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Weekly Healthcare Market Update

February 13, 2023

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Capital Markets Update

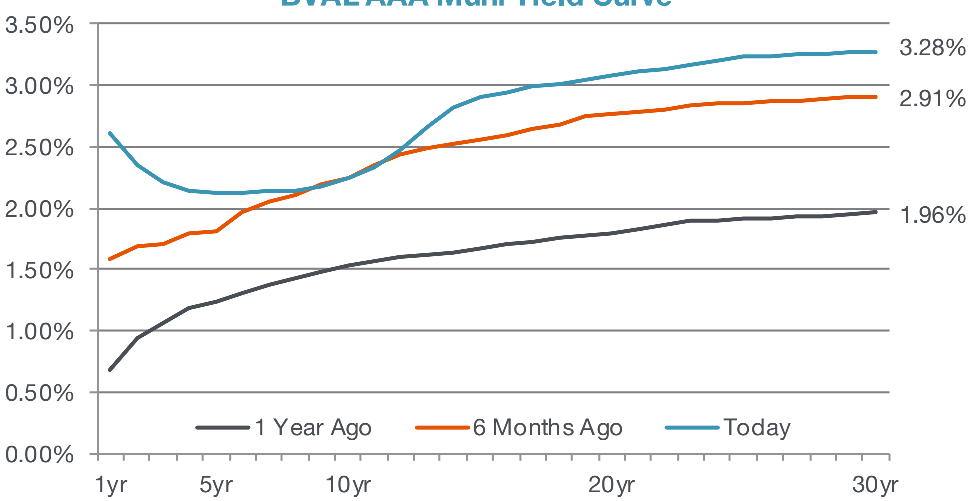
MARKET COMMENTARY

Treasury yields increased double digit bps last week as fallout from the strong January jobs report continues to be felt in the market. Municipal yields followed Treasury yields higher as 10yr municipal yields rose 6 bps and 30yr yields moved 11 bps higher. Despite the increases in municipal yields, municipal yields are "rich" (lower in rate) compared to Treasuries on a relative historical basis in the front and middle of the curve. In short-term rates, SIFMA reset 187 bps higher last week to 3.74% as investor demand slowed due to SIFMA's low rate level compared to SOFR. Municipal funds experienced inflows as $775 million entered funds. Municipal funds have seen inflows in four of the last five weeks. The January CPI report will be released on Tuesday. The expectation of a 25 bp fed funds rate hike in May has increased to 84% from 60% in the past 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	4.89%	10 bps	1 Year	2.61%	19 bps	5Y Muni / TSY	53.9%	55.6%
5 Year	3.93%	26 bps	5 Year	2.12%	8 bps	10Y Muni / TSY	59.9%	61.8%
10 Year	3.74%	21 bps	10 Year	2.24%	6 bps	30Y Muni / TSY	85.6%	87.3%
20 Year	3.96%	19 bps	20 Year	3.08%	11 bps			
30 Year	3.83%	20 bps	30 Year	3.28%	11 bps			

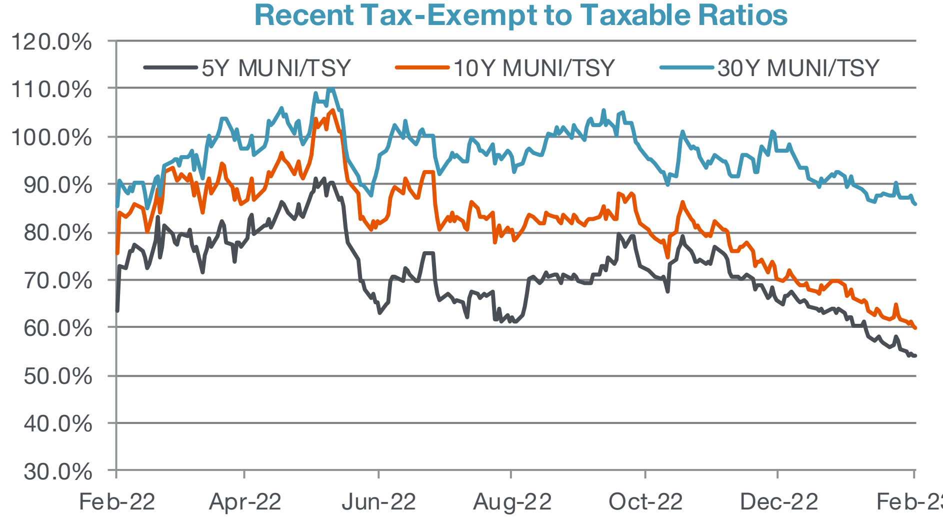
Source: Piper Sandler, Treasury.gov, Bloomberg

