

# CAPITAL MARKET INSIGHTS



**WYE RIVER**  
INDEPENDENT FINANCIAL ADVISORS

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## MARKET UPDATE

The bond markets are experiencing a growing disconnect between interest rates on tax-exempt and taxable obligations. Yields on US Treasuries continue to rise (with the benchmark 10 Yr UST reaching a high of 1.33% yesterday), while municipal yields remain relatively stagnant. MMD/UST ratios have reached all-time lows – 41% (5 years), 58% (10 years) and 67% (30 years). This is primarily due to a supply and demand imbalance created by high levels of liquidity and low overall tax-exempt issuance. The market's expectation for higher future personal and corporate tax rates as well as a general search for yield has also been a factor. Please [contact us](#) to learn more.

## RECENT MARKET TRANSACTIONS & ASSOCIATED INTEREST RATES

### EDUCATION

Tennessee State School Bond Authority, TN (2.66%)  
Niles Township District for Special Education No. 807, IL (1.44%)  
University of Washington, WA (1.66%)  
Butler County Board of Education, AL (1.66%)

### HEALTHCARE / LONG-TERM

Washington Health Care Facilities Authority, WA (2.20%)  
Connecticut Health and Educational Facilities Authority, CT (1.14%)  
Six Mile Creek Community Development District, FL (3.70%)  
Albany Municipal Water Finance Authority, NY (1.63%)

### ECONOMIC DEVELOPMENT

Denver City and County Housing Authority, CO (2.05%)  
Greene Township Municipal Authority, PA (1.60%)  
Jefferson Public Building Authority, GA (0.95%)  
St. Paul Port Authority, MN (1.85%)

### GENERAL INDUSTRY RANGES

Education (1.62-2.27%)  
Power (0.76-0.86%)  
Transportation (1.71-1.88%)  
Water (1.74-1.89%)

## KEY MARKET RATES

	Current	1 Month Prior	1 Year Prior
Federal Funds Rate	0.25	0.25	1.75
1-Month LIBOR	0.11	0.13	1.65
SOFR	0.05	0.07	1.60
Weekly VRDB	0.03	0.05	1.18
Revenue Bond Index*	2.47	2.58	2.96
10 Year Treasury	1.26	1.09	1.56

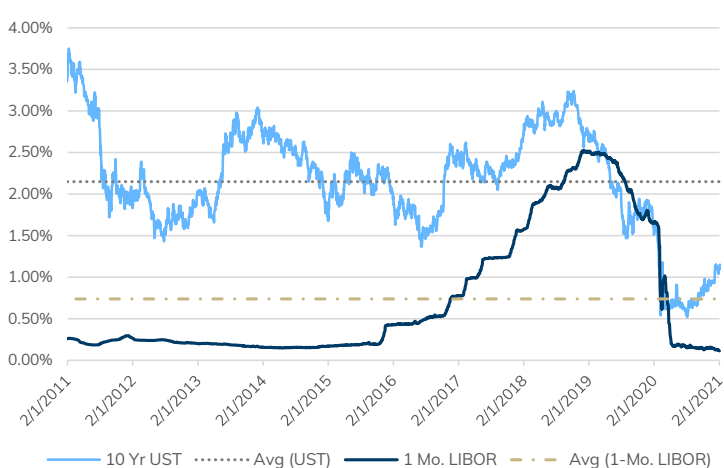
\* Comprises 30-year revenue bonds with average rating of A1/A+ by Moody's and S&P

## SWAP RATES

	Current	1 Month Prior	1 Year Prior
10-Year LIBOR Swap	1.41	1.08	1.53
15-Year LIBOR Swap	1.70	1.36	1.63
3-Month Fwd Premium*	0.05	0.04	0.00
12-Month Fwd Premium*	0.22	0.18	0.02
10-Y SIFMA/LIBOR Ratio	47.34	47.83	50.28
15-Y SIFMA/LIBOR Ratio	54.67	54.83	56.01

\* Premium for forward starting 10 year LIBOR Swap

## BENCHMARK LIBOR & TREASURY RATES



## TAX-EXEMPT GENERAL OBLIGATION BOND YIELDS

	AAA	AA	A	BBB
1-Year	0.06	0.08	0.14	0.49
5-Year	0.20	0.25	0.45	0.85
10-Year	0.69	0.82	0.99	1.50
20-Year	1.15	1.32	1.51	1.99
30-Year	1.34	1.51	1.70	2.18



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Contact us today at 410-267-8811 to discuss your financial advisory needs or upcoming capital improvement project.

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