



Weekly Healthcare Market Update

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Capital Markets Update

Market Commentary

The inflation data within the Q1 2024 GDP and the March Personal Consumption Expenditures (PCE) reports continued to show sticky price levels which caused Treasury yields to rise during the week. Overall, 10yr and 30yr Treasury yields increased 5 and 6 bps, respectively. also moved higher last week with yields rising 6-7 bps across the curve. However, municipals continue to outperform the treasury market and municipal ratios sit near all time lows. Inflows returned to municipal bond funds as \$200 million was added to funds in the most recent week. Municipal bond funds have experienced inflows in eight of the last ten weeks. Hotter than expected inflation reports in April have led the market to recalibrate its rate cut expectations for 2024. Within a span of three months, markets have shifted from pricing five rate cuts to just one. The Fed will gather for a FOMC meeting this week. While Fed action is not anticipated at the meeting, markets will be watching closely to see if the central bank hints at the possibility of a rate hike at future meetings in order to move inflation towards the Fed's 2% target.

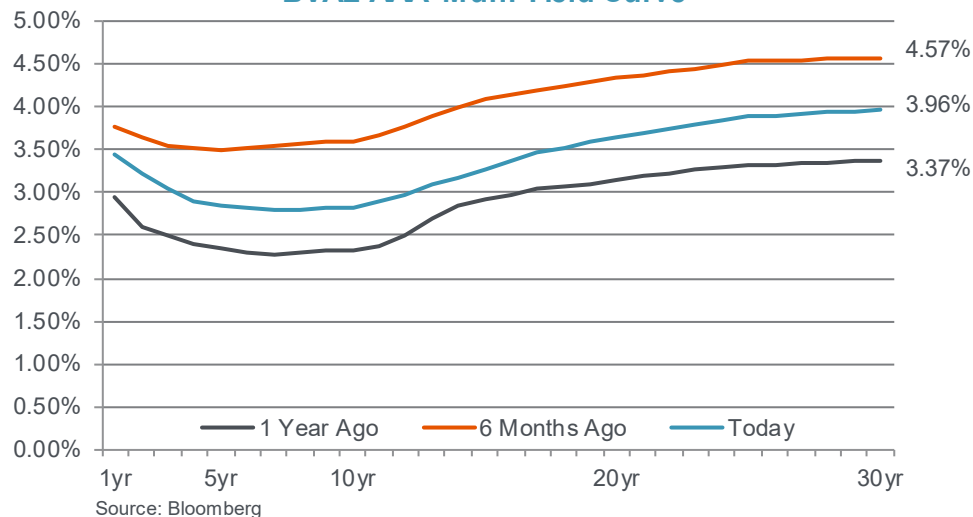
US Treasury Market

Tax-Exempt Market

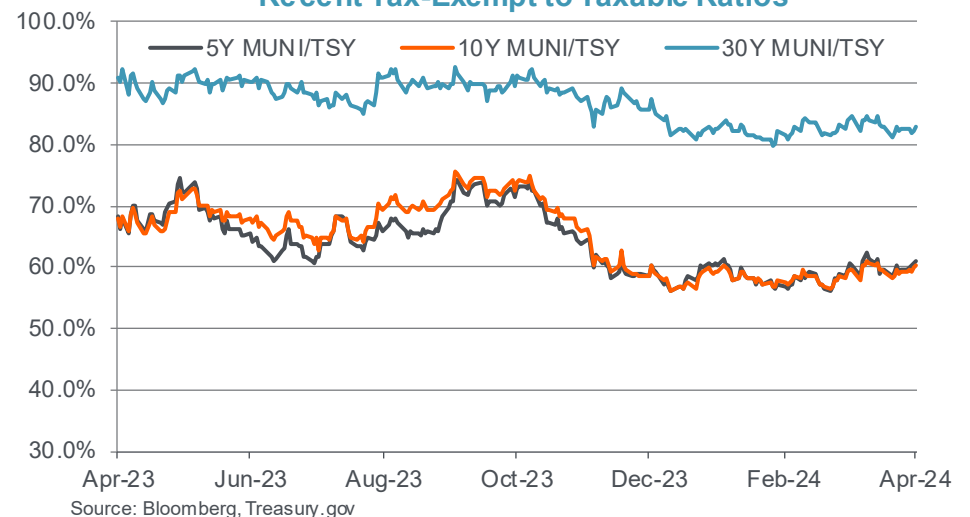
Tax-Exempt to Taxable Ratios

US Treasury	Current Yield	Weekly Change	BVAL "AAA" Muni Yield	Current Yield	Weekly Change	Muni / TSY Ratio	Current Ratio	Previous Week
1 Year	5.21%	4 bps	1 Year	3.45%	7 bps	5Y Muni / TSY	60.9%	59.7%
5 Year	4.68%	2 bps	5 Year	2.85%	7 bps	10Y Muni / TSY	60.2%	59.3%
10 Year	4.67%	5 bps	10 Year	2.81%	7 bps	30Y Muni / TSY	82.8%	82.6%
20 Year	4.89%	6 bps	20 Year	3.64%	7 bps			
30 Year	4.78%	6 bps	30 Year	3.96%	6 bps			

BVAL AAA Muni Yield Curve



Recent Tax-Exempt to Taxable Ratios



*Rates as of 4/26/2024

Healthcare Market Update

Pricings last week

RWJBarnabas Health (NJ) and CHRISTUS Health (TX) priced issues last week.

Selected Healthcare Financings Priced the Week of 4/22/2024							
Borrower	Par Amount (\$000s)	Rating (M/S/F)	Spread	Coupon/Yield	Maturity	Tax Status	Purpose
