
Americas Municipals Weekly Primary Review

Primary Supply Inches Toward \$7B This Week; Guam Waterworks Authority to Tap Market With \$134M Refunding, Tender Offering; RWJ Barnabas Health Announces New Deal

Mon 02/26/2024 13:37 PM

Hoa P. Nguyen

Primary supply this week ushers in a seasonal uptick of supply, with \$6.9 billion on the calendar. Credit spreads imply a tight market, encompassing favorable credit quality, deal structure and the municipal/Treasury ratio, or M/T ratio, market sources said.

“This speaks volumes about positive sentiment in the market related to fund flows, high absolute yields, and steady macro and credit fundamentals,” said James Pruskowski, chief investment officer at 16Rock Asset Management.

The AAA MMD benchmarks remained unchanged throughout last week, posting a 2.46% yield for the 10-year bonds and 3.59% for the 30-year bonds as of Feb. 22. Meanwhile, the M/T ratio for 30-year bonds was 85%, implying parity between municipal and Treasury bonds, while the two- and 10-year duration M/T ratios were both roughly 60%, implying municipal outperformance.

The Federal Reserve Open Market Committee meeting minutes released on Feb. 21 were “the main focal point for the week from a macro perspective, and there was nothing too surprising,” said Pruskowski. “They echoed much of the recent Fed speak about the risks of cutting rates too quickly and the importance of incoming data.”

A notable high-yield deal expected this week is the \$134 million offering for [Guam Waterworks Authority](#), which has not been to market since 2020 and was “last cleared north of +230/AAA-rated muni tax-exempts for the 30-years,” Pruskowski noted. The offering is rated Baa2 by Moody’s Investors Service and A- by S&P Global Ratings.

[New York Institute of Technology](#)’s 30-year spreads are expected to price inside the 100-bps area “given strong specialty state demand and positive high yield flows in the market coupled with improving issuer credit fundamentals,” he added. It carries a BBB rating from S&P and Baa2 from Moody’s.

New York City is also coming to market this week, pricing its \$1.5 billion issuance of general obligation bonds on Wednesday, Feb. 28, according to the city’s Office of Management and Budget. Proceeds will be used to fund capital projects and convert certain outstanding floating-rate bonds to fixed-rate bonds. Preliminary offering memorandums can be found for the [fiscal 2024 Series C here](#) and for the [reoffering circular here](#).

Municipal mutual funds reported weekly recorded outflows of about \$5 million as of Friday, Feb. 23, compared with \$140 million of outflows the week prior, according to research by Barclays. Net year-to-date inflows totaled about \$3.3 billion, including inflows of \$4.4 billion for mutual funds and outflows of \$1.1 billion for ETFs.

Last week, Raymond James priced the \$168.7 million offering from the [Forensic Science and Protective Medicine Collaboration](#), with the final yield tightening by 13 bps compared with price talk. From the week of Feb. 12, Ziegler priced the North Carolina Medical Care Commission’s \$67.5 million issuance on behalf of [United Methodist Retirement Homes](#) to fund a construction project at Cypress Glen in Greenville, N.C.

Meanwhile, RBC Capital Markets has announced a verbal award for [Provident Group – Pomona Properties LLC](#)’ \$39.9

million Baa3 rated student housing offering after dropping an insurance policy from Build America Mutual Assurance that was considered earlier during price talk.

Final pricing for the aforementioned deals is shown below:

