Municipal Market Insight

July 2025

Portfolio Advisory Group – U.S. Fixed Income Strategies

What's inside:

For important disclosures and authors' contact information, see page 10.

A good month for fixed income with positive returns

June was a positive month for Treasury bond investors. Rising prices pushed yields—which move in the opposite direction to price—lower by roughly 15 basis points (bps) across the curve, partially offsetting the more significant May price declines. The net result is a modest price decline that caused a nearly 10 bps yield increase over the past two months.

The reason for the shift to a more bond-positive tone in June boiled down to two main factors, in our view. The first was the increasing concern on the health of the U.S. economy. Key measures of domestic production and consumer demand showed deterioration in the growth outlook, an environment that tends to help fixed income securities. The second was signs that inflation was not accelerating as rapidly as economists had projected, thereby offering some degree of comfort.

The picture remains complicated, however, as the Federal Reserve is likely to remain on hold until there is greater clarity that inflation is under control or

U.S. interest rate forecasts (%), June 2025

	2024	2025				2026			
	Q4	Q1	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
FF	4.38	4.38	4.38	4.13	3.63	3.13	2.88	2.88	2.88
2-yr	4.25	3.89	3.89	3.60	3.20	3.15	3.25	3.40	3.55
5-yr	4.38	3.96	3.96	3.70	3.40	3.25	3.30	3.45	3.60
10-yr	4.58	4.23	4.23	4.10	3.80	3.65	3.65	3.75	3.85
30-yr	4.78	4.59	4.59	4.55	4.35	4.30	4.30	4.40	4.50

Source - RBC Economics

Treasuries vs. municipals (%)

	5-yr TSY	5-yr AAA Muni	10-yr TSY	10-yr AAA Muni	30-yr TSY	30-yr AAA Muni
Beginning of month (6/1/25)	4.01%	2.82%	4.44%	3.34%	4.97%	4.54%
Mid-month (6/15/25)	4.00%	2.75%	4.40%	3.32%	4.90%	4.54%
End of month (6/30/25)	3.80%	2.67%	4.23%	3.26%	4.78%	4.54%

Source - Bloomberg (Treasuries), Thomson Reuters TM3 (Municipals) there is meaningful deterioration in the labor market. We think it will be difficult to get a full perspective on the former until there is a resolution of tariff policy, while the latter is likewise difficult to assess without a view on the impact of deportations and immigration policy on the size of the U.S. labor force. Finally, concerns on the magnitude of the federal budget deficit, and the concurrent need for ramped-up Treasury bond issuance, remain an overhang on government securities.

Market investment strategy & market commentary

Our take on this month's taxable municipal market performance

Taxable municipals performed well in June as increasing expectations for Fed rate cuts pushed Treasury yields lower throughout the curve. According to Bloomberg, taxable municipals finished the month of June up 2.43%, boosting cumulative total returns for the year to 3.57%. Despite their typically longer-duration characteristics, taxable municipals outperformed their tax-exempt peers by 1.8% in June after another robust month of issuance weighed on tax-exempt performance. We expect taxable municipals to continue outperforming the tax-exempt market in 2025 as the heavy supply of tax-exempt debt likely lingers throughout the year. While taxable municipal spreads, or the excess yield versus Treasuries, traded tighter during June, we believe spreads could gap tighter due to an expected slowdown in taxable municipal issuance over the summer months.

Despite long-term Treasuries showing signs of life last month, we are cautious on targeting long-duration characteristics in this environment given potential tailwinds around fiscal risks and perhaps higher inflation following the July 9 tariff deadline. In our view, we believe taxable municipal buyers should target maturities in the 5-to-12-year range, where the slope of the curve is

