

Municipal Bond Investor Weekly

High Net Worth Wealth Solutions and Market Strategies from Fixed Income Solutions

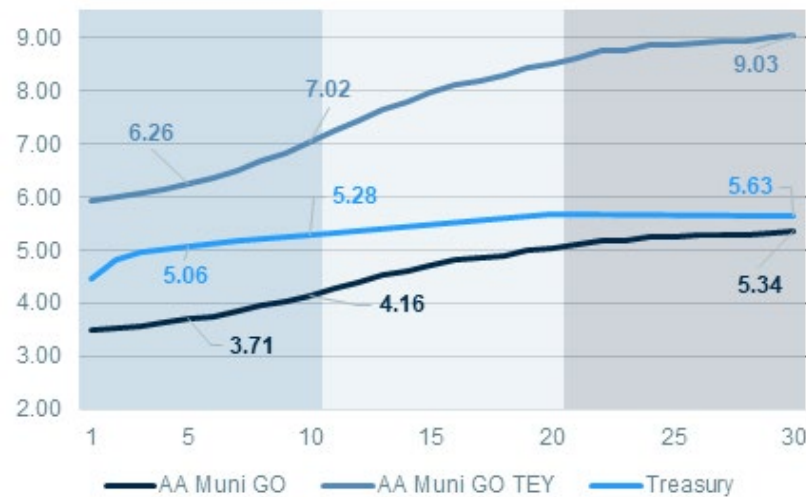
Three Down and One to Go with Higher Yields in Municipals

The third quarter ended with significant market volatility, pushing Treasury and municipal yields to levels not seen in decades. Higher yields, improved relative value, and continued strong new-issue supply have created attractive opportunities for investors seeking tax-efficient income. As we enter the fourth quarter, current market conditions may provide a compelling opportunity to establish or add to a customized municipal portfolio.



NOREEN MCCLURE
Director
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Yield Curve Comparison



MARKET UPDATE

Yields were mixed last week as markets weighed economic data and shifting Fed expectations. Friday closed with municipal bonds firmer, and U.S. Treasury yields higher. Weaker labor data combined with better-than-expected inflation data reduced market expectations for a Fed Funds rate increase at October’s meeting - per Bloomberg, expectations fell from a ~70% chance at the start of the week to ~22% by the end of the week. Muni-Treasury ratios remain attractive further out the curve at ~75% at 10 years and ~90% at 30 years. Following record September issuance, this week’s supply is expected to top \$9.7 billion, led by \$1.75 billion of California GO bonds in the negotiated market and \$859 million of Maryland transportation bonds in the competitive market.

Illustrative Portfolios (Par Value of \$1 Million)

	1 to 10 Year	11 to 20 Year	21 to 30 Year
Market Value	\$1,034,848	\$972,013	\$895,097
Yield	3.78%	4.72%	5.25%
Taxable Equivalent Yield	6.38%	7.96%	8.87%
Duration	5.10	10.09	14.52
Average Coupon	4.50%	4.50%	4.50%
Annual Cash Flow	\$45,000	\$45,000	\$45,000

The illustrative portfolios demonstrate opportunities across the municipal yield curve. Longer-duration strategies benefit from the steep yield curve, allowing investors to capture additional tax-exempt yield while utilizing call structures that may help mitigate interest rate risk.

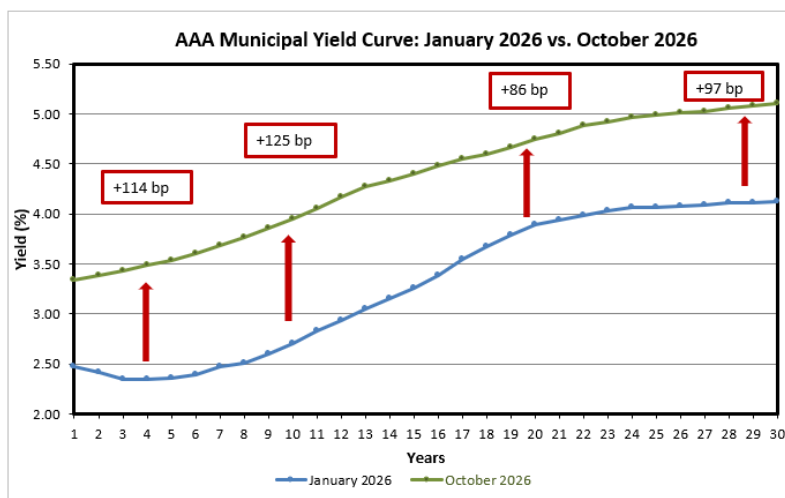
Sources for Yield Curves and Illustrative Portfolios: Bloomberg LP, Raymond James. For illustrative purposes only. Values and yields are calculated from index-level data and are not intended to be representative of actual offerings. Taxable equivalent yield calculations assume a 40.8% tax