RWJBarnabas Health (NJ)	\$370,330	A1/AA-/NR	0.36%	5.25%/4.28%	2054	Tax-Exempt	New Money and Refunding
CHRISTUS Health (TX)	218,480	A1/NR/A+	0.65%	5.00%/3.40%	2032	Tax-Exempt	New Money
Total	\$588,810						

Expected pricings this week

Novant Health is expected to be in the market this week.

Selected Healthcare Financings Expected the Week of 4/29/2024						
Borrower	Par Amount (\$000s)	Rating (M/S/F)	Expected Pricing Date	Tax Status		Purpose
Novant Health (SC)	\$1,911,790	A1/A+/AA-	4/30	Tax-Exempt		New Money
Total	\$1,911,790					

Recent rating actions

Selected Rating Actions for the Week of 4/22/2024			Selected Rating Actions for the Week of 4/22/2024			Selected Rating Actions for the Week of 4/22/2024		
Borrower	Rating (Outlook)	Note	Borrower	Rating (Outlook)	Note	Borrower	Rating (Outlook)	Note
Moody's			Standard and Poor's			Fitch		
Fairview Health (MN)	Baa1 (Sta)	Revised to Sta	Stanford Health Care (CA)	AA- (Pos)	Revised to Pos	Wayne Healthcare (OH)	BB+ (Sta)	Rating affirmed
			Hoag (CA)	AA (Sta)	Rating affirmed	Akron Children's (OH)	AA- (Sta)	Rating affirmed

Note: Expected pricings based on negotiated calendar which was released on Friday, April 26.

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.

[Fed Policy During Election Years: Stability Over Politics](#)

“The U.S. presidential election will capture much attention in the coming months, but this will not lead to a lull in the Fed's activities. Historically, regardless of electoral cycles, the Federal Reserve has consistently responded to global crises and economic demands, during election years. Over the last 11 US presidential elections, the Fed has raised rates five times, lowered them five times, and kept them unchanged once. This balanced approach indicates no inherent bias in the Fed's monetary policy directions. More importantly, the Fed's actions have not played a role in determining the outcomes of U.S. elections. Investors should not remain passive during election years, assuming that the Fed will hold steady. Inflation trends point toward rate cuts in the second half of 2024, signaling that now is a favorable time to invest in the bond market.”