Taxable muni spreads remain well above the lows

Bloomberg Taxable Municipal Bond Index - Spreads

Source - RBC Wealth Management, Bloomberg

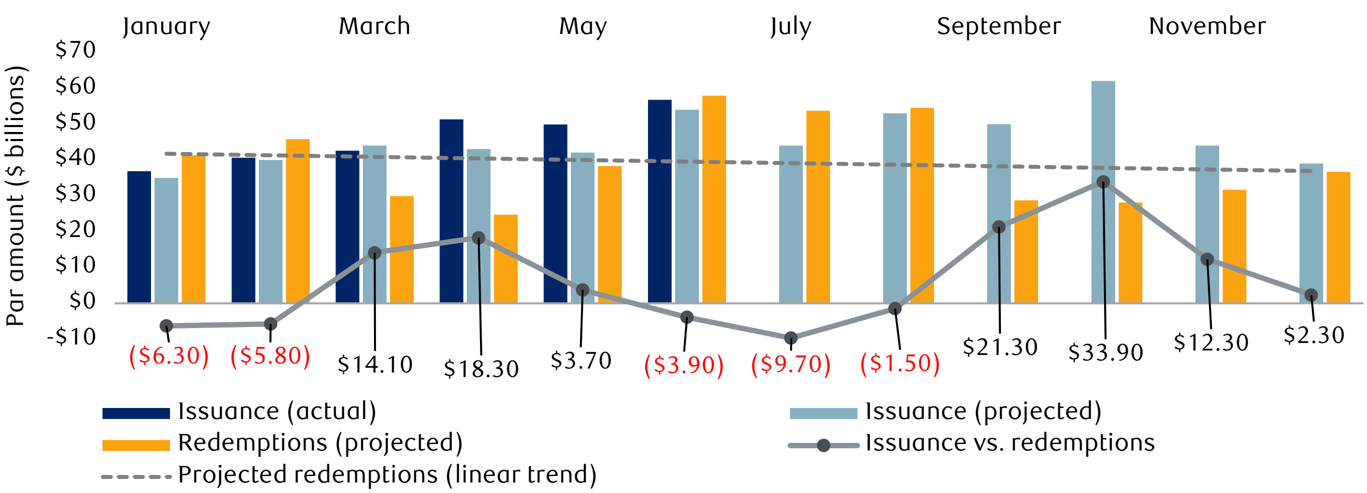
the steepest and may offer investors a better balance between risk and reward.

This month's focus:

A review of the municipal market's Q2 2025 performance

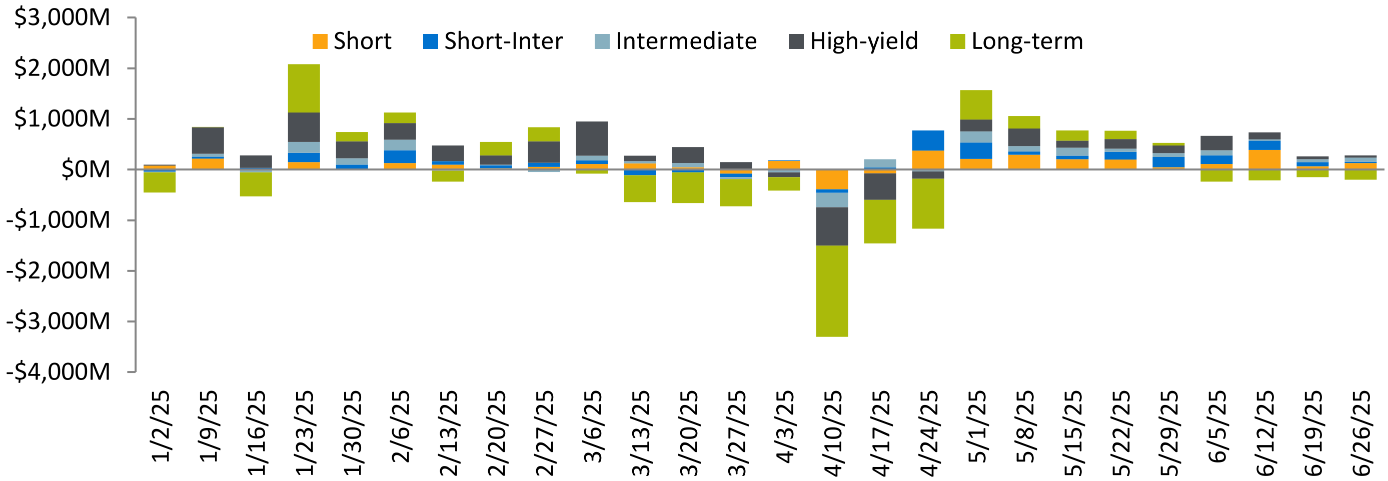
Municipals ended Q2 2025 underperforming both their corporate and Treasury market counterparts for the month and year to date. This year's surge in issuance, investor concerns over tariffs, inflation, the economy and delayed Federal Reserve action have caused investors to remain focused on short-to-intermediate-maturity municipals. The demand shift to the front end of the yield curve has caused the municipal yield curve to steepen, in our view, as yields on longer maturity municipals rose throughout the month while yields on municipals due in 10-years and earlier drifted lower. We continue favoring longer-maturity municipals, which remain attractive when compared to their Treasury counterparts. Municipal/