THREE DOWN AND ONE TO GO WITH HIGHER YIELDS IN MUNICIPALS

The third quarter and Raymond James' fiscal year ended on September 30, and what a close it was! During the past two weeks, we witnessed yields rise in the Treasury and municipal market to levels that we have not seen in decades. The 10-year Treasury at one point broke through a barrier we haven't seen since 2002, hitting a 5.34% yield. The 30-year Treasury bounced up to 5.59%, the highest in more than two decades. On the municipal side the short to intermediate part of the curve saw the greatest moves. On Tuesday, September 29, municipal yields reached their highest levels of the year with the 5-year closing the day at 3.81%, the 10-year at 4.22% and the 30-year at 5.26%. The market gained some strength on the last day of the month, with yields declining 11 to 6 basis points. The municipal-to-Treasury ratio closed the quarter with the 10-year at 77% and the 30-year at 91%, higher ratios than the previous two quarters. The increase in these ratios indicates that municipal yields have become more attractive relative to comparable Treasuries. **Examining current markets vs. where we were nine months ago will highlight current opportunities.** As we enter the first full week of the fourth quarter, let's review the municipal yield curve and the changes that have occurred since the beginning of the year.

Yields and curves review ... In January and February, the short to intermediate part of the curve rallied the most, with yields dropping by as much as 45 basis points. In the following months from March through August, we saw yields fluctuate based on the traditional market factors, such as supply and demand, economic numbers, geopolitical issues, and the deficit, to name a few – overall yields rose 40 to 85 basis points over that six-month time frame. However, nothing like we experienced in the month of September. The increase in yields over the month of September ended anywhere between +54 basis points to +99 basis points, with the larger changes on the shorter maturities. The large move on the short end has created a flattening of the 1-to-30-year curve, the flattest year to date.

The graph compares the yield curve from January through October first, highlighting the yield increase year to date. The 5-to-10-year part of the curve experienced the largest move of 125 basis points and the 30-year increased by 97 basis points. This increase in rates year to date reiterates the opportunities for investors to lock in historic yields, while establishing Federal and often state tax efficiency on the annual cash flow generated. Depending on investor's Federal tax liability, taxable equivalent yield can be profound vs. other taxable fixed income investments. Residents who reside in a state where they are subject to state income tax, may also receive exemption from their state's income tax if they purchase bonds issued within their state. For example, an investor from New Jersey purchases a New Jersey bond yielding a 4.50%, assuming they are in the highest Federal tax bracket in addition to the net investment income tax ($37\% + 3.8\% = 40.8\%$ + NJ state income tax at 10.75%) their taxable equivalent yield would be a 9.30%, an extremely difficult yield to beat for a comparable taxable fixed income investment.

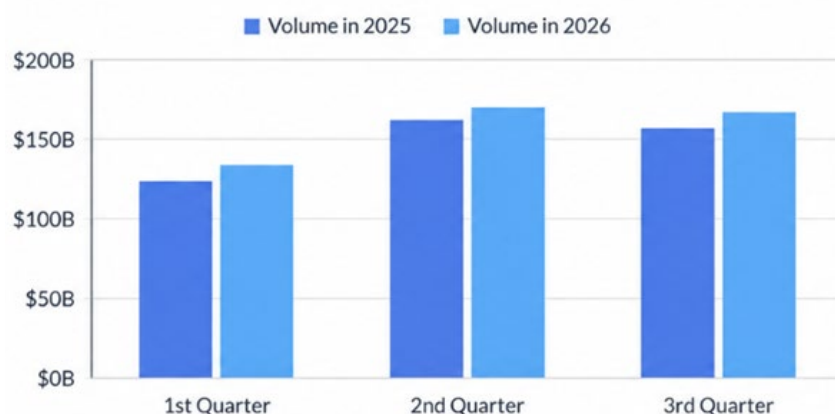


Supply ... year to date new issue volume is on pace to surpass the record 2025 volume of \$580 billion. At the end of the third quarter new issuance totals ~\$459 billion an increase of ~20% year over year.

Supply is one of the leading technical factors in the municipal market, and if you add investor demand into the equation, together, they can provide important insight into market conditions. October is traditionally the lowest redemption volume of the year – the top three states with redemptions are California, Florida, and Michigan. Satisfying demand in a high tax state like California may be a challenge for investors if there is an inadequate supply to fulfill investors demand. Florida investors do not have a state tax and have the luxury of buying bonds throughout the country without worrying about state tax implications.

It is expected that new issue supply will close out the year strong, despite the approaching holiday season. If investors remain engaged, the new issue supply may help in satisfying demand.

