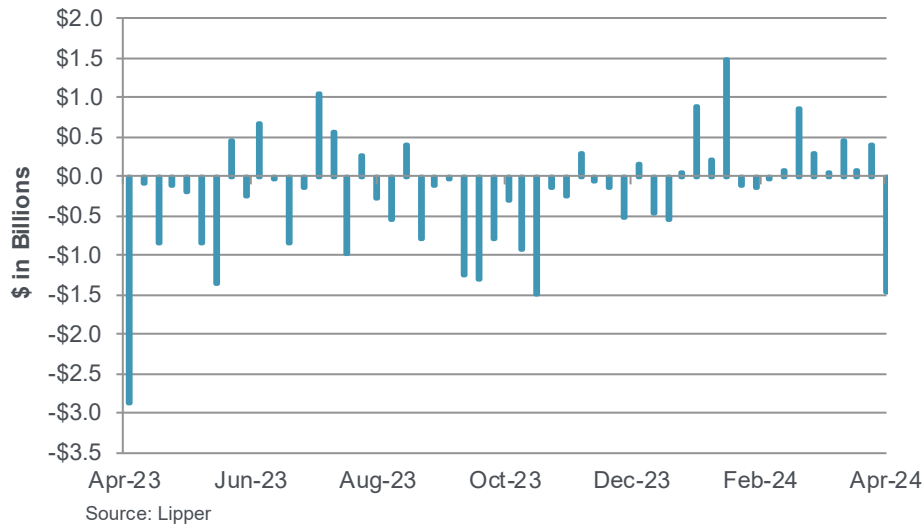
Primary Monthly Issuance Volume



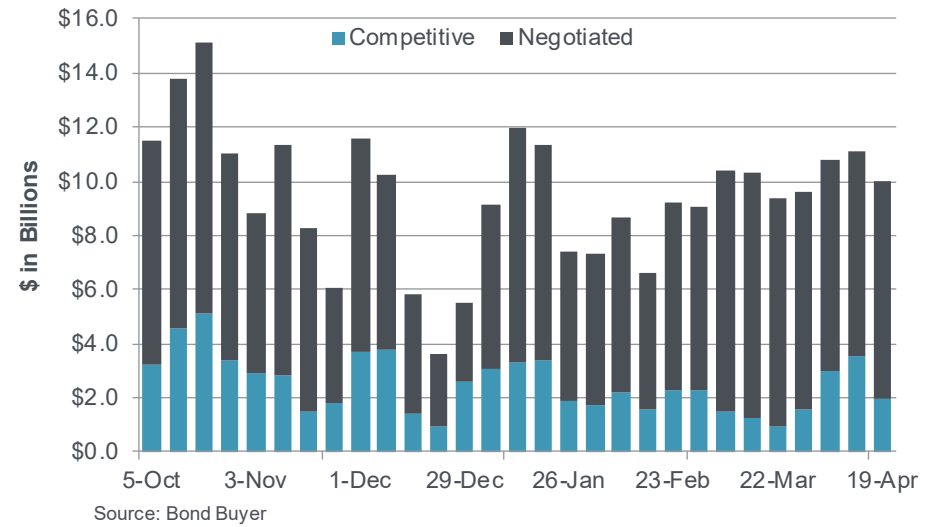
Economic Outlook



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.

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