



## Texas Market Update – Week of March 11, 2019

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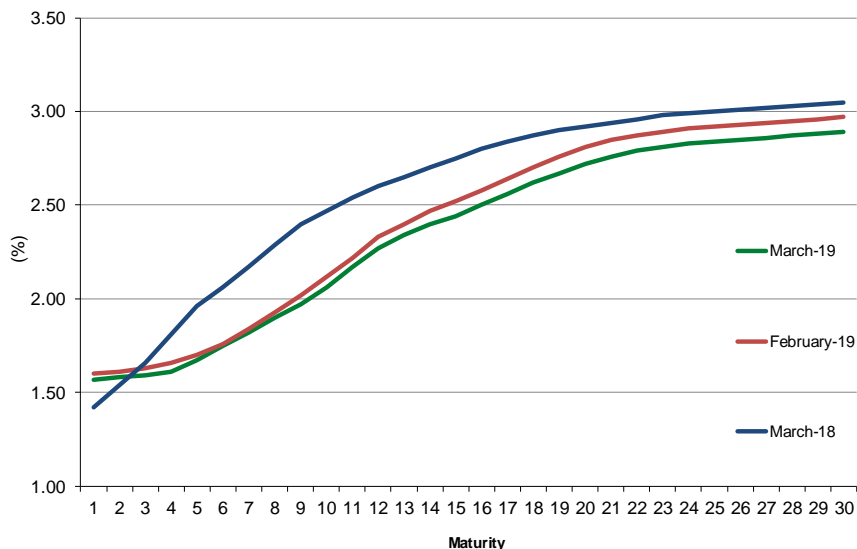
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# Market Update

\* Commentary for the week of March 11<sup>th</sup>

- MMD yields were steady this morning after weeks of strong performance in the muni market. Muni yields ended better (lower in yield) at the end of last week as the 10-year and 30-year AAA MMD yields dropped to a 2.06% and 2.89%, respectively. Bloomberg noted that the size of the municipal bond market shrank in 2018 for the first time in four years as the pace of new borrowing plunged after the tax overhaul in 2017 eliminated key refinancing tactics. Investors continue to see muted supply while adding approximately \$798 million to muni bond funds last week – the 9th straight week of inflows – and a total of \$14 billion year-to-date.
- Treasury bonds were weaker (higher in yield) this morning after a very strong showing last week. Stocks rose in Europe and Asia while in the U.S., Dow Jones futures showed the index likely to slip after Boeing shares dropped 10% on the heels of a crash of a Boeing aircraft, the second in a year. Investors will cull through a spate of economic data set to be released this week providing clues on growth and the impact of central bank policy in U.S., the EU, China and Japan. The 10-year treasury yield stood at a 2.64% while the 30-year treasury yield stood at a 3.03%.
- The national calendar remained steady this week with municipal volume estimated at \$5.5 billion, up from the revised \$4.5 billion that priced last week. The primary calendar is comprised of \$4 billion of negotiated deals and \$1.5 billion of competitive sales. Texas municipal issuance is estimated to be \$1.280 billion this week compared to the revised total of \$774 million last week. The Texas primary calendar is comprised of \$1.147 billion in negotiated financings and \$133 million in competitive sales.
- This week Estrada Hinojosa will participate in one Texas financing: a \$320mm Dallas Area Rapid Transit (“DART”) deal as Financial Advisor pricing on Thursday.

## MMD Yield Curve



Year	Maturity	MMD (%) 3/8/2019	Change Over Week	Change Over Month	Change Over Year
1	2020	1.57	0.00	-0.03	+0.15
2	2021	1.58	0.00	-0.03	+0.04
3	2022	1.59	0.00	-0.04	-0.07
4	2023	1.61	-0.01	-0.05	-0.20
5	2024	1.67	0.00	-0.03	-0.29
6	2025	1.75	+0.01	-0.01	-0.31
7	2026	1.82	+0.01	-0.02	-0.35
8	2027	1.90	0.00	-0.03	-0.39
9	2028	1.97	-0.02	-0.05	-0.43
10	2029	2.06	-0.04	-0.06	-0.41
11	2030	2.17	-0.04	-0.05	-0.37
12	2031	2.27	-0.04	-0.06	-0.33
13	2032	2.34	-0.05	-0.06	-0.31
14	2033	2.40	-0.07	-0.07	-0.30
15	2034	2.44	-0.07	-0.08	-0.31
16	2035	2.50	-0.07	-0.08	-0.30
17	2036	2.56	-0.07	-0.08	-0.28
18	2037	2.62	-0.07	-0.08	-0.25
19	2038	2.67	-0.08	-0.09	-0.23
20	2039	2.72	-0.09	-0.09	-0.20
21	2040	2.76	-0.09	-0.09	-0.18
22	2041	2.79	-0.09	-0.08	-0.17
23	2042	2.81	-0.09	-0.08	-0.17
24	2043	2.83	-0.09	-0.08	-0.16
25	2044	2.84	-0.09	-0.08	-0.16
26	2045	2.85	-0.09	-0.08	-0.16
27	2046	2.86	-0.09	-0.08	-0.16
28	2047	2.87	-0.09	-0.08	-0.16
29	2048	2.88	-0.09	-0.08	-0.16
30	2049	2.89	-0.09	-0.08	-0.16