Issuance actual and projected



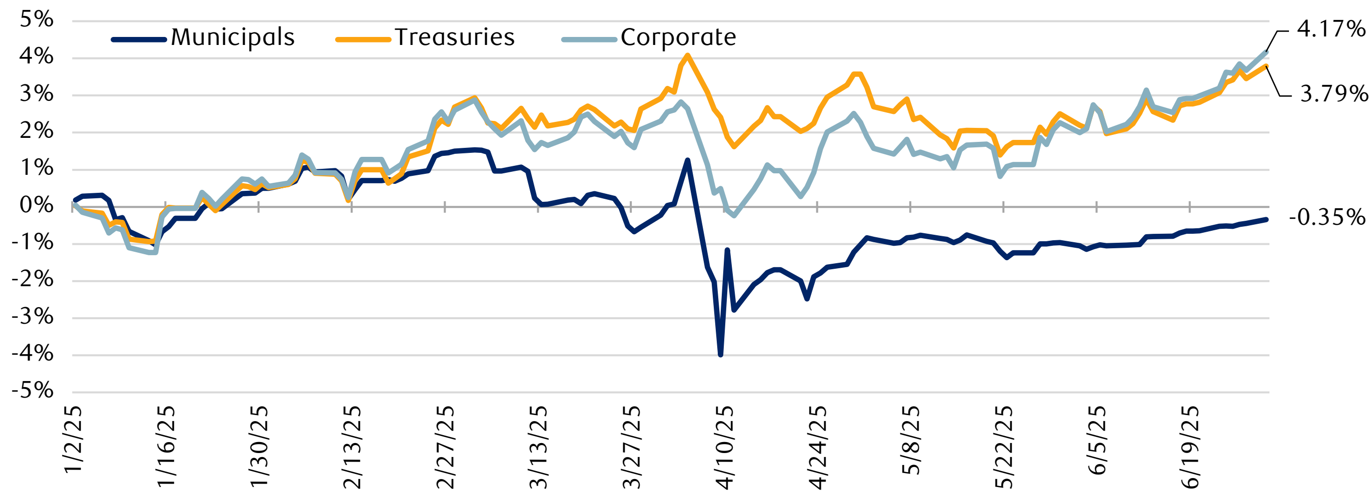
Source - RBC Wealth Management, CreditSights

Municipal bond fund flows



Source - RBC Wealth Management, Lipper

Bloomberg indexes



Source - RBC Wealth Management, Bloomberg

Treasury ratios in the 20-to-30-year range ended the month yielding 90%–95% of respective Treasuries.

Issuance dominates the municipal market

State and local issuers have borrowed $281 billion year to date and $163.7 billion during the second quarter, outpacing both our yearly and Q2 2025 issuance projections by 16.3% and 0.8%, respectively.

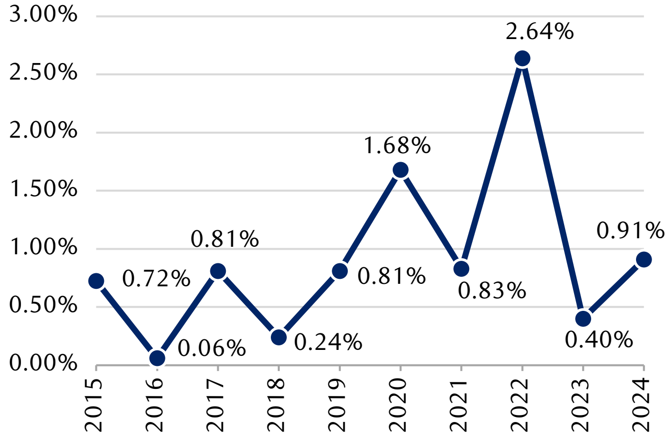
Despite this year's surge in issuance, retail and institutional demand has kept up with the torrid pace of issuance. Institutional investors have added an aggregate of approximately $6.1 billion to municipal bond funds over 17 of 26 weeks through June 30 and for nine consecutive weeks leading up to the end of Q2 2025. As highlighted, investors remain focused on short, short-intermediate, intermediate and high-yield funds, all of which have experienced net inflows over nine consecutive weeks. After adding $1.2 billion to long-term funds from May 1 through May 29, investors withdrew $800 million during the last four weeks leading up to June 26, thereby helping drive yields higher on longer-maturity bonds as demand waned for long-term funds in June.

Despite mixed demand metrics, municipals posted positive returns in June

June offered another sizable $56.8 billion primary calendar, which easily surpassed our projections of $54 billion. Despite June's robust calendar, municipals posted positive returns for the month and continued chipping away at this year's aggregate losses. State and local governments have borrowed $279 billion through June 30, marking an 8.0% increase over our projections for $258 billion of issuance through June 30 and a 13.9% year-over-year issuance increase. Municipals have underperformed Treasuries most of the year, and June was no exception. Municipals returned 0.62% in April compared with the

A decade of July returns

Bloomberg Municipal Bond Index



Source - RBC Wealth Management, Bloomberg

1.25% and 1.87% Treasuries and corporate bonds returned for the month. The year-to-date story is similar with Treasuries and corporate bonds returning 3.79% and 4.17% and outperforming municipals, which are returning -0.35% year to date.

What to expect heading into the second half of the year

Municipals are heading into July with the wind at their back as investors are set to receive almost $54 billion in reinvestment proceeds while we expect $44 billion of new money issuance. We believe this month's demand/supply imbalance leaves municipals well positioned to post positive returns, as has been the case for each July over the past 10 years.