BVAL AAA Muni Yield Curve



Source: Bloomberg

Recent Tax-Exempt to Taxable Ratios



Source: Bloomberg, Treasury.gov

*Rates as of 2/10/2023

Healthcare Market Update

PRICINGS LAST WEEK

Boston Medical Center (MA) and Baptist Health (AL) priced issues last week.

Selected Healthcare Financings Priced the Week of 2/6/2023

Borrower	Par Amount ($000s)	Rating (M/S/F)	Spread	Coupon/Yield	Maturity	Tax Status	Purpose
Boston Medical Center (MA)	$232,415	Baa2/BBB/NR	1.24%	5.25%/4.47%	2052	Tax-Exempt	New Money and Refunding
Baptist Health (AL)	119,010	A3/BBB+/NR	1.03%	5.00%/3.85%	2037	Tax-Exempt	Refunding
Total	**$351,425**						

EXPECTED PRICINGS THIS WEEK

JPS Health Network (TX), Moffitt Cancer Center (FL), and Quincy Valley Medical Center (WA) are expected to price issues this week.

Selected Healthcare Financings Expected the Week of 2/13/2023

Borrower	Par Amount ($000s)	Rating (M/S/F)	Expected Pricing Date	Tax Status	Purpose
JPS Health Network (TX)*	$412,160	Aa1/NR/AA	2/16	Tax-Exempt	New Money
Moffitt Cancer Center (FL)**	344,405	A1/A/NR	2/14	Tax-Exempt	New Money
Quincy Valley Medical Center (WA)***	421,615	Baa1/NR/NR	2/15	Tax-Exempt	New Money
Total	**$1,178,180**				

*Limited tax bonds.

**Cigarette tax allocation bonds.

***Unlimited tax general obligation bonds.

RECENT RATING ACTIONS

Selected Rating Actions for the Week of 2/6/2023

Borrower	Rating (Outlook)	Note
Moody's		
Geisinger Health (PA)	A2 (Sta)	Downgraded
Northern Reg Hospital (NC)	Ba2 (Neg)	Downgraded

Selected Rating Actions for the Week of 2/6/2023

Borrower	Rating (Outlook)	Note
Standard and Poor's		
Tower Health (PA)	B (Neg)	Downgraded
Marshfield Clinic (WI)	BBB+ (Sta)	Downgraded

Selected Rating Actions for the Week of 2/6/2023

Borrower	Rating (Outlook)	Note
Fitch		
Denver Health (CO)	BBB (Sta)	Rating affirmed
South Shore Hospital (MA)	BBB (Sta)	Rating affirmed

Note: Expected pricings based on negotiated calendar which was released on Friday, February 10.

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.

Claims Edge Higher as Layoffs Surge (Jobless Claims)

"Applications for first time unemployment benefits increased to their highest level in 4 weeks. The jump suggests a possible break in the downward trend in claims that has been established since mid November and would be consistent with the job cuts observed in housing, finance and technology, in response to the Fed's aggressive monetary tightening campaign by many large companies. Indeed, in all of 2022 tech companies laid off 159k workers, while just in the first 5 weeks of 2023 the number of job cuts in the tech sector has risen to over 98k. Currently, layoffs in the tech sector have risen to significantly higher levels when compared to the COVID outbreak months. Over the past few days Walt Disney and Zoom have added to the growing list of companies laying off workers, with the number of job cuts as referenced in news stories continuing to increase notably. Although initial claims still remain low, continuing claims have been lingering near their 1 year highs which may be more reflective of reality given the 450 bp of Fed rate hikes since last year."