What does this all mean to our investors? Based on the current market conditions, municipal yields continue to present an attractive entry point for creating a new municipal portfolio or adding to your existing one. It provides you with a defined tax-exempt annual cash flow with principal being returned at the stated maturity date (barring any default). For high income earners, municipal bond investing is an extremely tax efficient investment. **Your financial advisor is available to guide you through the investment process and assist in customizing your portfolio.**

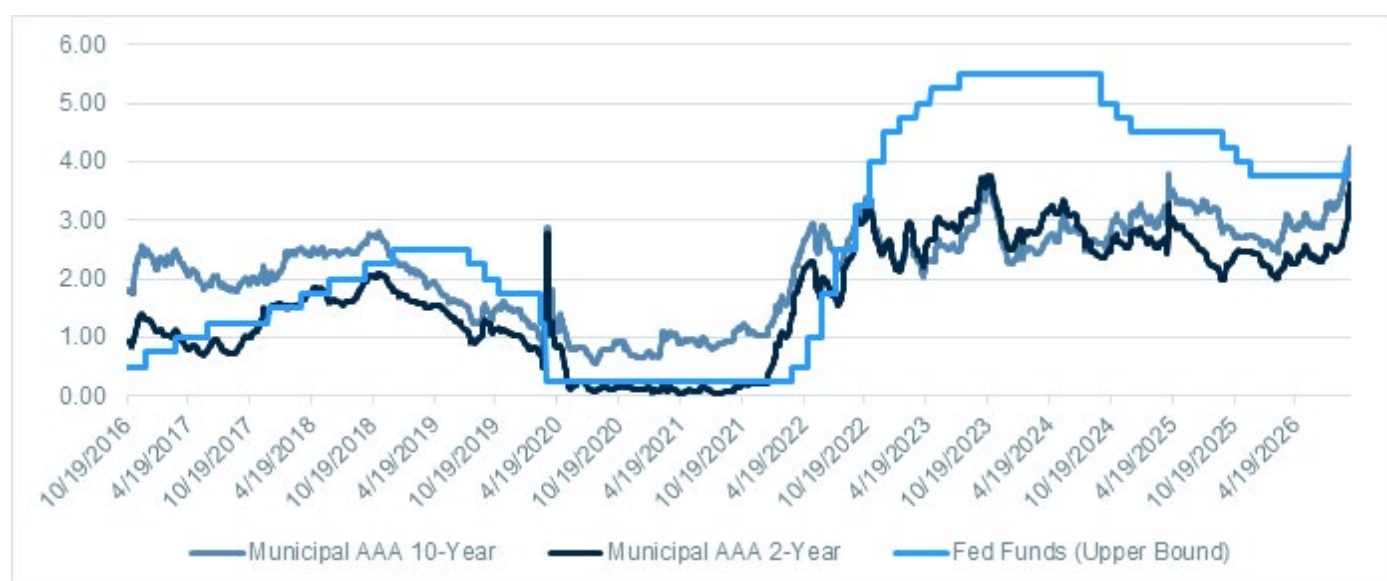


Source: The Bond Buyer

2026 Monthly Reinvestment Proceeds				
Month	Principal (\$ million)	Interest (\$ million)	P + I (\$ million)	Tax-Exempt P + I (\$ million)
Jan-2026	\$21,520	\$16,071	\$37,591	\$33,136
Feb-2026	\$29,378	\$16,647	\$46,026	\$40,915
Mar-2026	\$20,173	\$10,567	\$30,740	\$27,195
Apr-2026	\$17,461	\$11,385	\$28,846	\$24,918
May-2026	\$25,503	\$14,614	\$40,117	\$34,508
Jun-2026	\$42,874	\$17,021	\$59,894	\$54,526
Jul-2026	\$43,363	\$16,648	\$60,012	\$54,613
Aug-2026	\$45,474	\$17,124	\$62,598	\$56,158
Sep-2026	\$28,409	\$10,868	\$39,277	\$35,456
Oct-2026	\$22,504	\$12,055	\$34,559	\$29,636
Nov-2026	\$22,025	\$15,423	\$37,448	\$32,982
Dec-2026	\$23,398	\$17,324	\$40,722	\$35,882
Total	\$342,083	\$175,747	\$517,830	\$459,926
Monthly Avg	\$28,507	\$14,646	\$43,152	\$38,327

