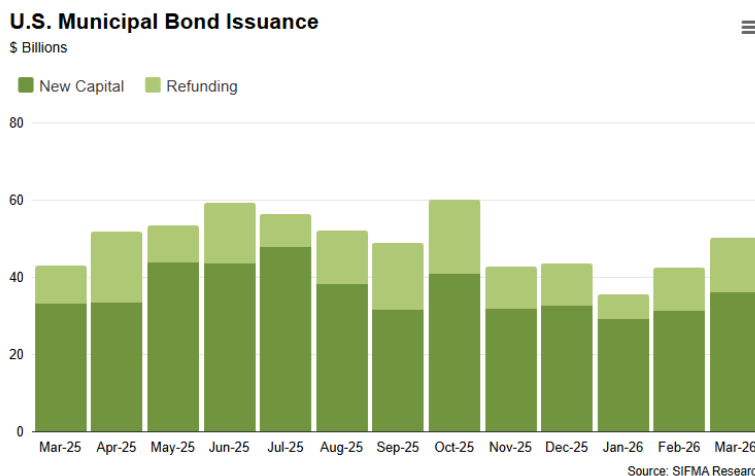


Record Supply in the Muni Market but Challenges Remain

The municipal bond market saw record-breaking volume in the first quarter of 2026, as a 6% year-over-year increase in issuance brought total volume to \$127 billion, including a massive \$53 billion in March, driven largely by infrastructure funding and refinancing. This robust supply has met with resilient demand, continuing even as the Federal Reserve voted to maintain a cautious hold on interest rates at its April meeting, amid lingering inflation and geopolitical uncertainty.

On April 29, 2026, the Federal Open Market Committee voted to hold interest rates steady at 3.5% to 3.75%. The 8-4 split vote was historically significant because it marked the most dissenting votes in a single meeting in 33 years signaling a fracture in the Fed’s messaging on future rate cuts.

While municipal issuance is tracking near record levels for 2026, with estimates reaching \$600 billion, many of our school district and municipal clients have mentioned having to “rework” or “scale down” capital projects as costs for materials including asphalt, steel, aluminum and plastics are coming in higher due to rising oil prices and strained supply chains. These inflationary pressures on capital projects are expected to persist throughout 2026, with significant risks extending into 2027.



RECENT CMA CLIENT SALE RESULTS

Issuer (Rating)	Issue Type	Par Amount	Sale Date	Term	Rate	Purchaser
North Tonawanda City (A2)	BAN	\$ 24,929,349	30-Apr	1 yr.	3.04%	Truist Securities, Inc.
Islip Town (Aaa)	Bonds	53,505,000	22-Apr	15 yrs.	3.01%	Barclays Capital Inc.
Hempstead Village (AA-)	BAN	29,250,000	16-Apr	1 yr.	2.65%	Truist Securities, Inc.
Orchard Park CSD (Aa2)	BAN	70,986,016	15-Apr	1 yr.	2.89%	TD Financial Products LLC
Tuckahoe UFSD (Aa1)	Bonds	9,400,000	9-Apr	13 yrs.	3.26%	Brownstone Investment Group
Tuckahoe UFSD (Aa1)	BAN	7,060,350	9-Apr	1 yr.	2.40%	Jefferies LLC
Hamburg Town (Aa3)	BAN	9,679,700	1-Apr	1 yr.	2.70%	Truist Securities, Inc.

GENERAL OBLIGATION TAX-EXEMPT INTEREST RATES

Term	May 1, 2026					April 1, 2026					1 Year Ago - May 1, 2025				
	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa
1 yr.	2.55%	2.60%	2.64%	2.62%	2.97%	2.37%	2.40%	2.43%	2.41%	2.79%	2.86%	2.89%	2.97%	2.95%	3.33%
5	2.60	2.66	2.76	2.80	3.17	2.64	2.68	2.78	2.82	3.21	2.97	3.01	3.13	3.17	3.56
10	2.98	3.11	3.19	3.29	3.75	3.10	3.21	3.29	3.39	3.87	3.29	3.40	3.54	3.64	4.12
20	3.95	4.16	4.21	4.30	4.76	4.08	4.29	4.34	4.43	4.89	4.13	4.34	4.49	4.57	5.02
30	4.33	4.55	4.60	4.69	5.17	4.44	4.66	4.71	4.80	5.28	4.36	4.58	4.73	4.81	5.26