Consumers Turn Slightly More Optimistic (University of Michigan Sentiment Survey)

"With payrolls adding more than twice the number of expected jobs in January it is not surprising that sentiment got another boost this month. While the 66.4 print is low by historical standards, it is the highest in more than a year as consumers turned more optimistic for the 3rd consecutive month. The increase was driven by a surge in sentiment for current conditions on the back of higher wages and the recent rise in the stock market. However, Americans were not as cheerful about their future prospects, as they are feeling the pinch of higher prices. Inflation expectations continue to be a key component of this release and short-run inflation expectations rebounded this month to 4.2%, which tentatively may not sit well with the markets or the Fed. But on the other hand, long run inflation expectations remain well anchored, and have been trading in the narrow range of 2.9-3.1% for 18 out of the last 19 months, a level the Fed may view as acceptable."

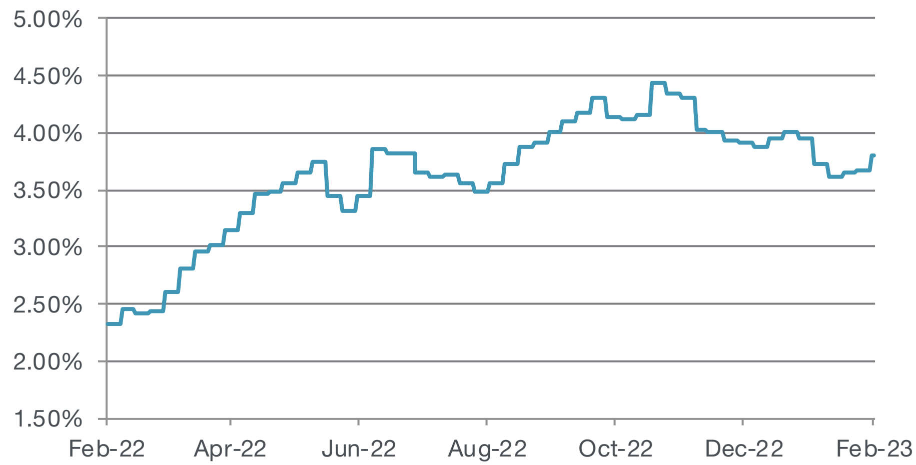
Rate Movements Last 12 Months

LONG-TERM AND SHORT-TERM RATES

Index	Current	Max	Min	Average
BBRBI	3.79%	4.44%	2.32%	3.62%
10Y Muni	2.24%	3.41%	1.53%	2.55%
10Y Treasury	3.74%	4.25%	1.72%	3.14%
SIFMA	3.74%	3.80%	0.17%	1.45%
SOFR	4.55%	4.55%	0.05%	2.11%
SIFMA/SOFR Ratio	82.2%	740.0%	38.5%	115.9%