Source: \* Bond Buyer  
Municipal Market Data  
Thomson Reuters

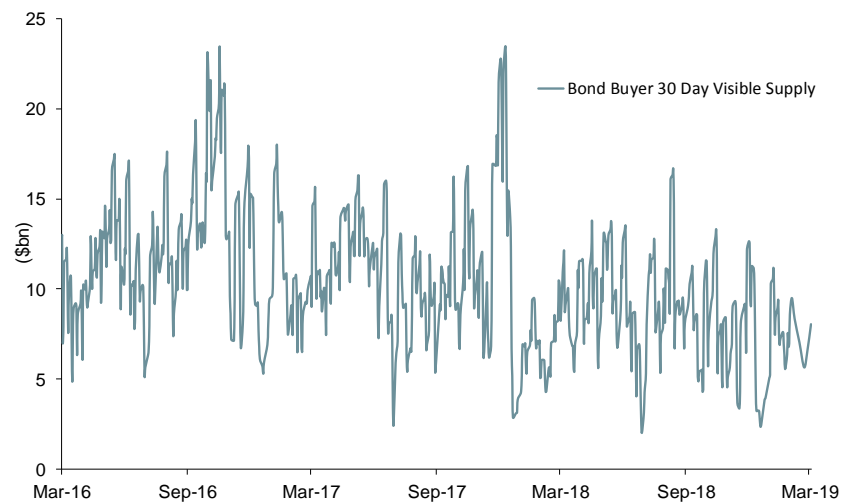
# Market Update

## Calendar Week of March 11<sup>th</sup>

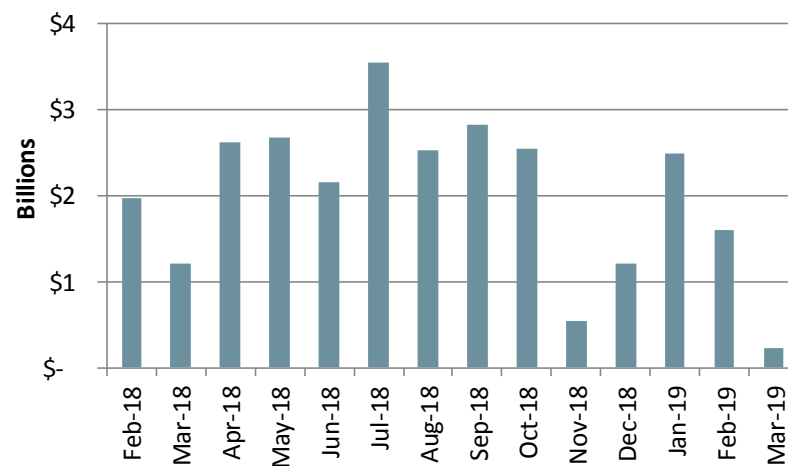
Issue Description	Par Amount (\$000)	Ratings*		
		Moody's	S&P	Fitch
Lower Colorado River Authority, TX - Transmission Contract Ref Rev Bds, Ser. 2019	\$ 369,645	NR	A	A+
Dallas Area Rapid Transit, TX - Sr. Lien Sales Tax Rev Ref Bds, Ser. 2019	\$ 304,235	Aa2	AA+	NR
TX Water Dev Board, TX - State Revolving Fund Rev Bds, Ser. 2019	\$ 228,275	NR	AAA	AAA
Austin ISD, TX - U/L Tax Sch Bldg & Ref Bds, Ser. 2019	\$ 220,315	Aaa	NR	AAA
Forney ISD, TX - U/L Tax Sch Bldg Bds, Ser. 2019	\$ 20,460	NR	AAA	NR
Harris Co MUD# 70, TX - U/L Tax Ref Bds, Ser. 2019	\$ 4,640	NR	A-	NR
<b>Texas Top 10 Total Negotiated Supply</b>	<b>\$ 1,147,570</b>			
<b>Texas Total Negotiated Weekly Supply</b>	<b>\$ 1,147,570</b>			

