

## In Memoriam

### Mike Neumeister

June 14, 1947 – June 20, 2023

Mike Neumeister, co-founder of Capital Markets Advisors, left us suddenly, and all too soon, on June 20, 2023 after a long and brave battle with various health issues that we all thought he had overcome. Mike was a proud son of Western New York and an even prouder graduate of the University of Notre Dame. For many years, he hosted a much anticipated, annual bus trip for friends and family to his alma mater to cheer on the blue and gold at a football game. Mike was involved in public finance in New York State for over 45 years, starting his career in the City of Buffalo where he rose to Chief Accounting Officer. He later served as Chief Financial Officer at the Niagara Frontier Transportation Authority before joining the private sector as a Financial Advisor. He co-founded Capital Markets Advisors in 2002 and under his leadership, grew the firm's practice to the largest in Western New York. Mike retired in 2014, stating that he "wanted to get out while I'm still able to travel". And travel he did; to Peru, India, China and throughout Europe with his wife, Janette, always by his side.

Mike leaves behind Janette, sons Brad and Ryan, their wives and children, and countless friends and family members who supported him during these past several months. Mourners at his funeral mass held on June 30th filled Our Lady of Victory Basilica in Orchard Park. Mike will be sorely missed by all of us who were fortunate enough to have known him.

## ***Fed Holds Rate in June, Hike Expected for July***

At its June FOMC meeting, Federal Reserve officials paused their series of interest-rate hikes for the first time in 15 months, leaving rates between 5.00% and 5.25%. Federal Reserve Chair Jerome Powell said the central bank didn't raise interest rates to slow down its historically rapid pace of hikes, but stressed it would likely lift rates again in the coming months. The decision to hold rates steady, after 10 consecutive increases, was designed "to give ourselves more time—to stretch out the time for making these decisions."

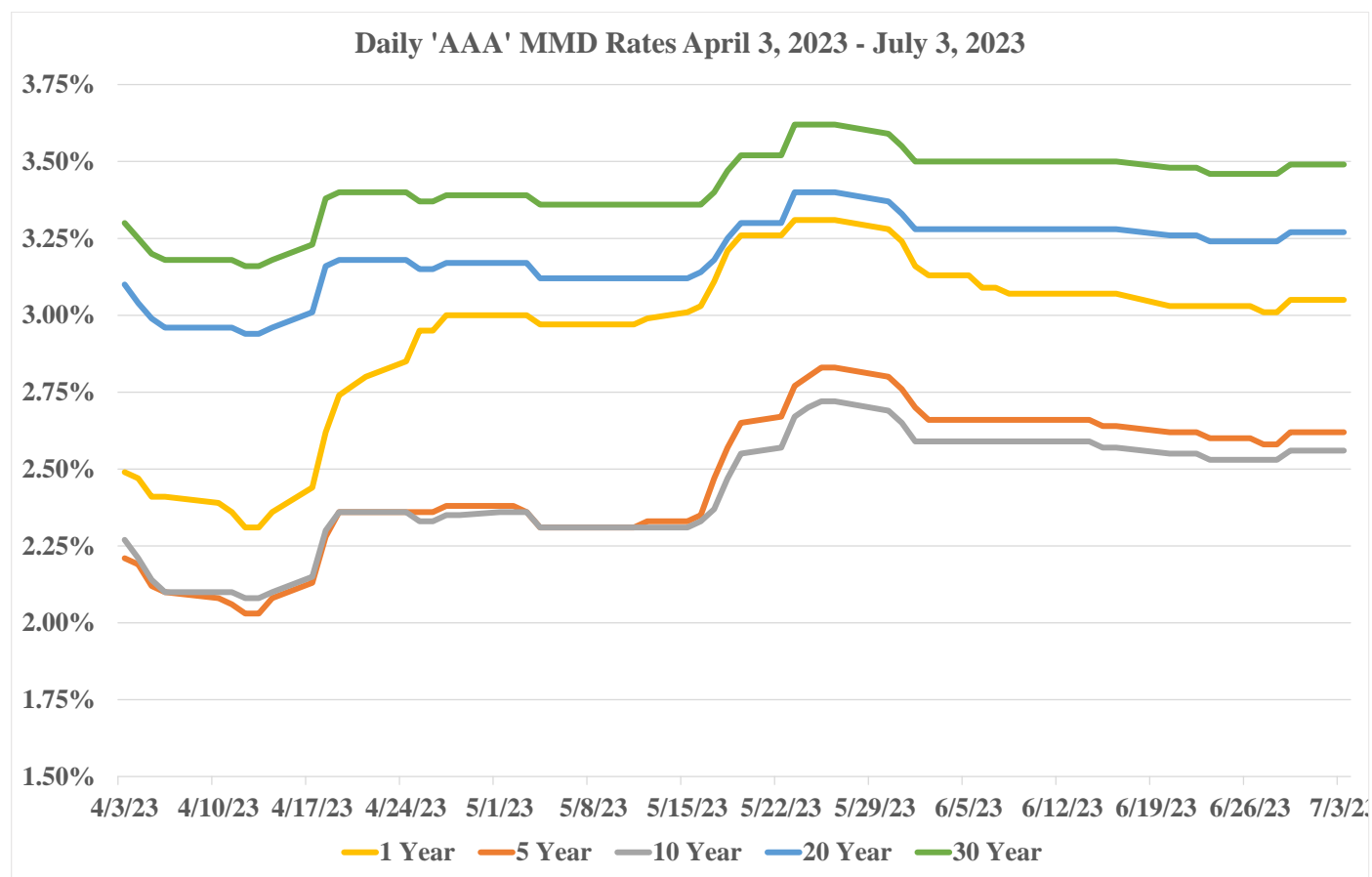
Policy makers are concerned they haven't seen inflation and economic activity cool more notably. They are trying to balance that with risks that the delayed effects of their rapid increases last year and more recent banking strains could stifle growth and the labor market more than they expect in the year ahead. Even though several forecasters expect inflation to have slowed in June due to recent declines in used car prices, one month of improvement is unlikely to be enough to justify an extended pause in rate increases. (continued on next page)