[Inflation Heats Up as Growth Cools Down \(Q1 2024 GDP\)](#)

“Growth in Q1 2024 slowed down from the unsustainable strong growth rates of the previous two quarters, falling to 1.6% QoQ, notably less than half of last quarter's 3.4% pace. The slowdown in Q1 GDP was driven by slower growth in consumer spending, exports, and government spending. The decline in consumption was a significant factor in the deceleration with consumer spending on goods posting an outright decline, while spending for services providing all of the growth. Real final sales, which exclude trade, inventories, and government spending and provide a more precise measure of domestic demand, remained relatively strong. This growth still underscores the resilience of the U.S. consumer amidst concerns of an economic slowdown. Quarterly core inflation surged from 2.0% to 3.7% QoQ. Although this rise in inflation is concerning and will bring up stagflation chatters, these figures only represent the first three months of the year. Inflation is taking longer to decrease than initially expected but given weaker growth we should see a reduction in price pressures in the second quarter of 2024. For now, the economy is still growing but at a slower pace, and with high inflation persisting, it's unlikely the Fed will cut rates before September.”

[Spending Habits Keep Inflation Elevated \(Personal Income and PCE\)](#)

“Income and spending rose on a month-over-month basis, with spending once again surpassing income. On an annualized basis, personal spending outpaced personal income growth by 1.1%, with spending growing at 5.8% compared to income growth at 4.7% YoY. Over the past three years, there have been only two instances where consumer income growth exceeded spending growth on a year-over-year basis. To sustain this spending spree, consumers have resorted to record-high levels of credit card debt while drastically reducing their savings rate. This robust spending pattern has led to persistent inflationary pressures. Core PCE inflation, the Fed's preferred measure, rose by 0.3% MoM, with upward revisions to the numbers from the prior two months. Consequently, the 3-month annualized rate increased to 4.4% from 3.7%, while the 6-month and 12-month rates remained unchanged at 3% and 2.8%. The silver lining in this report was that despite stronger-than-expected inflation figures from yesterday's GDP report, the monthly core PCE figure aligned precisely with expectations, printing at 0.3% compared to whispered numbers of 0.4%. Nevertheless, this report is likely to keep the Fed on hold over the next few meetings, especially considering that Fed Chair Powell's preferred metric, the so-called super core PCE inflation, also experienced a slight uptick.”

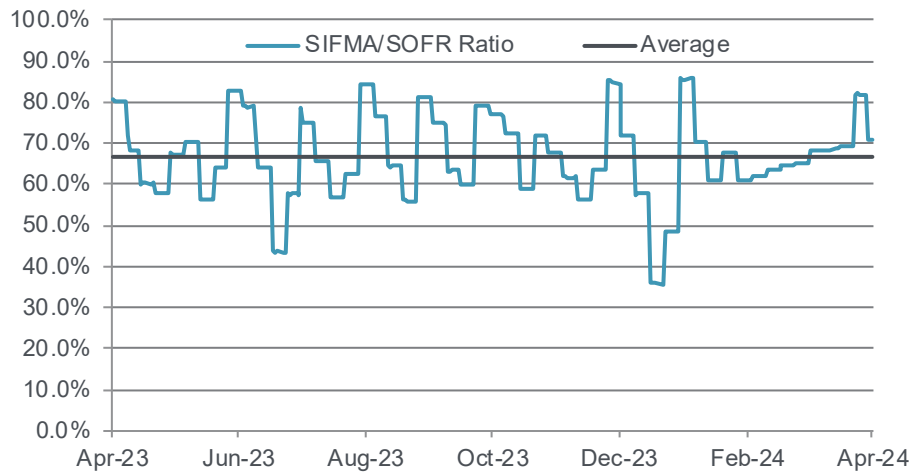
Rate Movements Last 12 Months

Long-term and short-term rates

Index	Current	Max	Min	Average
BBRBI	4.36%	4.47%	3.54%	3.95%
10Y Muni	2.81%	3.61%	2.28%	2.70%
10Y Treasury	4.67%	4.98%	3.37%	4.16%
SIFMA	3.77%	4.55%	1.90%	3.50%
SOFR	5.32%	5.40%	4.80%	5.24%
SIFMA/SOFR Ratio	70.9%	85.7%	35.7%	66.7%

