



GENTER
CAPITAL MANAGEMENT

Muni Market Update

August 2025

MUNI MARKET HIGHLIGHTS

- The tax-exempt yield curve continued to steepen in July, with yields falling on the short maturities along with yields rising in the 10–30-year range.
- New issuance continues to be robust, eclipsing last year's record supply on a year-over-year basis, once again presenting opportunities for our clients.
- With OBBBA (one big beautiful bill act) in the rear-view mirror and not materially affecting the tax-exempt market, investors flows have returned to the asset class.

MARKET OBSERVATIONS & STRATEGY

The tax-exempt curve steepened in July. Much like June, investor uncertainty regarding the budget bill, tariffs, and future deficits, led investors to overweight shorter duration bonds. The best performing parts of the tax-exempt curve for the month were the 1–5-year tenors.

The new issue market continues to provide excellent opportunities for alpha in the municipal bond market. Like last year, our new issue participation year-to-date is high. We expect elevated supply to continue through the summer, along with favorable technical factors to support robust issuance, such as cash flow generated from maturities and coupon payments.

AAA benchmark curve changes for the month of July.*

	AAA Curve 7/1/2025	AAA Curve 7/31/2025	Change bps
2026 (1yr)	2.57	2.38	(19)
2027 (2yr)	2.59	2.40	(19)
2028 (3yr)	2.63	2.41	(22)
2029 (4yr)	2.65	2.44	(21)
2030 (5yr)	2.69	2.53	(16)
2032 (7yr)	2.85	2.85	0
2035 (10yr)	3.19	3.27	8
2040 (15yr)	3.76	3.94	18
2045 (20yr)	4.15	4.38	23
2050 (25yr)	4.40	4.59	19
2055 (30yr)	4.51	4.69	18

HIGHLIGHTED NEW ISSUE PURCHASES IN July (SPREADS QUOTED AS OF TRADE DATE TO AAA)

NATIONAL

- Alachua Co Florida health RV – 3.65% 2030 BBB @ **3.65% (+101bp)**
- Salt Lake City Utah Airport RV – 5.00% 2032 A1 @ **3.68% (+83bp)**
- St Clair-Madison-Monroe Co Illinois GO – 5% 2038 AA1 @ **4.50% (+96bp)**

CA

- California MFA housing RV – 3.00% 2027 AA1 @ **3.00% (+50bp)**
- Guam Business Tax RV – 5% 2031 BAA3 @ **3.49% (+87bp)** *federal and state tax exempt
- California statewide MFH RV – 4.25% 2035 AA1 (FNMA collateral) @ **4.25% (+97bp)**

GENTER PORTFOLIO STATS AS OF 8/7/25*

- Municipal Quality Intermediate - California: **YTW 3.03%, Duration 3.91**
- Municipal Quality Intermediate - National **YTW 3.36%, Duration 3.85**
- Average credit quality in both strategies: **AA-**