Long-Term Rates

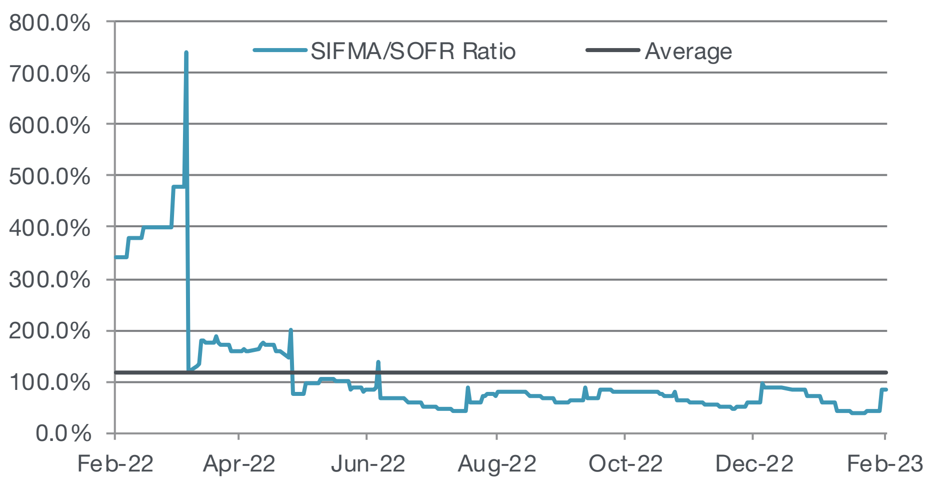
The Bond Buyer Revenue Bond Index



Source: Bond Buyer

Short-Term Rates

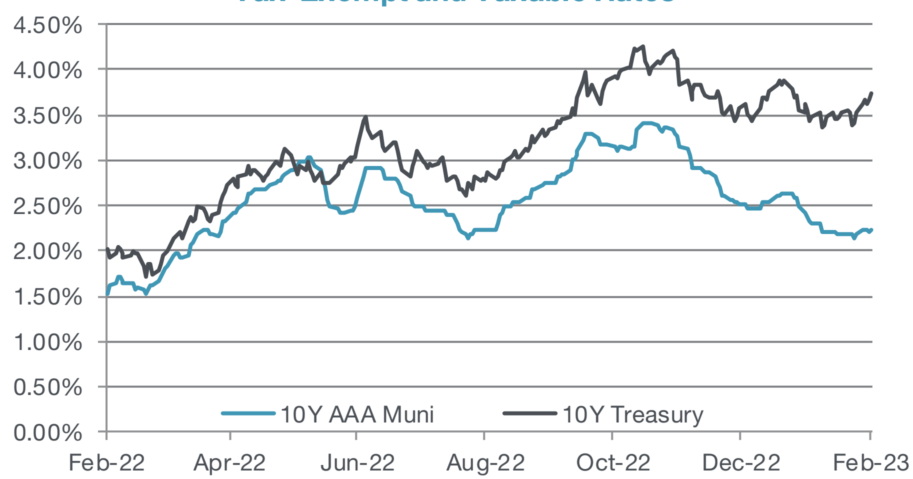
SIFMA/SOFR Ratio



Source: SIFMA, Bloomberg

Long-Term Rates

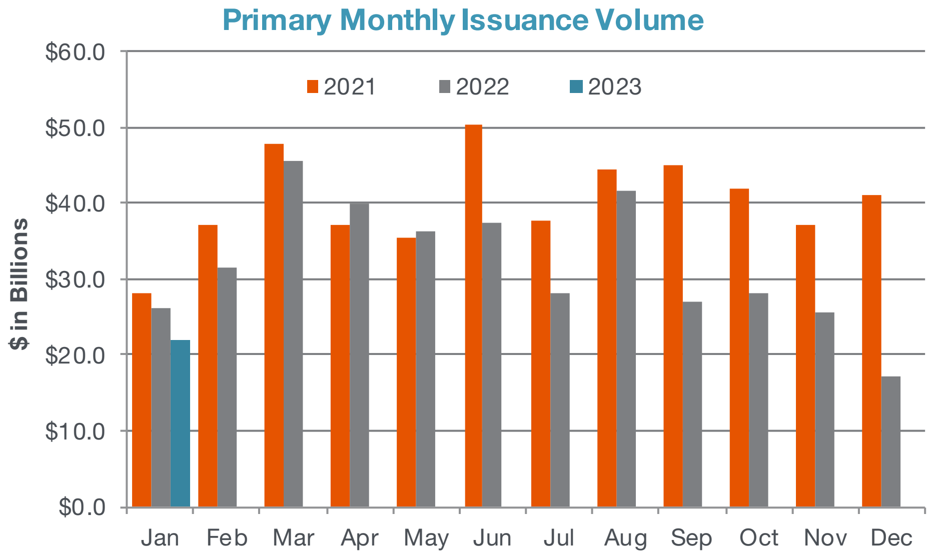
Tax-Exempt and Taxable Rates



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



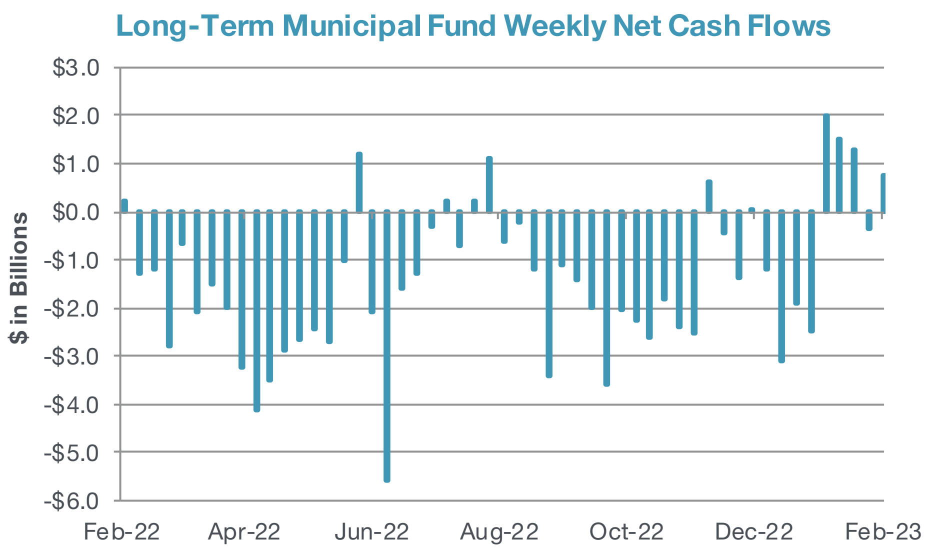
Source: Bond Buyer

Economic Outlook

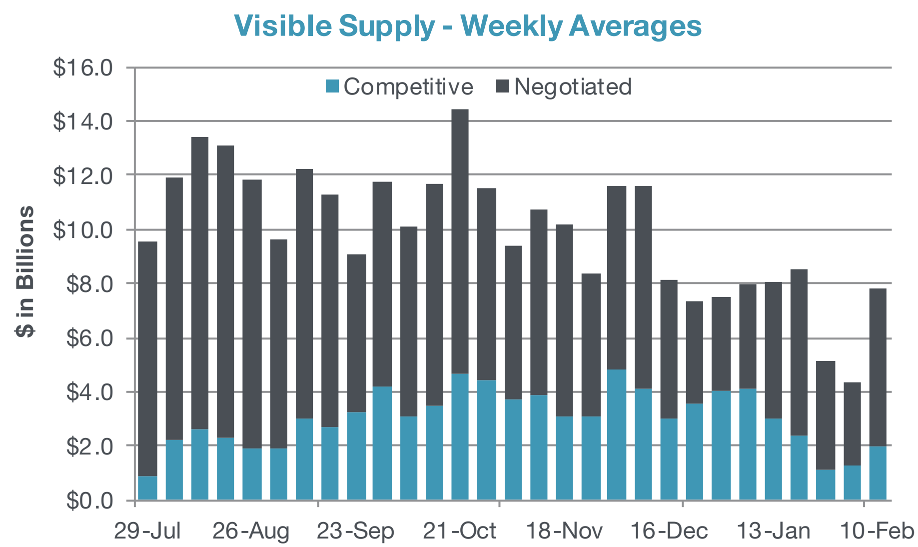
Monday, February 13	Tuesday, February 14	Wednesday, February 15
	Consumer Price Index	Retail Sales
		Empire State Mfg Index
		Industrial Production
		Business Inventories
		EIA Petroleum Status

Thursday, February 16	Friday, February 17
Housing Starts / Permits	Import and Export Prices
Jobless Claims	
Philadelphia Fed Mfg Index	
Producer Price Index	
EIA Natural Gas Report	

Reference Key
Market Moving Indicator
Merits Extra Attention
Source: Bloomberg.com



Source: Lipper



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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