Short-Term Rates

SIFMA/SOFR Ratio



Source: SIFMA, Bloomberg

Long-Term Rates

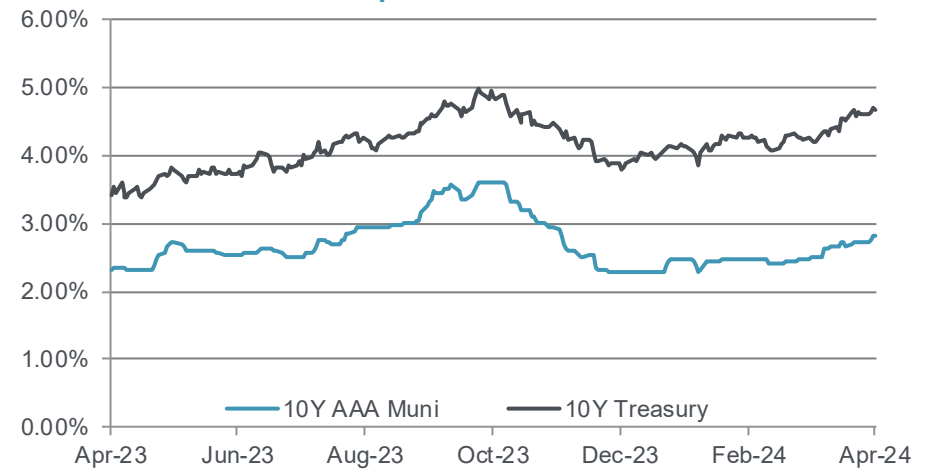
The Bond Buyer Revenue Bond Index



Source: Bond Buyer

Long-Term Rates

Tax-Exempt and Taxable Rates

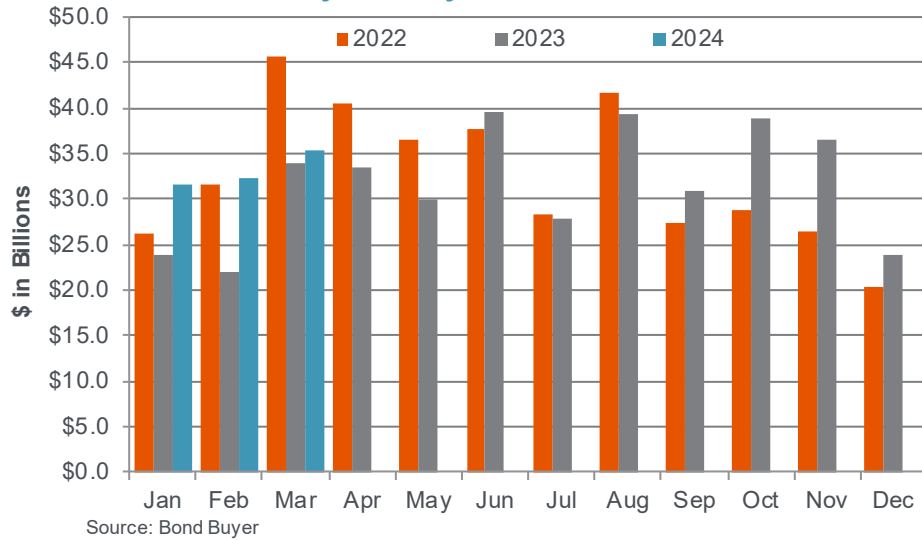


Source: Treasury.gov, Bloomberg

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

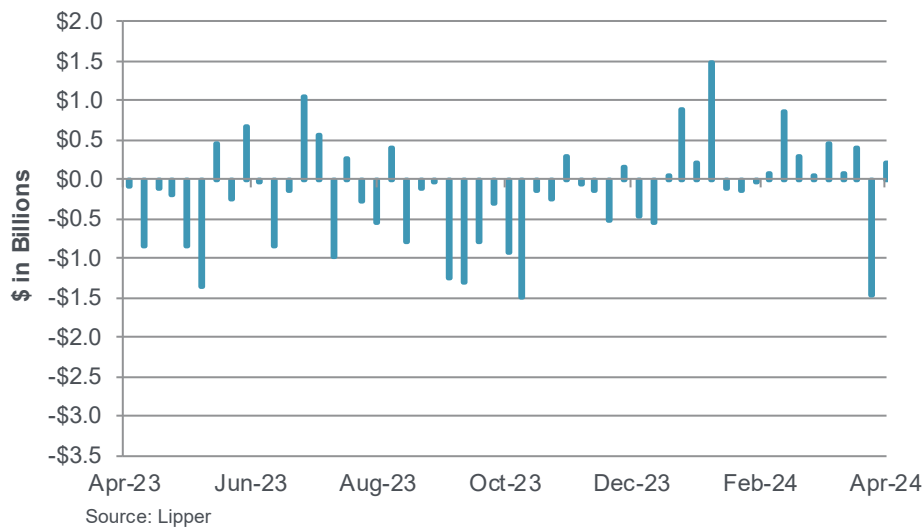
Primary Monthly Issuance Volume



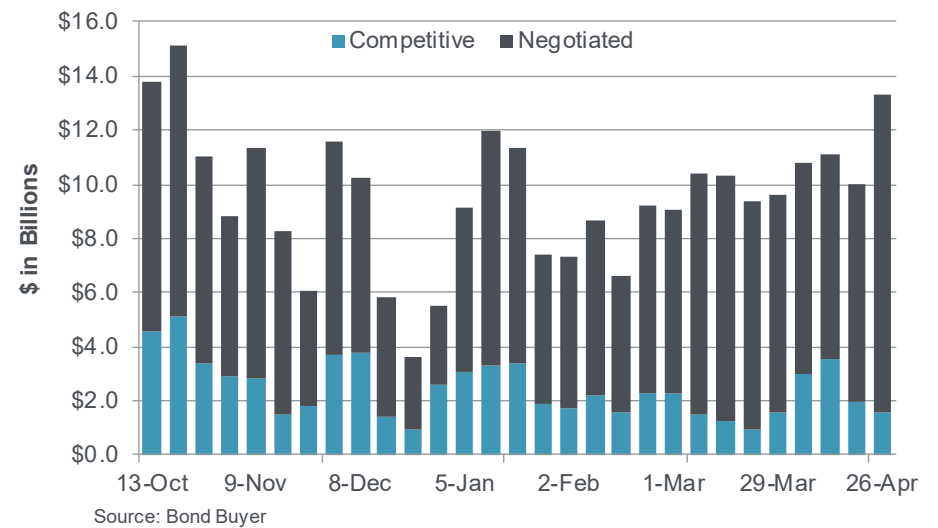
Economic Outlook

Monday, April 29	Tuesday, April 30	Wednesday, May 1
	Employment Cost Index	ADP Employment Report
	Case-Shiller HPI	PMI Manufacturing Final
	Chicago PMI	Job Openings and Labor
	Consumer Confidence	Turnover Survey (JOLTS)
		FOMC Announcement
Thursday, May 2	Friday, May 3	
Motor Vehicle Sales	Employment Situation	Reference Key
Int'l Trade in Goods	ISM Services Index	Market Moving Indicator
Jobless Claims		Merits Extra Attention
Productivity and Costs		Source: Bloomberg.com
EIA Natural Gas Report		

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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