



GENTER  
CAPITAL MANAGEMENT

# Muni Market Update

September 2025

## MUNI MARKET HIGHLIGHTS

- The tax-exempt yield curve continued to steepen in August, with yields falling on short maturities along with yields rising in the 10–30-year range.
- Primary issuance was down 4.8% in August on a year-over-year basis due to mixed economic data and Federal Reserve policy uncertainty.
- For the year, new issue supply is up 14.9% versus the record supply of 2024. We continue to selectively take advantage of the elevated supply for all our tax-exempt strategies.

## MARKET OBSERVATIONS & STRATEGY

The tax-exempt curve steepened once again in August. Much like July, concerns over inflation and fiscal discipline led investors to overweight shorter duration bonds. The best performing parts of the tax-exempt curve were the 1–7-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 has been strong. Although supply ticked down slightly in August, we expect supply to exceed the record total of 2024. Favorable technical factors are in play as cash flow generated from maturities and coupon payments in September will set a new monthly record. The reinvestment of cash flows should be supportive of new issue supply.

### AAA benchmark curve changes for the month of August.\*

	AAA Curve 8/1/2025	AAA Curve 9/2/2025	Change bps
2026 (1yr)	2.32	2.19	(13)
2027 (2yr)	2.33	2.21	(12)
2028 (3yr)	2.35	2.22	(13)
2029 (4yr)	2.38	2.26	(12)
2030 (5yr)	2.46	2.37	(9)
2032 (7yr)	2.79	2.72	(7)
2035 (10yr)	3.20	3.20	0
2040 (15yr)	3.88	3.92	4
2045 (20yr)	4.32	4.37	5
2050 (25yr)	4.53	4.57	4
2055 (30yr)	4.63	4.65	2

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

### NATIONAL

- District of Columbia Housing RV – 2.875% 2026 (1yr) AA1 @ **2.875% (+68bp)**
- Shelby County TN Baptist Health RV – 5.00% 2030 (5yr) BBB+ @ **3.32% (+94bp)**
- Alaska Railroad & Port RV – 5% 2035 (10yr) AA – AGM insured @ **4.35% (+118bp)**

### CA

- California MFA housing RV – 2.75% 2027 (2yr) AA1 @ **2.75% (+54bp)**
- California Muni Finance Auth RV- Scripps college - 5% 2030 (5yr) A- **2.86% (+47bp)**
- Sacramento CA Airport RV – 5.00% 2035 (10yr) AA @ **4.01% (+86bp)**

## GENTER PORTFOLIO STATS AS OF 9/3/25\*

- Municipal Quality Intermediate - California: **YTW 2.99%, Duration 3.84**
- Municipal Quality Intermediate - National **YTW 3.30%, Duration 3.80**
- Average credit quality in both strategies: **AA-**