



Muni Market Update

April 2026

MUNI MARKET HIGHLIGHTS

- Tax-exempt yield curve reversed course, with a bear steepener in March.
- Supply/Demand imbalance as well as geopolitical factors contributed to the sell-off.
- Technical drivers should improve over the coming months, providing an attractive entry point right now for tax-exempt investors.

MARKET OBSERVATIONS & STRATEGY

As we observed in the last monthly update, March is historically a month where the tax-exempt market underperforms. This March was no different. Elevated new issue supply, coupled with reduced reinvestment demand, was a key contributor to the drift higher in rates. The onset of the Iran conflict added more fuel to the tax-exempt market sell-off.

In the first few trading days of April, we have seen the municipal bond market stabilize. The significant back-up in rates revived investor flows into our market. With the steepening in the yield curve, we view the belly (5-15yrs) as especially attractive, both from a total return perspective and in terms of roll-down opportunities.

The new issue market continues to provide other alpha opportunities for tax-exempt bonds. Through March, new supply is \$127 billion, up 6% on a year-over-year basis. Coming off a record supply year in 2025, new supply through the first quarter is impressive. Given rate volatility, due mainly to geopolitical and other external variables, we may see supply slow down with refundings reduced and other loans postponed due to market uncertainty.

AAA benchmark curve changes for the month of March.*

	AAA Curve 2/28/2026	AAA Curve 3/31/2026	Change bps
2026 (1yr)	2.04	2.38	34
2027 (2yr)	2.03	2.39	36
2028 (3yr)	2.02	2.41	39
2029 (4yr)	2.06	2.49	43
2030 (5yr)	2.09	2.57	48
2032 (7yr)	2.24	2.78	54
2035 (10yr)	2.49	3.05	56
2040 (15yr)	3.10	3.55	45
2045 (20yr)	3.83	4.15	32
2050 (25yr)	4.05	4.39	34
2055 (30yr)	4.10	4.47	37

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

NATIONAL

- Warren County MS Opportunity Zone RV (Intl Paper) – 3.70% 2034 @ **3.70%** BBB (+110 to AAA)
- Jefferson County NE Sch Dist GO – 4.00% 2035 @ **3.76%** AA (+71 to AAA)
- Fulton County GA Dev Auth RV (Spellman College) – 5.00% 2038 @ **3.81%** A1 (+61 to AAA)

CA

- CA Statewide Cmty Dev RV (Siena Apts) – 4.20% 2036 @ **4.20** AA1 (+112 to AAA)
- San Carlos CA Sch Dist GO - 5.00% 2046 @ **3.93%** AA (+10 to AAA)
- River Islands CA PFA Spl Tax – 5.00% 2046 @ **4.28%** AA (+34 to AAA)

GENTER PORTFOLIO STATS AS OF 04/02/26*

- Municipal Quality Intermediate - California: **Yield** 3.12%, **Duration** 3.84
- Municipal Quality Intermediate - National **Yield** 3.33%, **Duration** 3.81
- Average credit quality in both strategies: **AA-**

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