Issuer			Deal Timing		Municipal Primary Issuance Tracker				Price Talk		Final Deal Terms				Misc. Information		
			Date Announced	Date Priced	Ranking	Series Name	Maturity	Rating	Yield	Spread	Final Size (000's)	Change (000's)	Upsize / Downsize	Coupon	Issue Price	Yield	Tax Status
California Enterprise Development Authority	Provident Group - Pomona Properties LLC Project	Higher Ed/Student Housing	2/14/2024	2/14/2024	Series 2024A Student Housing Revenue Refunding Bonds	1/15/2029	Moody's Baa3	3.30%	57.00	\$695		5.00%	102.581	3.55%	Tax-Exempt	RBC Capital Markets	
California Enterprise Development Authority	Provident Group - Pomona Properties LLC Project	Higher Ed/Student Housing	2/14/2024	2/14/2024	Series 2024A Student Housing Revenue Refunding Bonds	1/15/2029	Moody's Baa3	2.95%	54.00	\$1,310		5.00%	108.035	3.20%	Tax-Exempt	RBC Capital Markets	
California Enterprise Development Authority	Provident Group - Pomona Properties LLC Project	Higher Ed/Student Housing	2/14/2024	2/14/2024	Series 2024A Student Housing Revenue Refunding Bonds	1/15/2029	Moody's Baa3	3.00%	57.00	\$1,775		5.00%	114.656	3.25%	Tax-Exempt	RBC Capital Markets	
California Enterprise Development Authority	Provident Group - Pomona Properties LLC Project	Higher Ed/Student Housing	2/14/2024	2/14/2024	Series 2024A Student Housing Revenue Refunding Bonds	1/15/2029	Moody's Baa3	3.75%	81.00	\$10,310		5.00%	109.785	3.80%	Tax-Exempt	RBC Capital Markets	
California Enterprise Development Authority	Provident Group - Pomona Properties LLC Project	Higher Ed/Student Housing	2/14/2024	2/14/2024	Series 2024A Student Housing Revenue Refunding Bonds	1/15/2029	Moody's Baa3	4.10%	80.00	\$18,195		5.00%	105.814	4.15%	Tax-Exempt	RBC Capital Markets	
California Enterprise Development Authority	Provident Group - Pomona Properties LLC Project	Higher Ed/Student Housing	2/14/2024	2/14/2024	Series 2024B Student Housing Revenue Refunding Bonds	1/15/2029	Moody's Baa3	6.00%		\$1,300	110	Upsize	100.000	6.45%	Taxable	RBC Capital Markets	
North Carolina Medical Care Commission	United Methodist Retirement Homes	CCRC	2/9/2024	2/14/2024	Series 2024A Retirement Facilities First Mortgage Revenue Bonds	10/1/2039	Fitch BBB			\$4,885	-	Same	5.00%	104.217	4.34%	Tax-Exempt	Ziegler
North Carolina Medical Care Commission	United Methodist Retirement Homes	CCRC	2/9/2024	2/14/2024	Series 2024A Retirement Facilities First Mortgage Revenue Bonds	10/1/2039	Fitch BBB			\$7,785	-	Same	5.00%	101.889	4.70%	Tax-Exempt	Ziegler
North Carolina Medical Care Commission	United Methodist Retirement Homes	CCRC	2/9/2024	2/14/2024	Series 2024A Retirement Facilities First Mortgage Revenue Bonds	10/1/2039	Fitch BBB			\$10,040	-	Same	5.25%	101.934	4.94%	Tax-Exempt	Ziegler
North Carolina Medical Care Commission	United Methodist Retirement Homes	CCRC	2/9/2024	2/14/2024	Series 2024A Retirement Facilities First Mortgage Revenue Bonds	10/1/2039	Fitch BBB			\$31,540	-	Same	5.25%	101.116	5.07%	Tax-Exempt	Ziegler
North Carolina Medical Care Commission	United Methodist Retirement Homes	CCRC	2/9/2024	2/14/2024	Series 2024B-1 TEMPS-45	10/1/2028	Fitch BBB			\$5,475	-	Same	4.50%	100.000	4.50%	Tax-Exempt	Ziegler
North Carolina Medical Care Commission	United Methodist Retirement Homes	CCRC	2/9/2024	2/14/2024	Series 2024B-2 TEMPS-50	10/1/2028	Fitch BBB			\$7,600	-	Same	4.00%	100.000	4.00%	Tax-Exempt	Ziegler
Wisconsin Health and Educational Facilities Authority	Forensic Science and Proactive Medicine Collaboration	Higher Ed/Student Housing	2/13/2024	2/21/2024	Series 2024 Revenue Bonds	8/1/2027	Moody's Baa2	4.00%		\$168,775	5,055	Upsize	5.00%	102.487	3.88%	Tax-Exempt	Raymond James, Blybrook Van, LLC

Reorg compiled a list of potential borrowers coming to market in the first quarter of 2024 through a combination of EMMA disclosures and MuniOS deal alerts, as shown below. New additions in the past two weeks include RWJ Barnabas Health, I-10 Calcasieu River Bridge Public-Private Partnership Program, and LCRA Transmission Services Corp.