## **RECENT CMA CLIENT SALE RESULTS**

<u>Issuer</u>	<u>Issue Type</u>	<u>Par Amount</u>	<u>Sale Date</u>	<u>Term</u>	<u>Rate</u>	<u>Purchaser</u>
Bethlehem CSD (AA)	BAN	\$24,310,000	29-Jun	1 yr.	3.83%	JP Morgan Securities
Tuckahoe UFSD (Aa2)	TAN	\$1,600,000	28-Jun	11 mos.	4.04%	Oppenheimer & Co.
Newburgh City (A3)	Bonds	\$4,490,000	22-Jun	20 yrs.	3.75%	Bancroft Capital
Monroe County (AA)	Bonds	\$49,730,000	21-Jun	20 yrs.	3.23%	RBC Capital Markets
West Babylon UFSD (Aa3)	BAN	\$2,250,000	21-Jun	1 yr.	3.99%	Oppenheimer & Co.
West Seneca CSD (Aa3)	Bonds	\$18,690,000	14-Jun	15 yrs.	3.01%	JP Morgan Securities
Campbell Savona CSD (A+)	Bonds	\$10,545,000	13-Jun	16 yrs.	3.29%	UBS Financial Services
Corning City SD (Aa3)	BAN	\$49,274,000	8-Jun	1 yr.	3.59%	JP Morgan Securities
East Rockaway UFSD (Aa2)	BAN	\$6,000,000	1-Jun	1 yr.	3.90%	Jefferies LLC
Elmira Chemung City SD (A1)	BAN	\$56,795,000	1-Jun	1 yr.	3.78%	Jefferies LLC

Comments from Chairman Powell following the meeting also indicated a rate increase in July is more likely than not. Powell said repeatedly that Fed officials haven't decided whether to raise rates in July, but at one point he referred to the decision to hold rates steady as "the skip." Several analysts said they believed that inadvertently revealed his preference to raise rates this month. Powell also described the July meeting as "live," lingo officials have often used to suggest a rate increase is probable.

Fed officials estimated rates would rise to 5.6% by the end of the year, according to their median projection, implying two additional quarter-point hikes, which would push the short-term rate to a 22-year high. In the muni markets, interest rates for one-year notes are currently ~3.75% to 4.00% for Aa-rated credits while rates for 15 to 20-year serial bond issues range from 3.00% to 3.50% based on credit quality and par amount with larger issues attracting more bidders and interest rates on the lower end of the range.



Term	July 3, 2023					1 Month Ago - June 1, 2023					1 Year Ago - July 1, 2022				
	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa
1 yr.	3.05%	3.08%	3.20%	3.19%	3.54%	3.16%	3.19%	3.31%	3.30%	3.65%	1.60%	1.73%	1.86%	1.87%	2.12%
5	2.62	2.70	2.81	2.84	3.21	2.70	2.78	2.89	2.92	3.29	218.00	2.36	2.48	2.53	2.83
10	2.56	2.72	2.87	2.92	3.46	2.59	2.75	2.90	2.95	3.49	2.66	2.93	3.06	3.13	3.55
15	3.09	3.39	3.49	3.60	4.04	3.12	3.42	3.52	3.63	4.07	2.84	3.15	3.25	3.36	3.75
20	3.27	3.61	3.72	3.82	4.26	3.28	3.62	3.73	3.83	4.27	2.97	3.32	3.43	3.53	3.93