CapitalMarketsAdvisors,LLC

# Capital Markets News

Edition XVII, Volume XI

November 2019

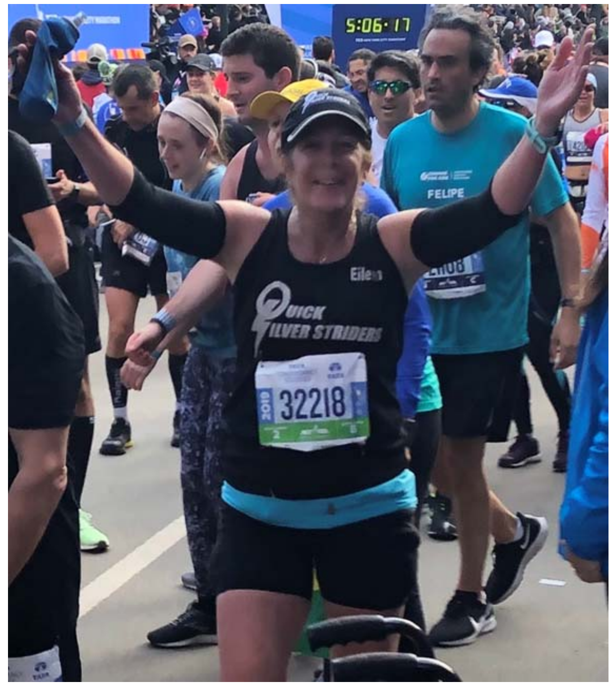
## Climate Risk Is Real to Credit Rating Agencies

Tuesday, October 29th marked the 7th anniversary of Super Storm Sandy ravaging New York City, Long Island and much of the northeastern United States. New York City and its suburbs suffered unprecedented flooding with many waterfront communities and the New York City Subway and tunnel systems being inundated. In addition to the loss of 53 lives, damages in New York City exceeded $19 billion while statewide the number was much higher. The extraordinary impact of the storm was surely on the minds of Municipal Markets Analytics ("MMA") when it was quoted in a recent Bond Buyer article that "Climate change risks and preparedness may become the pension issue for the 2020's."

Waterfront communities and those in low-lying areas are most vulnerable to water and wind events. While in the past, support from the Federal Emergency Management Agency (FEMA) was factored in to ameliorate the impact of such storms, MMA noted that changes in FEMA's aid criteria could "undermine traditional views of FEMA as a credit stabilizer." The rating agencies would like to see more planning and action such as that taken recently by the New York City Council which considered legislation to require special flood hazard area notification and create both a marine debris disposal office and a five-borough resiliency plan.

MMA added that unlike pension credit negatives, climate related disasters could trigger "a sustained, nonreversible, erosion of the tax base or devastate it immediately." MMA noted how one year after Paradise, California's devastating Camp Fire, the town's population is only at 10% of its pre-disaster size and building permits, to date, don't foresee a complete replacement of lost homes and businesses. All local governments would be well advised to develop resiliency and recovery plans to protect themselves, and their credit ratings, from future threats resulting from ever more frequent, severe weather.

## CMA's Eileen Duggan Does Us Proud, Again, at 2019 NYC Marathon




CMA Administrative Assistant Eileen Duggan completed her second NYC Marathon on November 3rd logging in at an impressive 4:34. Pacing Eileen for her 26.2 mile run through the five boroughs was her youngest daughter, Tara. Congratulations to Eileen on a milestone achievement!

## MMD General Obligation Interest Rates

| | November 1, 2019 | | | | | 1 Month Ago - October 1, 2019 | | | | | 1 Year Ago - November 1, 2018 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Term | Aaa | Aa | Insured | A | Baa | Aaa | Aa | Insured | A | Baa | Aaa | Aa | Insured | A | Baa |
| 1 yr. | 1.11% | 1.14% | 1.19% | 1.20% | 1.49% | 1.26% | 1.29% | 1.34% | 1.35% | 1.64% | 1.94% | 1.95% | 2.03% | 2.13% | 2.40% |
| 5 | 1.16 | 1.25 | 1.38 | 1.43 | 1.73 | 1.22 | 1.31 | 1.44 | 1.49 | 1.79 | 2.31 | 2.38 | 2.57 | 2.69 | 3.01 |
| 10 | 1.49 | 1.63 | 1.75 | 1.79 | 2.11 | 1.41 | 1.55 | 1.67 | 1.71 | 2.03 | 2.75 | 2.92 | 3.09 | 3.22 | 3.58 |
| 15 | 1.70 | 1.90 | 2.00 | 2.07 | 2.35 | 1.62 | 1.82 | 1.92 | 1.99 | 2.27 | 3.04 | 3.24 | 3.40 | 3.53 | 3.92 |
| 20 | 1.88 | 2.08 | 2.18 | 2.25 | 2.53 | 1.82 | 2.02 | 2.12 | 2.19 | 2.47 | 3.26 | 3.47 | 3.60 | 3.76 | 4.13 |

## Recent CMA Client Sale Results

| Issuer | Issue Type | Par Amount | Sale Date | Term | Rate | Purchaser |
|---|---|---|---|---|---|---|
| White Plains City | Bonds | $ 34,190,000 | 29-Oct | 20 yrs. | 2.36% | Roosevelt & Cross, Inc. |
| Amherst Town | BAN | $ 26,362,695 | 24-Oct | 12 mos. | 1.19% | Jefferies LLC |
| Wallkill Town | Ref. Bonds | $ 4,490,000 | 22-Oct | 12 yrs. | 1.75% | Robert W. Baird & Co. |
| Briarcliff Manor Village | Ref. Bonds | $ 3,650,000 | 10-Oct | 12 yrs. | 1.51% | SWBC Investment Services, LLC |
| Suffolk County | Bonds | $ 80,945,000 | 8-Oct | 15 yrs. | 2.13% | Morgan Stanley & Co., LLC |
| Massapequa UFSD | Bonds | $ 23,100,000 | 3-Oct | 15 yrs. | 1.78% | Janney Montgomery Scott LLC |
| Hauppauge UFSD | TAN | $ 26,000,000 | 1-Oct | 8 mos. | 1.34% | JP Morgan Securities, LLC |