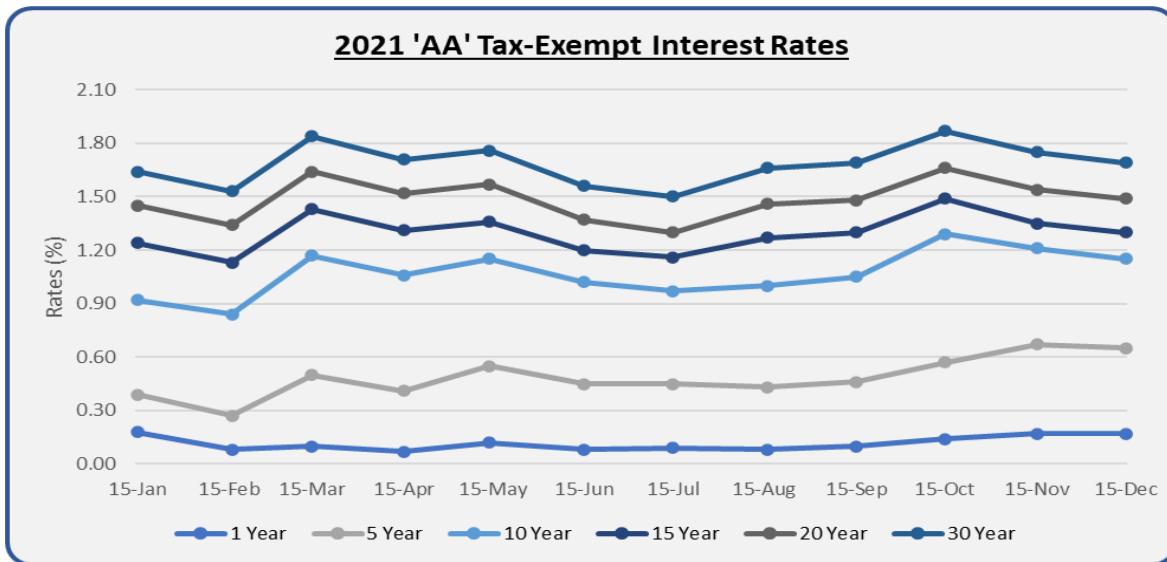


Interest Rate Update

After rising minimally throughout 2021, tax-exempt interest rates moved upward significantly at the end of January 2022. As noted in the chart below, one-year note rates stayed at or below 25 basis points (bps) for most of the year and ended up very close to where they began 2021.



In the bond market, the most movement was seen in the 5 and 10-year maturities where rates ended 2021 ~25 bps higher than where they began. The longer maturities of 15, 20, 25 and 30 years saw a small rise of less than 10 bps over the course of the year. The relative stability of 2021 was out the window shortly after the turn of the New Year with both long and short-term rates rising dramatically at the end of January following a slow but steady rise all month.

One-Year Tax Exempt Rates					Fifteen-Year Tax Exempt Rates				
	Aaa	Aa	A	Baa		Aaa	Aa	A	Baa
1/03/22	0.17%	0.19%	0.21%	0.39%	1/03/22	1.18%	1.34%	1.45%	1.77%
1/10/22	0.33	0.35	0.37	0.55	1/10/22	1.33	1.49	1.60	1.92
1/18/22	0.35	0.37	0.39	0.57	1/18/22	1.35	1.51	1.62	1.94
1/24/22	0.39	0.41	0.43	0.61	1/24/22	1.41	1.58	1.69	2.01
1/31/22	0.62	0.68	0.70	0.88	1/31/22	1.67	1.87	1.98	2.30

At its first meeting of 2022, on January 25-26, Fed governors signaled that with year-over-year inflation reaching 7.0% in December 2021, a federal funds rate increase is imminent. Fed Chairman Powell stated that the 2021 inflation spike was a consequence of supply and demand imbalances, but that supply issues "have been larger and longer lasting than anticipated, exacerbated by waves of the virus." Many market participants expect an increase of as much as 50 bps as early as the Fed's March meeting. While tax-exempt municipal rates do not move in lock step with the Fed, muni rates are strongly expected to rise as well.

RECENT CMA CLIENT SALE RESULTS

Issuer	Issue Type	Par Amount	Sale Date	Term	Rate	Purchaser
Williston Park Village (Aa2)	Ref. Bonds	\$ 2,005,000	27-Jan.	6 yrs.	1.24%	Roosevelt & Cross, Inc.
Yonkers City (A3/A)	Ref. Bonds	\$ 29,000,000	Negot.	10 yrs.	1.83%	FHN Financial; Roosevelt & Cross
Pawling CSD (Aa2)	BAN	\$ 4,800,000	25-Jan.	4 mos.	0.59%	Piper Sandler & Co.
Scarsdale Village (Aaa)	BAN	\$ 1,750,000	20-Jan.	12 mos.	0.58%	Greene County Commercial Bank
Montgomery Town (Aa2)	Bonds	\$ 7,515,000	13-Jan.	29 yrs.	2.26%	Robert W. Baird & Co., Inc.