



GENTER
CAPITAL MANAGEMENT

Muni Market Update

December 2025

MUNI MARKET HIGHLIGHTS

- The AAA benchmark curve unchanged for the month.
- Our yield advantage versus our benchmark should enhance relative performance.
- Solid technical factors remain intact.

MARKET OBSERVATIONS & STRATEGY

Although the tax-exempt curve was unchanged for the month, AAA benchmark yields fell slightly. After two months of bull flattener, November took a little breather at the longer end of the curve. In the fourth quarter so far, the 10-to-30-year range has been the best performing maturities. The 15-year tenor has been the standout Q4 performer. Prior to September, the 7–20-year area of our intermediate strategy had been underperforming versus shorter maturities. Adding to the 7-to-20-year part of the curve during the steepening earlier this year is starting to reward our clients.

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. Favorable technical factors are in play as cash flow generated from maturities, calls, and coupon payments in the fourth quarter remain strong. Year-to-date new issue supply stands at \$566 billion versus the record amount of \$510 billion from a year ago. This 10% increase in supply this year has been digested by investors quite comfortably. The reinvestment of cash flows should be supportive of new issue supply and help sustain the positive supply/demand technicals.

AAA benchmark curve changes for the month of November.*

	AAA Curve 10/31/2025	AAA Curve 12/01/2025	Change bps
2026 (1yr)	2.54	2.50	(4)
2027 (2yr)	2.49	2.45	(4)
2028 (3yr)	2.39	2.38	(1)
2029 (4yr)	2.40	2.38	(2)
2030 (5yr)	2.40	2.38	(2)
2032 (7yr)	2.50	2.49	(1)
2035 (10yr)	2.73	2.72	(1)
2040 (15yr)	3.34	3.27	(7)
2045 (20yr)	3.85	3.83	(2)
2050 (25yr)	4.03	4.01	(2)
2055 (30yr)	4.12	4.08	(4)

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

NATIONAL

- Southeast Energy Auth AL RV – 5.00% 2035 (10yr) A1 @ **4.09%** (+144bp to AAA)
- Chicago O'Hare Airport IL RV – 5.00% 2037 (12yr) A+ @ **3.73%** (+86bp to AAA)
- Buford GA Redevelopment Dist. RV – 5% 2040 (15yr) Aa3 @ **3.71%** (+46bp to AAA)

CA

- Irvine CA Special Tax – Great Park (AGM) – 5.00% @ **3.94%** 2044 (19yr) AA (+23bp to AAA)
- Los Angeles CA Convention Center RV – 5.00% 2044 (19yr) A+ @ **4.03%** (+37bp to AAA)
- Stockton-East Water Dist. RV (BAM) – 5.00% 2045 (20yr) AA @ **4.18%** (+40bp to AAA)

GENTER PORTFOLIO STATS AS OF 12/01/25*

- Municipal Quality Intermediate - California: **YTW** 3.05%, **Duration** 3.77
- Municipal Quality Intermediate - National **YTW** 3.37%, **Duration** 3.76
- Average credit quality in both strategies: **AA-**

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