We believe municipal metrics will remain favorable through July and into August with our expectations of redemptions outpacing supply over the two-month period. What remains to be seen is where investors opt to put their money to work. Do they remain focused on shorter-dated municipals, or do they invest in longer-dated municipals? Shorter-dated municipals face ongoing economic, tariff and Federal Reserve uncertainty, while longer-dated ones remain attractive in the 20-to-30-year space where municipal/Treasury ratios are hovering between 90%–95% and are at levels not seen since 2024. Long-term buy-and-hold retail clients should consider maximizing returns heading into H2 2025 and ahead of what we believe could be a challenging September through December season, when we expect sizable supply/demand imbalances.

Municipal news

California – Lawmakers pass $232 billion budget

Lawmakers passed a $232 billion spending plan for the FY2025-26 that began July 1. The spending plan, which cuts year-over-year spending by around $1 billion, includes cuts to Medicaid for undocumented migrants and increased tax breaks for Hollywood. The spending plan did not include all the spending cuts requested by the Governor Gavin Newsom. Rather than making larger spending cuts, the spending plan calls for withdrawing more than $7 billion or 40% of the state's rainy-day fund and another $6.5 billion from other state funds to close a more than $12 billion budget deficit.

California – Federal school funding at risk

The U.S. Department of Education is accusing the state of violating Title XI by allowing males to compete in woman's sports and, therefore, is considering pulling federal school aid, of which the state's public schools receive around $8 billion annually. A resolution being floated would require California to bar transgender girls from female sports, require biology-based definitions of sex and restore titles to affected female athletes.

Cook County, IL – Facing multiple challenges

The county, the second-most populous county in the country and home to Chicago, is facing multiple challenges entering FY2026. It is forecasting a $102.6 million general fund deficit, a deficit that could worsen if the federal government cuts grants and Medicaid funding. A sizable jump in general fund expenses, which is mostly due to increases in salaries, wages, overtime and fringe benefits, is driving the current deficit.

Health Care Sector – Federal policy could adversely impact funding levels

As the budget reconciliation bill makes its way through the House of Representatives and Senate, investors in the $250-billion Health Care sector are becoming weary of potential funding cuts to Medicaid, which could pressure operations at many not-for-profit healthcare providers. The budget reconciliation bill that passed the House included $800 billion and some other cuts that could adversely impact the sector. The bill, which is now in the Senate, is still subject to a reduction in Medicaid cuts concern by some senators. Reduced federal funding will likely place operating pressure on many not-for-profit healthcare providers, especially those operating safety-net hospitals.

Health Care Sector – Senate proposes rural hospital relief

Senate Republicans, as part of the tax cut reconciliation bill, are proposing a $15 billion rural hospital relief fund to offset potential Medicaid cuts. The Bond Buyer stated, "The biggest impact would come from lowering the allowable provider tax—which states use to finance their Medicaid programs—starting in 2027 from the current 6% of net patient revenue to 3.5% in 2031." The proposal is meant to allay the concerns of Senate Republicans that come from states facing the largest Medicaid cuts including North Carolina, Iowa, Oklahoma, Missouri and Kentucky.

Higher Education – Under scrutiny by the U.S. Treasury

The U.S Treasury is currently reviewing rules guiding the tax-exempt status of private and nonprofit schools. The Treasury is seeking to revoke tax-exemption for those higher-education institutions that take race into consideration for admissions, scholarships and other areas. In those instances, if the rules are changed, then those higher education institutions would have their tax-exempt status revoked.

Kansas City Chiefs, MO – State back tax-exempt bond funding for stadium

After passing in the Missouri House of Representatives, Governor Mike Kehoe signed a bill authorizing the issuance of tax-exempt debt help finance upgrades to Arrowhead Stadium, the current home of the NFL team. The state has been fighting to keep the Chiefs playing in Missouri after Kansas expressed interest in trying to attract the Chiefs to play in their state.

Massachusetts Bay Transportation Authority (MBTA) – Facing looming deficits

MBTA is tapping the municipal market to borrow $939 million to help finance neglected transit upgrades and to address the MBTA's projected $500 million deficit by FY2028. MBTA plans to use the proceeds of the bond deal to finance the modernization of subway cars, installation of new fare payment machines, and expansion of service with the purchase of bi-level commuter rail cars. MBTA said it needs around $2.5 billion annually to address delayed transit projects.

Minnesota – Passes budget during special session

State lawmakers during a marathon special session passed a $66 billion FY2026-27 budget. The budget calls for the issuance of $700 million of additional tax-exempt bonds. The Minnesota Management and Budget office expects to issue the GO debt over the next three-to-five years. The budget bill increases cannabis taxes to 15% from 10%, increases per-pupil funding for K-12 students; it makes cuts to Medicaid, while also cutting healthcare for undocumented immigrant adults; and the bill did not consider a transportation sales tax, from which the revenue would have been used to finance rapid transit buses in the St. Paul-Minneapolis MSA.