**Total Texas Issuance YTD (000s) \$ 5,415,600**

## Bond Buyer 30-Day National Visible Supply\*\*



## Texas Monthly Negotiated Issuance<sup>(1)</sup>

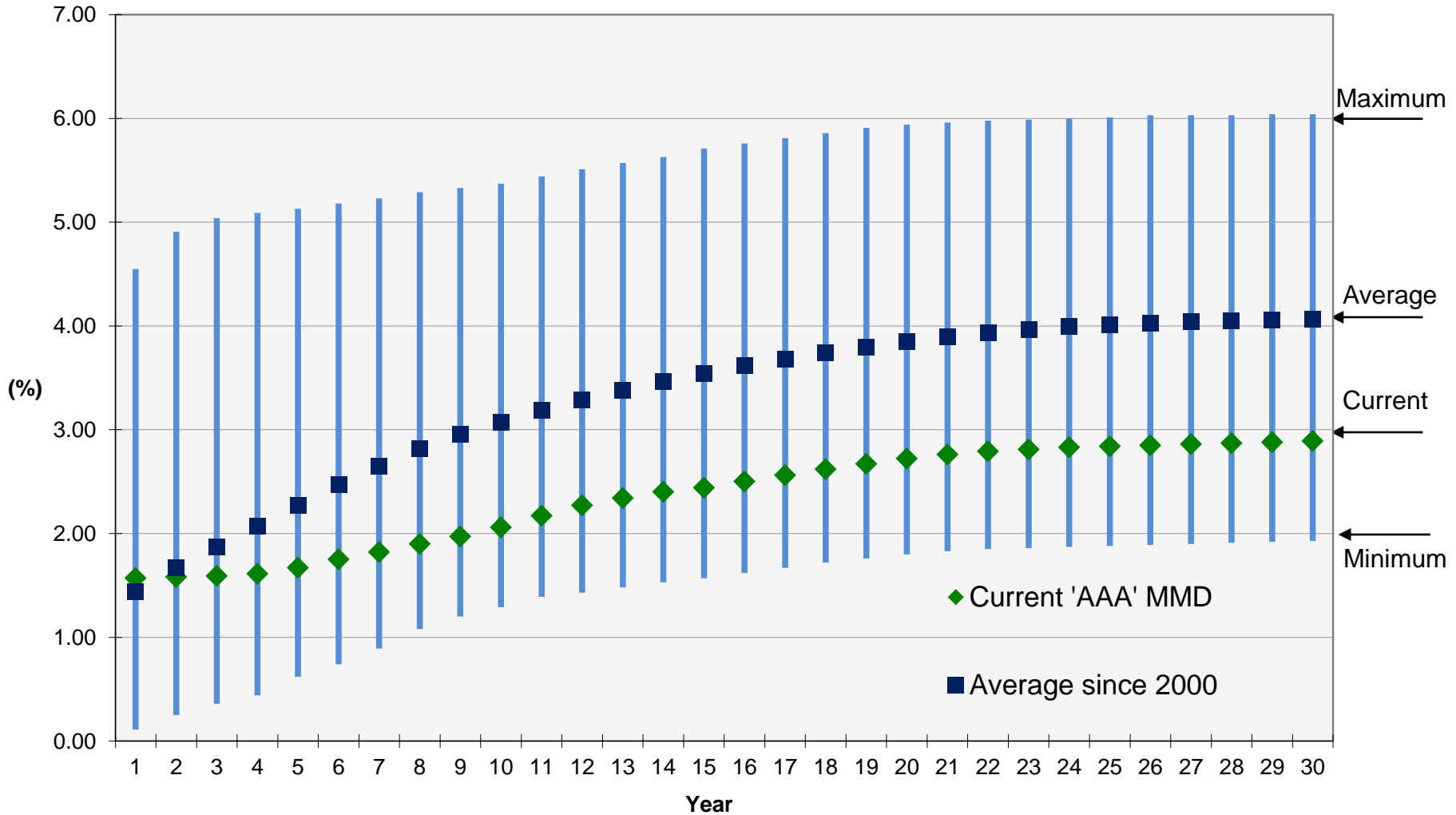


\*Rating reflects underlying or insured rating, as appropriate

\*\*Source: The Bond Buyer

(1) Source: Bloomberg

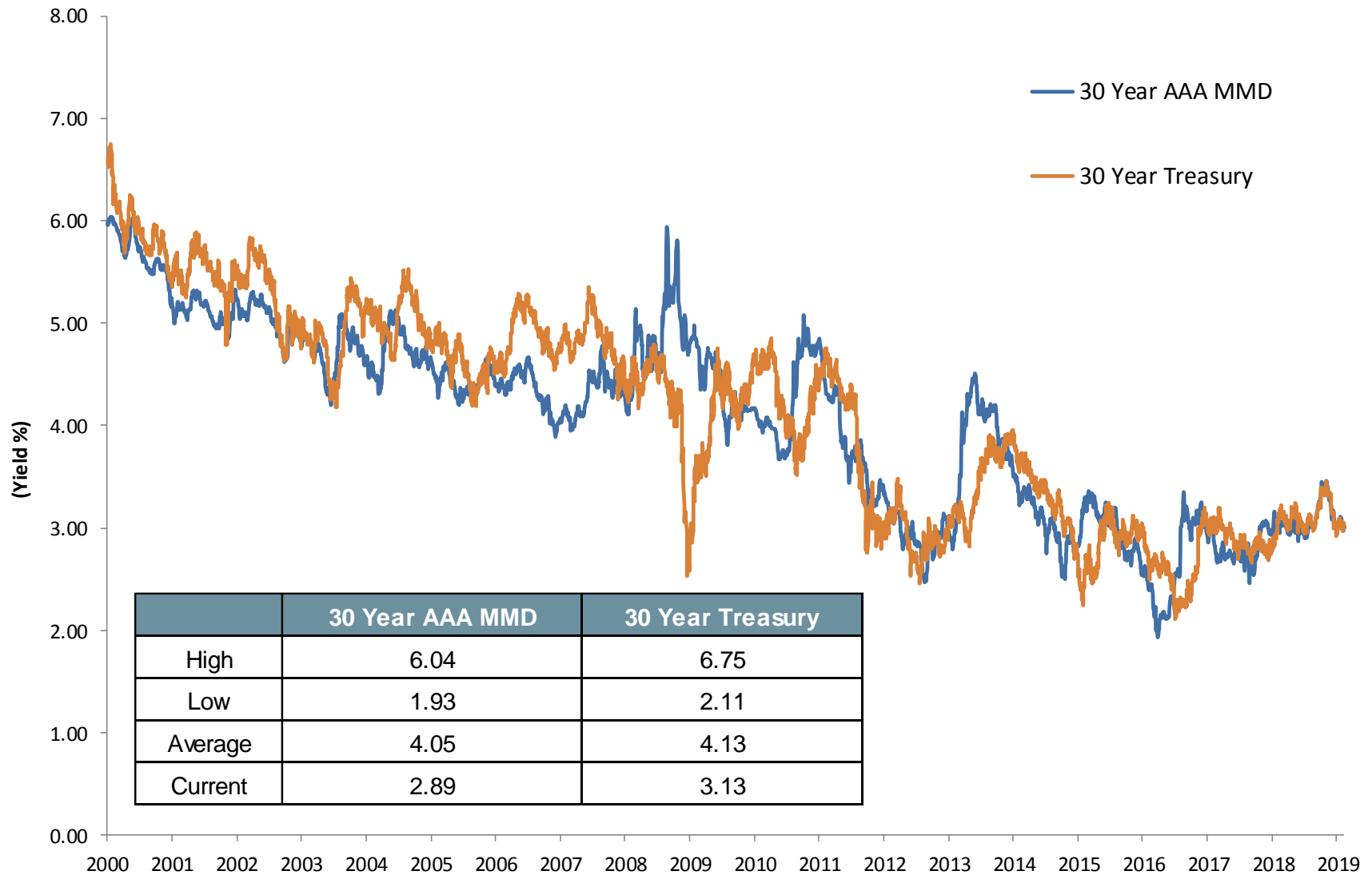
# 'AAA' MMD History Since 2000



Maturity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
% of time above current MMD	37%	44%	51%	55%	60%	65%	72%	78%	80%	81%	81%	82%	82%	83%	84%	85%	84%	84%	84%	84%	84%	85%	85%	85%	86%	87%	87%	87%	87%	87%

As of 3/8/2019

# 30 Year AAA MMD vs. 30 Year Treasury: Since 2000



Source: Thomson Reuters & Bloomberg

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