

# CAPITAL MARKET INSIGHTS



**WYE RIVER**  
INDEPENDENT FINANCIAL ADVISORS

MARCH 16, 2021

## MARKET UPDATE

Bipartisan legislation reinstating tax-exempt advance refundings has recently been introduced by the U.S. Senate. Numerous public finance groups, including SIFMA, have endorsed the legislation, titled the Lifting Our Communities through Advance Liquidity for Infrastructure (LOCAL Infrastructure) Act. This type of refunding was eliminated by the Tax Cuts and Jobs Act (TCJA) in 2017. Over the past three years, municipal borrowers have opted to handle the refunding of not yet callable debt through the issuance of taxable bonds, convertible (“cinderella”) bonds or forward-starting tax-exempt bonds. The newly introduced LOCAL Infrastructure Act has restored optimism that advance refundings could be an option for tax-exempt borrowers in the near future, providing debt service savings and liquidity far greater than currently available refunding alternatives. Please [contact us](#) to learn more.

## RECENT MARKET TRANSACTIONS & ASSOCIATED INTEREST RATES

### EDUCATION

- Public Finance Authority, NC (6.57%)
- Massachusetts Development Finance Agency, MA (2.70%)
- Washington Housing Finance Commission, WA (3.94%)
- Texas A&M University System Board of Regents, TX (2.91%)

### HEALTHCARE / LONG-TERM

- Tohoqua Community Development District, FL (3.80%)
- California Community Housing Agency, CA (3.38%)
- Manassas Park Economic Development Authority, VA (2.39%)
- Massachusetts Port Authority, MA (2.20%)

### ECONOMIC DEVELOPMENT

- Muscle Shoals Utilities Board, AL (1.88%)
- Honolulu City and County Board of Water Supply, HI (1.86%)
- District Energy Corporation, NE (2.16%)
- Ohio Water Development Authority, OH (1.50%)

### GENERAL INDUSTRY RANGES

- Education (1.97-2.70%)
- Power (0.85-0.97%)
- Transportation (1.87-2.26%)
- Water (2.03-2.27%)

## KEY MARKET RATES

|                     | Current | 1 Month Prior | 1 Year Prior |
|---------------------|---------|---------------|--------------|
| Federal Funds Rate  | 0.25    | 0.25          | 0.25         |
| 1-Month LIBOR       | 0.11    | 0.11          | 0.61         |
| SOFR                | 0.01    | 0.06          | 0.26         |
| Weekly VRDB         | 0.04    | 0.03          | 1.28         |
| Revenue Bond Index* | 2.71    | 2.47          | 3.07         |
| 10 Year Treasury    | 1.60    | 1.31          | 0.72         |

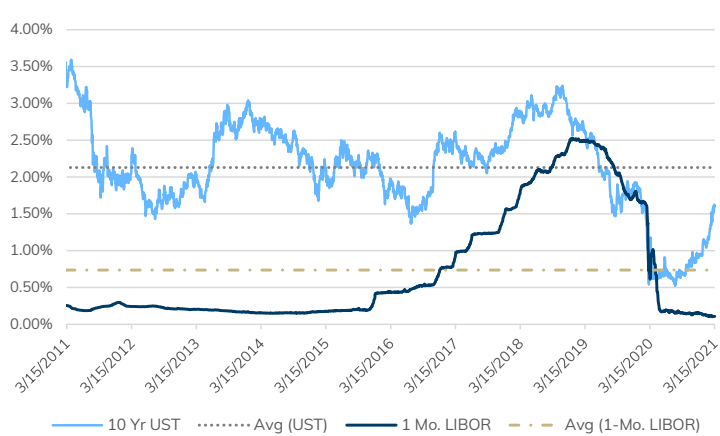
\* Comprises 30-year revenue bonds with average rating of A1/A+ by Moody's and S&P

## SWAP RATES

|                        | Current | 1 Month Prior | 1 Year Prior |
|------------------------|---------|---------------|--------------|
| 10-Year LIBOR Swap     | 1.61    | 1.32          | 0.96         |
| 15-Year LIBOR Swap     | 1.88    | 1.59          | 0.97         |
| 3-Month Fwd Premium*   | 0.06    | 0.04          | 0.01         |
| 12-Month Fwd Premium*  | 0.24    | 0.17          | 0.06         |
| 10-Y SIFMA/LIBOR Ratio | 46.88   | 47.35         | 50.10        |
| 15-Y SIFMA/LIBOR Ratio | 54.47   | 54.67         | 55.94        |

\* 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 | 0.10 | 0.16 | 0.49 |
| 5-Year  | 0.43 | 0.50 | 0.70 | 1.08 |
| 10-Year | 1.02 | 1.17 | 1.34 | 1.83 |
| 20-Year | 1.45 | 1.64 | 1.83 | 2.29 |
| 30-Year | 1.65 | 1.84 | 2.03 | 2.49 |



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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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