Municipal Reporting – Audit reporting times improving

A shortage of certified public accountants that began in during the pandemic caused many state and local municipal borrowers to experience delays in reporting annual financial audits within the required 180 days. The Bond Buyer recently reported that audit times decreased in 2023 from 2022, but median reporting times remain higher over the long run. The median reporting time to offer audited financial statements has risen 10.5% over the past 10 years. While the reporting time in 2012 stood around 151 days, it has grown to 167 days as of 2023.

New York City, NY – Congestion pricing reduces traffic

A recent report by Regional Plan Association said that congestion pricing, which went into effect at the beginning of the year has reduced traffic in NYC by 25%. Congestion pricing has also positively affected traffic and gridlock in the neighboring New Jersey counties by as much as 14%, according to the report. It also highlighted congestion pricing has generated $216 million through the end of May.

Philadelphia Southeastern PA Trans. Authority (SEPTA) – Drastic changes ahead

The authority, facing a $213 million FY2026 budget deficit, approved slashing its bus and train service by 45% and raising fares by 21.5%. Cuts will be imposed to 50 bus routes, 66 rail stations and five regional rail lines. The cuts will become effective August 24. In addition to service cuts and fare increases, SEPTA will also impose a hiring freeze beginning in September. The authority approved the fare increases, service cuts and hiring freezes ahead of a July 1 deadline.

Tax-exemption – Survives Senate version of tax bill for now

The Senate released its version of the budget reconciliation tax bill on June 16. The bill leaves intact tax exemption but does not address the state and local tax deduction, leaving the deduction at $10,000—not the $40,000 deduction Congress sent over in its bill. The Senate bill also makes deeper cuts to funding for provider health programs like Medicaid, placing more of the burden on states to cover state sponsored health care. The Senate bill makes permanent the 2017 Tax Cuts and Jobs Act tax cuts.

U.S. School Districts – An issuance boom as federal COVID aid is drained

Borrowing by the country's public-school districts has increased 35% to $45 billion through the end of June compared to the same period last year. This year's jump in issuance has been driven by the need for additional infrastructure, rising construction costs, strong demand for projects and competition for a declining pool of students. In addition to these reasons, many school districts have or are near exhausting federal COVID aid.

Ratings corner

Alaska – Rewarded with a rating upgrade

On June 17, Moody's upgraded the state's rating one notch to 'Aa2' from 'Aaa3'. The rating outlook is stable following the upgrade, as Moody's stated, "The upgrade reflects the legislature's record of restraint on appropriating for citizen dividends from the Alaska Permanent Fund's Earning Reserve Account." The legislature's financial restraint has enabled the state to rebuild its rainy-day fund to $2.9 billion as of April 2025 from $914.5 million as of the end of FY2022.

Broward County School District – Downgraded one notch

On June 25, Moody's downgraded the school district's rating to 'Aa3' from 'Aa2' and the district's COPs to 'A1' from 'Aa3'. The rating outlook on both the GO and COPs was revised to stable from negative following the rating downgrade. Moody's stated, the downgrade "reflects the recent trend of fund balance at approximately 5%–6% of operating revenues with an additional decline expected in FY2025 possible."

Michigan – Rating affirmed

On June 16, Moody's affirmed the state's 'Aa1' rating and also noted, "The stable outlook is based on our view that the state will weather economic and federal policy uncertainty through strong fiscal governance and that financial reserves will remain above 10% of revenue and leverage will remain well below 200% of revenues." The outlook is stable following the rating affirmation.

Municipal Electric Authority of Georgia (MEAG) – Upgraded one notch

On June 9, Moody's upgraded its rating to 'Baa1' from 'Baa2'; the rating outlook is stable following the upgrade. The upgrade to MEAG's senior lien rating is linked to the recent upgrade of PowerSouth Energy Cooperative ('A3' Issuer Rating, stable outlook). PowerSouth is the sole wholesale power purchaser for the initial 20-year Power Purchase Agreement (PPA). Following the expiration of the initial 20-year PPA, MEAG's 39 wholesale utility participants will be obligated to purchase power through 2064.

New York City Metropolitan Transportation Authority (MTA) – Wins upgrade on strong state support

On June 13, Moody's upgraded MTA's $17.7 billion of outstanding revenue bonds to 'A2' from 'A3'; the rating outlook was revised to stable from positive following the upgrade. The upgrade was primarily attributable to increased financial support from both the city and the state of New York. A recent increase to the payroll mobility tax helped MTA close a sizable gap in its $68.4 billion five-year capital improvement plan.