New Issue Calendar							
Issuer	Obligor	Amount (000's)	Purpose	Timing	Deal Team		
New Jersey Educational Facilities Authority	Princeton University	\$1,475,000	Competitive sale for certain series	Week of Feb. 26	Goldman Sachs, BofA Securities	EMMA	
Commonwealth Transportation Board of the Commonwealth of Virginia	Commonwealth Transportation Board of the Commonwealth of Virginia	\$202,165	Revenue refunding bonds	Feb. 28	TBD	EMMA	
TBD	WPPI Energy	\$70,000	Refunding, capital improvement	Week of March 5	JPMorgan, BofA Securities	EMMA	
Regents of the University of California	Regents of the University of California	TBD	Tax-exempt general revenue bonds	March 4	Jefferies, BofA Securities, Barclays	EMMA	
County of Warren, Kentucky	Bowling Green-Warren County Community Hospital Corp.	\$180,000	Tax-exempt new-money and refunding bonds	February 2024	BofA Securities	EMMA	
Williamson County, Texas	Williamson County, Texas	TBD	Series 2024 limited tax refunding bonds	March 2024	Jefferies	EMMA	
State Board of Administration Finance Corp.	State Board of Administration Finance Corp.	\$1,500,000*	Series 2024 pre-event catastrophe revenue bonds	March 2024	Morgan Stanley, BofA Securities, JPMorgan	EMMA, Meeting	

Texas Department of Transportation	Texas Department of Transportation	TBD	Refunding series 2014, 2019, 2020	March 2024	Jefferies, Morgan Stanley	EMMA
Minnesota Higher Education Facilities Authority	University of St. Thomas	\$200,000	New-money green bonds	March 2024	RBC Capital Markets	EMMA , MuniOS
Lower Colorado River Authority	Lower Colorado River Authority	\$325,000	Transmission contract revenue bonds	March 2024	Wells Fargo	EMMA
Trustees of Purdue University	Trustees of Purdue University	TBD	Series GG refunding student fee bonds	March 27	Jefferies, Ramirez & Co	EMMA
Metropolitan Transportation Authority	Metropolitan Transportation Authority	TBD	Transportation revenue green bonds after tender	March 2024	Jefferies	EMMA
Louisiana Public Facilities Authority	I-10 Calcasieu River Bridge Public-Private Partnership Program	\$1,340,000	Construction of a bridge replacement in Lake Charles, La.	Week of April 1	JPMorgan, Wells Fargo	EMMA
State of Wisconsin	State of Wisconsin	TBD	Series 2024B transportation revenue refunding bonds	Q1 2024	Wells Fargo, Loop Capital	BondLink
TBD	CommonSpirit	\$3,000,000	Refinancing; capital projects	Q1 2024	Morgan Stanley, BofA Securities, Jefferies	EMMA
TBD	Three Pillars Senior Living Communities	TBD	Tax-exempt and/or taxable revenue bonds	Q1 2024	Cain Brothers	EMMA
Children's Hospital of Orange County	Children's Hospital of Orange County	\$275,000	Capital expenditures	Q1 2024	Morgan Stanley	EMMA
Union County Improvement Authority	Aries Linden LLC	TBD	Solid waste disposal revenue bonds	Q2 2024	TBD	EMMA
New Jersey Health Care Facilities Financing Authority	RWJ Barnabas Health	\$680,000	Refund Series 2013A, Series 2014A bonds; capital projects	Q2 2024	Jefferies	EMMA
Utah Charter School Finance Authority	Ascent Academies of Utah	TBD	New money for construction	Prior to June 2024	TBD	EMMA
TBD	St. Luke's University Health Network	\$450,000	New money and refinancing	TBD	BofA Securities	EMMA
Orange County, N.Y., Funding Corp.	Braemar at Wallkill	\$35,500	Refinancing Series 2012 debt	TBD	TBD	EMMA
TBD	Georgia Tech Facilities Inc.	\$40,100	Refunding Series 2014 bonds	TBD	BofA Securities, Wells Fargo	EMMA , MuniOS

Here are deals that have gone day to day since last June. Pawtucket Tidewater Stadium, however, is set to return to market this week, according to EMMA's new issue calendar.

Day-to-Day Calendar

Issuer	Amount (000s)	Original Pricing Date	Deal Team	Intel
QCF Behavioral Hospitals I	\$232,000	June 29, 2023	Citigroup	Intel
Axis Kessler Park	\$91,000	July 27, 2023	Goldman Sachs	Intel
Agape Community Sports Services	\$43,000	Aug. 3, 2023	Citigroup	Intel
WFCS Holdings III	\$43,000	Aug. 14, 2023	BofA Securities	Intel
Domain at Midtown Park	\$119,000	June 1, 2023	Goldman Sachs	Intel
LIPA	\$823,000	Oct. 3, 2023	JPMorgan	Intel
Earlham College	\$50,000	Oct. 16, 2023	PNC	Intel
Muse at Midtown	\$91,000	Oct. 16, 2023	Citigroup	Intel
Pawtucket Tidewater Stadium	\$48,450	Oct. 31, 2023	Stifel, Citigroup	Intel
Clay Lacy Aviation	\$44,000	Nov. 16, 2023	Wells Fargo	Intel

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