Source: Bloomberg LP, Raymond James

HISTORICAL YIELDS



NEW ISSUE CALENDAR

Date	Amount (\$millions)	Issuer	ST	Description	Ratings	Maturity
10/05/2026	426	Ohio Wtr Dev Auth	OH	STATE REVOLVING FUND REVENUE AND	Aaa/AAA/—	2027 - 2052
10/06/2026	132	Alachua Co School Bd	FL	The School Board of Alachua County,	A1/A+/—	2028 - 2046
10/06/2026	18	Alachua Co Hsg Fin A	FL	Multifamily Housing Revenue Bonds	Aa1/—/—	2043 - 2043
10/06/2026	75	Carroll Co, GA	GA	Carroll County, Georgia	Aa2/AA/—	2028 - 2033
10/06/2026	1500	The City of New York City	NY	THE CITY OF NEW YORK	Aa2/AA/AA	2028 - 2055
10/06/2026	899	California	CA	VARIOUS PURPOSE GENERAL	Aa2/AA-/AA	2029 - 2054
10/06/2026	846	California	CA	VARIOUS PURPOSE GENERAL	Aa2/AA-/AA	2027 - 2036
10/06/2026	100	Illinois Hsg Dev Aut	IL	2026 SERIES J (NON-AMT) (SOCIAL	Aaa/—/—	2046 - 2056
10/06/2026	100	Illinois Hsg Dev Aut	IL	2026 SERIES K (TAXABLE) (SOCIAL	Aaa/—/—	2027 - 2056
10/07/2026	400	State of Kansas	KS	Department of Transportation Highway	Aa2/AA/—	2027 - 2046
10/07/2026	133	Connecticut	CT	STATE OF CONNECTICUT	Aa2/AA-/AA	2027 - 2030
10/07/2026	140	Rhode Island Hlth & Edu	RI	Rhode Island Health and Educational	Aa3/—/—	2030 - 2046
10/07/2026	300	Connecticut	CT	STATE OF CONNECTICUT	Aa2/AA-/AA	2027 - 2036
10/07/2026	19	City of Sacramento	CA	Special Tax Bonds, Series 2026	NR/NR/NR	2030 - 2056
10/07/2026	88	Minnesota Hsg Fin Au	MN	2026 SERIES O (NON-AMT)	Aa1/AA+/—	2028 - 2057
10/07/2026	248	College of the Mainland	TX	COLLEGE OF THE MAINLAND	Aa3/AA/—	2027 - 2056
10/07/2026	800	Connecticut	CT	General Obligation Bonds (2026 Series C)	Aa2/AA-/AA	2027 - 2046
10/07/2026	242	Connecticut	CT	General Obligation Refunding Bonds	Aa2/AA-/AA	2030 - 2035
10/07/2026	120	Buncombe Co Metro Sw	NC	METROPOLITAN SEWERAGE DISTRICT	Aaa/AAA/AAA	2027 - 2051
10/08/2026	175	Delaware Hsg Auth	DE	DELAWARE STATE HOUSING AUTHORITY	Aa1/NR/NR	2028 - 2057
10/08/2026	113	Colorado Hsg & Fin A	CO	COLORADO HOUSING AND FINANCE	Aaa/AAA/NR	2027 - 2057
10/08/2026	50	Colorado Hsg & Fin A	CO	COLORADO HOUSING AND FINANCE	Aaa/AAA/NR	2057 - 2057
10/08/2026	13	Bellevue Union SD	CA	General Obligation Bonds, 2024 Election,	A1/—/—	2028 - 2056

*Moody's/S&P/Fitch. This offering calendar is for information purposes only, and is not intended as an offer for solicitation with respect to the purchase or sale of any securities. For more information on the new issues go to www.raymondjames.com.

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Sourced from Bloomberg: Treasuries: US Fed H15 CMT Curve - The H15 curve is comprised of the constant maturity treasury rates as published daily by the Federal Reserve in the H15 report. Municipal (AAA): BVAL Municipal AAA Yield Curve (Callable) - The curve is populated with high quality US municipal bonds with an average rating of AAA from Moody's and S&P. The yield curve is built using non-parametric fit of market data obtained from the Municipal Securities Rulemaking Board, new issues, and other proprietary contributed prices. The curve represents 5% couponing. The 3 month to 10 year points are bullet yields, and the 11 year to 30 year points are yields to worst for a 10-year call. Municipal (AA): US General Obligation AA Muni BVAL Yield Curve - The BVAL curve is populated with pricing from uninsured AA General Obligation bonds. Municipal (A): US General Obligation A+ A A- Muni BVAL Yield Curve - The BVAL curve is populated with pricing from uninsured A+, A, and A-rated General Obligation bonds. Fed Funds (Upper Bound): The federal funds rate is the short-term interest rate targeted by the Federal Reserve's Federal Open Market Committee as part of its monetary policy. US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance.

The illustrative portfolios are intended as a starting point for a conversation on individual bonds. They are not intended as specific recommendations and bonds are shown for illustration purposes only. The bonds listed in the illustrative portfolios are rated A or better, with average ratings from Moody's and Standard and Poor's of Aa2 / AA. The yields shown in the proposals are based on pricing models, not current market offers. Yields shown are indicative of general market levels but are not a guaranteed result. Prices and yields are not inclusive of any fees or commissions.

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Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult an income tax professional to assess the impact of holding such securities on your tax liability.

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