University of Idaho – Removed from review for downgrade Moody's

On June 9, Moody's removed the university's rating from "review for downgrade" where Moody's placed it on February 14, 2024. The "review for downgrade" removal was prompted by the university's announcement that it had entered into a mutual termination agreement between the University of Idaho and the University of Phoenix. The university was in talks to purchase the University of Phoenix, which prompted the Moody's review and subsequently the change to stable from "review for downgrade" following the termination the agreement announcement.

Territorial update

Guam Waterworks – Rating outlook revision

On June 13, Fitch Ratings revised the water utility's rating outlook to stable from negative, while affirming the utility's 'BBB' rating. Years of rate increases approved by the island's public utility commissions (PUC) helped generate stronger operating margins, which prompted Fitch's rating outlook revision. A 16.7% FY2024 PUC approved rate increase drove a 20% spike in operating revenue, which helped drive improved debt service coverage ratios.

U.S. Virgin Islands Water & Power Authority (WAPA) – Forced rate cut hurts WAPA

A directive by the island's public service commission (PSC) for WAPA to lower electric rates could place significant pressure on the utility and its ability to pay its vendors, contractors and employees. PSC is forcing WAPA to decrease electric rates by 5.22 cents or 12% per kilowatt hour. WAPA officials said the rate cut would cost the utility $2.5 million a month or 12% in lost revenue. The rate cut will place additional pressure on the utility, which was informed by a consultant in January the utility would need an infusion of at least $375 million to meet its short-term and long-term liabilities.

State General Obligation (GO) Ratings

Ratings in RED denote recent rating changes or newly established ratings.

State	Fitch	Kroll	Moody's	State	Fitch	Kroll	Moody's	State	Fitch	Kroll	Moody's
Alabama	AA+	-	Aa1	Kentucky		-	Aa2	Ohio	AAA	-	Aaa
Alaska	A+	AA+	**Aa2**	Lousiana	AA-	-	Aa2	Oklahoma	-	-	Aa1
Arizona	-	-	-	Maine	-	-	Aa1	Oregon	AA+	-	Aa1
Arkansas	-	-	Aa1	Maryland	AAA	-	**Aa1**	Pennsylvania	AA	-	Aa2
California	AA	-	Aa2	Massachusetts	AA+	-	Aa1	Puerto Rico	-	-	
Colorado	-	-	-	Michigan	AA+	-	Aa1	Rhode Island	AA	-	Aa2
Connecticut	AA-	AA+	Aa3	Minnesota	AAA	-	Aaa	South Carolina	AAA	-	Aaa
District of Columbia	AA+	-	Aaa	Mississippi	AA	-	Aa2	South Dakota	-	-	-
Delaware	AAA	AAA	Aaa	Missouri	AAA	-	Aaa	Tennessee	AAA	-	Aaa
Florida	AAA	-	Aaa	Montana	AA+	-	Aa1	Texas	AAA	AAA	Aaa
Georgia	AAA	-	Aaa	Nebraska	-	-	Aaa	Utah	AAA	-	Aaa
Guam	Baa3	-	-	Nevada	AA+	-	Aa1	Vermont	AA+	-	Aa1
Hawaii	AA	-	Aa2	New Hampshire	AA+	-	Aa1	Virgin Islands	-	-	-
Idaho		-	-	New Jersey	A+	A+	A1	Virginia	AAA	-	Aaa
Illinois	A-	-	A3	New Mexico	-	-	Aa2	Washington	AA+	-	Aaa
Indiana	-	-	-	New York	AA+	AA+	Aa1	West Virginia	AA	-	Aa2
Iowa	-	-	-	North Carolina	AAA	-	Aaa	Wisconsin	AA+	AAA	Aa1
Kansas	-	-	-	North Dakota	-	-	-	Wyoming	-	-	-

Note: Many states do not have ratings because they do not have GO debt outstanding. The state has issued annual appropriation or some other form of non-GO debt.

On May 14, Moody's Investors Service downgraded the state's rating one-notch to 'Aa1' from 'Aaa', the rating outlook was revised to stable from negative following the rating downgrade. "The downgrade was driven by economic and financial underperformance compared to 'Aaa'-rated states, which is expected to continue given the state's heightened vulnerability to shifting federal policies and employment, and its elevated fixed costs.

On June 17, Moody's Investors Service upgraded the State of Alaska's GO rating to 'Aa2' from 'Aa3', the rating outlook is stable following the rating upgrade. "The upgrade reflects the legislature's record of restraint on appropriating for citizen dividends from the Alaska Permanent Fund's Earning Reserve Account (ERA)." Legislative restraint mentioned above has allowed the state to rebuild it's rainy day fund to $2.9 billion in April 2025 from the $914.5 million as of the end of FY22.

