

### HIGHER EDUCATION MARKET UPDATE

#### Market Commentary

•Last week, 3 issues priced in the higher education sector, with a total par amount of \$40.30 million.

•A Holiday surprise greeted the bond market last week! The Fed left rates unchanged at the FOMC meeting and the Dot Plot showed that the Fed is anticipating 75 basis points cuts in 2024. This is a major pivot on the Fed's view of "higher for longer" that was markets' outlook. A much more dovish Fed sparked a huge rally across fixed income and equities. The markets are now looking for a rate cut as early as the March 2024 meeting. Key data releases and events this week are consumer confidence, personal income and spending, PCE, durable goods and a 20-year UST auction.

•For the week, U.S. Treasury rates were lower by 33 bps in 5 years, lower by 32 bps in 10 years and lower by 30 bps in 30 years. This week, the calendar is approximately \$1.5 billion.

•For the week, municipal bond funds reported \$524 million in net outflows compared to the previous week's outflows of \$144 million.

#### Key Interest Rates (%)

Description	Last Close	1mth ago	1yr ago	5yrs ago
Prime Rate	8.50	8.50	7.50	5.25
SOFR	5.32	5.32	4.32	2.32
SIFMA Index	3.38	3.81	3.73	1.64
12-month Treasury Note	4.93	5.27	4.59	2.62
2-year Treasury Bond	4.44	4.91	4.24	2.64
3-year Treasury Bond	4.12	4.67	3.95	2.63
5-year Treasury Bond	3.91	4.52	3.62	2.65
10-year Treasury Bond	3.91	4.53	3.45	2.82
30-year Treasury Bond	4.01	4.70	3.49	3.07

Source: Bloomberg

#### Tax-Exempt AAA General Obligation Yields (%)

Index	Last Close	1mth ago	1yr ago	5yrs ago
1-year AAA G.O. Rate	2.71	3.30	2.66	1.75
2-year AAA G.O. Rate	2.56	3.17	2.49	1.79
3-year AAA G.O. Rate	2.42	3.07	2.42	0.95
5-year AAA G.O. Rate	2.31	3.00	2.43	1.19
10-year AAA G.O. Rate	2.33	3.10	2.47	1.85
30-year AAA G.O. Rate	3.53	4.12	3.42	2.77

Source: Thomson Reuters

### 12/18/2023

#### Recent Higher Education Pricings

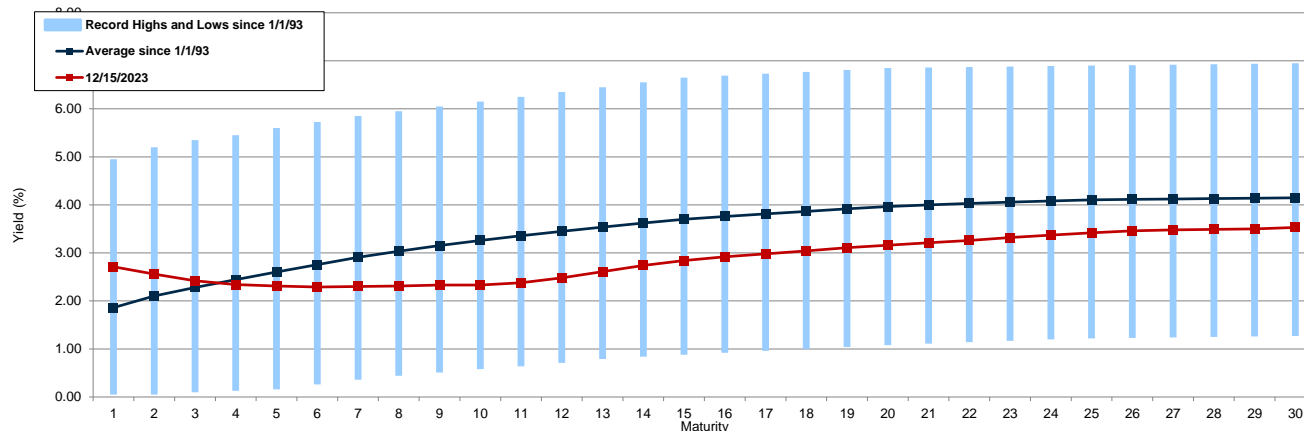
Issuer	State	Description	Par (000s)	Final Maturity	Tax Status	10YR/30YR Spreads	Ratings
Kansas Development Finance Authority	KS	Revenue Bonds Series 2023J (Wichita State University Project)	11,040	6/1/2043	Tax-Exempt	15 / --	NR / AAA / NR
Lincoln University of the Commonwealth System of Higher Education	PA	Revenue Refunding Bonds, Series 2023A (Social Bonds)	25,785	7/1/2044	Tax-Exempt	-- / --	Baa3 / NR / NR
Lincoln University of the Commonwealth System of Higher Education	PA	Revenue Refunding Bonds, Series 2023B (Social Bonds) (Taxable)	3,480	7/1/2028	Taxable	-- / --	Baa3 / NR / NR

Source: Thomson Reuters; "10YR/30YR Spreads" reflects the respective basis point spread over the AAA G.O. MMD Curve for tax-exempt issuances and over the US Treasury Curve for taxable issuances. "--" reflects no overlapping maturity to spread for the respective year.

#### Upcoming Higher Education Pricings

Issuer	State	Description	Par (000s)	Sale Date	Sale Type	Ratings
Univ of Kentucky	KY	General Receipts Bonds, 2024 Series B	162,960		Negotiated	-- / -- / --
Univ of Kentucky	KY	General Receipts Bonds, 2024 Series C Taxable	40,740		Negotiated	-- / -- / --

Source: Thomson Reuters



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