Source - RBC Wealth Management, Fitch, Kroll, Moody's

RBC Wealth Management retail trading (6/1/25 – 6/30/25)

Top 10 CUSIPs selling volume to retail customers

CUSIP	Description	Maturity	Coupon	Volume
26444CHE5	DULUTH ECO DEV AUTH-A	02/15/2053	5.00	7,963
8575365K8	IOWA ST RGT-REF-S.U.I	07/01/2043	4.50	4,077
574204W41	MD TRANSPRTN DEPT-A	04/01/2038	4.00	3,968
64966SNJ1	NEW YORK-H-TXBL	02/01/2055	6.39	3,861
187145WP8	CLIFTON HGR EDU FIN	08/15/2055	5.00	3,848
57421CGY4	MD ST HLTH & HG	10/01/2050	5.00	3,811
115012AV8	BROWARD CO-REV	01/01/2055	5.50	3,712
646140JE4	NJ TPK AUTH-A	01/01/2050	4.75	3,204
57585BMY1	MA DEV FIN AGY-REF-AG	07/01/2055	5.25	3,097
89602HBF3	TRIBOROUGH BRID-C-1A	05/15/2051	5.00	3,009

Top 10 CUSIPs buying volume from retail customers

CUSIP	Description	Maturity	Coupon	Volume
63165TWS0	NASSAU CNTY NY	04/01/2036	5.00	3,005
59465M2A2	MICHIGAN ST HSG DEV	10/01/2037	3.25	1,753
338042EL4	FISHERS TWN HALL -A	07/15/2058	5.75	1,437
115067MC1	BROWARD CO SD	07/01/2051	5.00	1,417
649670NQ5	NYC EDU CONSTRUCTION	04/01/2039	5.00	1,275
646140JE4	NJ TPK AUTH-A	01/01/2050	4.75	984
5918525J3	MET COUNCIL WST WTR-B	03/01/2042	4.00	948
593344BZ6	MIAMI-DADE CO HSG-A	03/01/2046	4.88	931
46360XAP9	IRVINE FACS FING AUTH	05/01/2048	5.25	915
640065RJ9	NEEDVILLE ISD	08/15/2049	4.00	863

Source - RBC Wealth Management

RBC Capital Markets institutional trading (6/1/25 – 6/30/25)

Top 10 CUSIPs selling volume to institutional customers

CUSIP	Description	Maturity	Coupon	Volume
154872AY1	CNTRL PLAINS ENRGY-A1	08/01/2055	5.00	66,274
531127AC2	LIBERTY DEV GOLDMAN	10/01/2035	5.25	36,863
64966SNJ1	NEW YORK-H-TXBL	02/01/2055	6.39	27,123
592647PE5	MET WA ARPT AUTH-A	10/01/2055	5.50	19,274
592647PD7	MET WA ARPT AUTH-A	10/01/2050	5.00	18,949
79467BHZ1	SALES TAX SECURITIZTN	01/01/2035	5.00	17,989
717883WG3	PHILADELPHIA PA SCH D	09/01/2044	5.00	17,082
70914P4T6	PENNSYLVANIA CMWLTH-A	08/15/2033	5.00	16,975
64972GL44	NYC MUNI WTR FIN-BB	06/15/2048	5.00	16,522
64966SBA3	NEW YORK-C	03/01/2053	5.25	15,485

Top 10 CUSIPs buying volume from institutional customers

CUSIP	Description	Maturity	Coupon	Volume
154872AY1	CNTRL PLAINS ENRGY-A1	08/01/2055	5.00	87,893
531127AC2	LIBERTY DEV GOLDMAN	10/01/2035	5.25	29,465
65000BNH7	NEW YORK ST DORM AUTH	05/01/2052	5.00	28,896
64985SFF5	DASNY-B-TXBL	07/01/2045	5.99	25,263
70914P4T6	PENNSYLVANIA CMWLTH-A	08/15/2033	5.00	22,612
64972GK29	NYC MUNI WTR FIN-AA1	06/15/2051	5.00	19,827
592647PE5	MET WA ARPT AUTH-A	10/01/2055	5.50	19,247
592647PD7	MET WA ARPT AUTH-A	10/01/2050	5.00	18,202
717883WG3	PHILADELPHIA PA SCH D	09/01/2044	5.00	17,049
851018LK5	SPRINGFIELD-REV-REF	08/01/2035	5.00	16,989

Source - RBC Capital Markets

Bond Buyer indexes

Weekly	Current 6/26/25	Previous 6/18/25	2025 high	Date	2025 low	Date
Bond Buyer Revenue Bond Index	5.49%	5.54%	5.56%	(05/22)	4.35%	(01/02)
Bond Buyer 20-Bond Index	5.20%	5.25%	5.27%	(05/22)	4.06%	(01/02)
Bond Buyer 11-Bond Index	5.10%	5.15%	5.17%	(05/22)	3.96%	(01/02)

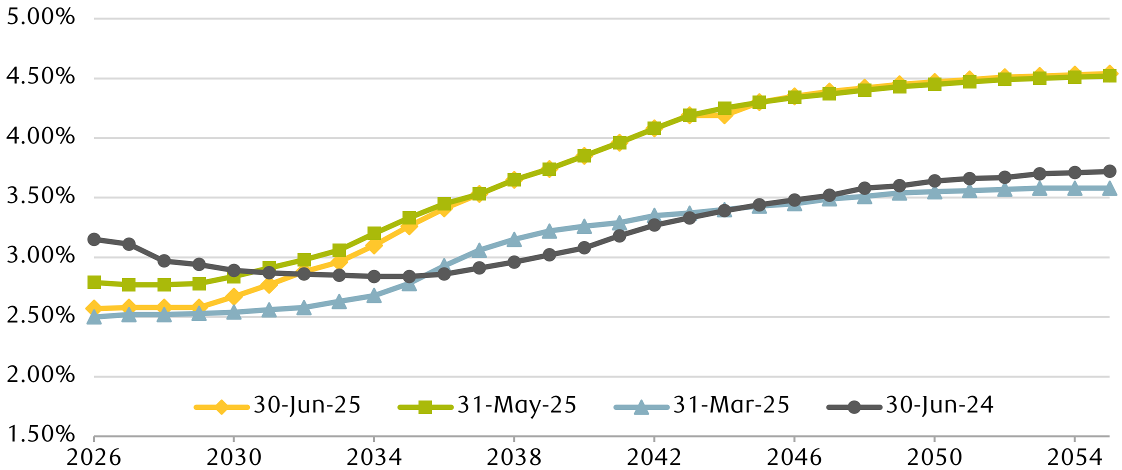
Source - The Bond Buyer

Bloomberg Municipal Index returns

	Index								
	1-month	5-year (4–6)	10-year (8–12)	15-year (12–17)	Long bond (22+)	AAA	AA	A	BAA
Month-to-date total return	0.62%	0.91%	0.87%	0.52%	0.31%	0.54%	0.61%	0.68%	0.76%
Year-to-date total return	-0.35%	2.27%	1.04%	-0.99%	-3.38%	-0.43%	-0.34%	-0.27%	2.03%

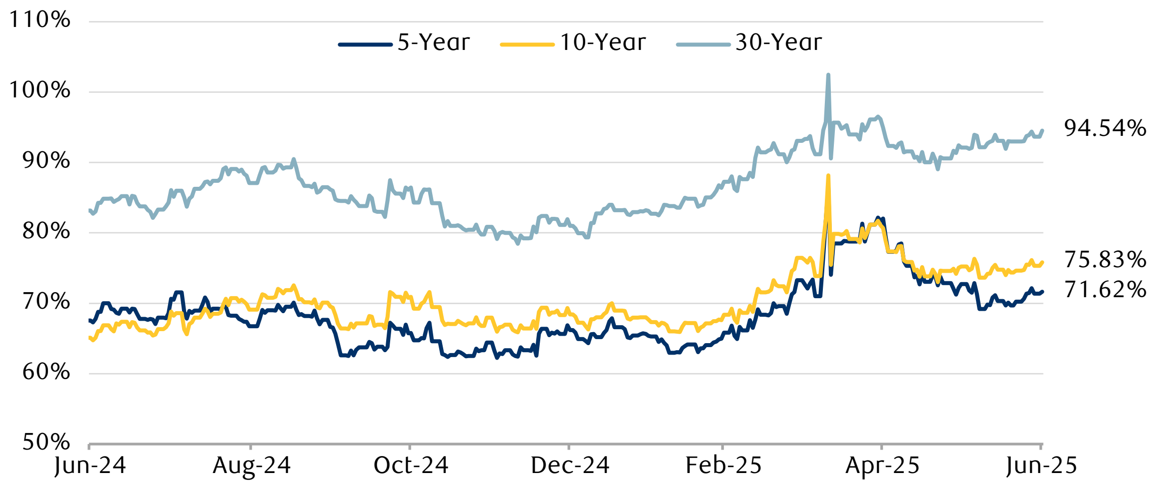
Source - Bloomberg; data through 6/30/25

Muni market data AAA yield curve



Source - RBC Wealth Management, Thomson One Refinitiv; data through 6/30/25

Muni/Treasury ratio comparison



Source - RBC Wealth Management, Bloomberg; data through 6/30/25

Municipal bond insurers

Insurer	Moody's	Kroll Ratings
ACA	Not rated	Not rated
AMBAC	Not rated	Not rated
Assured Guaranty (AGC)	A1 (stable outlook)	AA+ (stable outlook)
Berkshire Hathaway (BHAC)	Aa1 (stable outlook)	Not rated
Build America Mutual (BAM)	Not rated	Not rated
FGIC	Not rated	Not rated
National Public Finance (MBIA)	Baa3 (negative outlook)	Not rated
Syncora	Not rated	Not rated

Source - RBC Wealth Management; as of 6/30/25

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