



PMA Securities part of:

PTMA
FINANCIAL SOLUTIONS

Municipal Market Update

November 24, 2025

Key Data Released After US Government Reopens

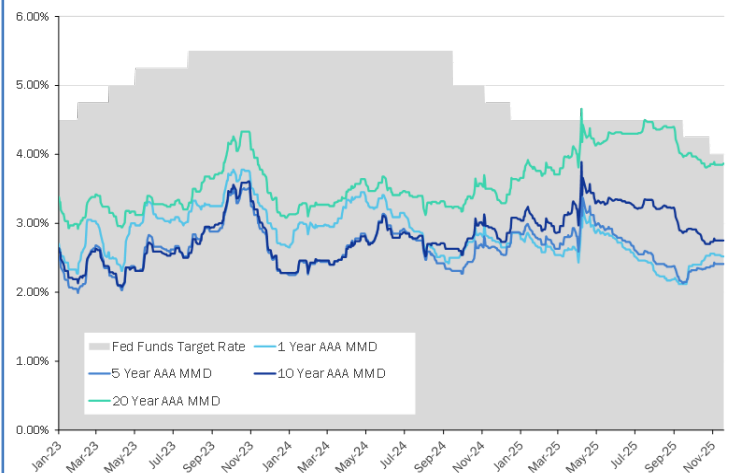
After Congress failed to pass funding legislation for the 2026 fiscal year by the end of September, the federal government entered a 43-day shutdown that paused various programs and services, including the release of critical economic data points. The conclusion of the longest shutdown in the nation's history led to the release of the highly anticipated September jobs report, largely viewed as the weight that would tip the scales of the Federal Open Market Committee's (FOMC) decision regarding its December decision on the federal funds rate. While tariffs and inflation were the economy's main concerns in the first half of 2025, continuously growing worries over the health of the labor market have shifted the jobs report to greater significance and forced the Federal Reserve (the "Fed") to carefully gauge its path forward.

The latest update from the Bureau of Labor Statistics (BLS) showed that the US economy added 119,000 jobs in the month of September, beating expectations of 51,000. However, the unemployment rate ticked up to 4.4%, which exceeded the 4.3% expected and reached the highest rate since October 2021. These contrasting statistics are the final significant information that the FOMC will have on the labor market prior to its next meeting on December 9 and 10. The Department of Labor has announced that it will not release a full October jobs report because of the government shutdown but may release partial data on December 16. Whereas the Fed was highly anticipated to continue its course of decreasing the federal funds rate at its next meeting, a muddled jobs report and sticky CPI readings have quickly shifted the odds of a cut from a certainty to a coin flip. September's CPI report showed a 0.3% monthly increase, pushing the annual rate to 3.0%, a jump from the 2.9% observed in the month prior.

In the period between October 20th and November 19th, the 10-year Treasury yield has edged higher by 13 bps (basis points) and currently yields 4.13%. In the same period, the 10-year Municipal Market Data Index (MMD) rose by 1 bp and currently yields 2.75%. The ratio of these two measures, 66.59% (as of November 19th), indicates that munis are strong to Treasury securities given that the median ratio this year is 73.58%. While yields for both indices may rise or fall based on

the actions of the FOMC, expectations of a rate cut, or rate hike, are often priced into the curves before those events occur. As the odds of a cut in December have decreased, yields in both indices have started to increase. The four-week period ending November 12th saw the municipal market experience net new inflows of \$8.234 billion, supporting the notion of significant market demand. The graph below illustrates MMD rates since January 2023.

MMD Jan. 2023 - Current





PMA Securities part of:

PTMA
FINANCIAL SOLUTIONS

If you have any questions regarding the bond market or your specific bond issue,
please do not hesitate to contact an advisor below.

PMA is dedicated to staying up to date on market trends and will be ready to guide you through a dynamic and evolving market. If you have any questions about the municipal bond market in general or your specific bond issue, please feel free to contact a PMA advisor below.



Kent Johnson

Sr. Vice President, Director
Minnesota Office
PMA Securities



Steve Pumper

Sr. Vice President
Minnesota Office
PMA Securities



Michael Hart

VP, Managing Director
Minnesota Office
PMA Securities



Bill Menozzi

Director, Public Finance
Minnesota Office
PMA Securities

PMA Financial Network, LLC, PMA Securities, LLC, PMA Asset Management, LLC, and Public Trust Advisors, LLC, (collectively "PTMA") are under common ownership. Public Trust Advisors, LLC and PMA Asset Management, LLC, are both SEC registered investment advisers. PMA Securities is a broker-dealer and municipal advisor registered with the SEC and MSRB and is a member of FINRA and SIPC. Registration with the SEC does not imply a certain level of skill or training. Marketing, securities, institutional brokerage services and municipal advisory services are offered through PMA Securities, LLC. Public Trust Advisors and PMA Asset Management provide investment advisory services primarily to local government investment pools ("Funds") and separate accounts. All other products are provided by PMA Financial Network, LLC. For more information, please visit us at <http://www.ptma.com/>.

This message is confidential, solely for the intended recipient, and may be legally privileged or otherwise protected from disclosure. If you are not the intended recipient, any disclosure, copying, use or distribution of the information included in this message and any attachments is prohibited. If you received this communication in error, please contact the sender by reply email and immediately delete this email and any attachments. All emails sent to or from PTMA are subject to archival, monitoring and/or review by firm personnel and may be produced to regulatory agencies and others as required by law. Email transmission cannot be guaranteed to be secure or free of errors, interference, interception, or viruses.

The contents of this email, and any materials attached should not be used in making investment decisions. They are not an offer, recommendation, or solicitation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any information regarding specific investment products is subject to change without notice. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. PTMA is not a bank and investments in Funds and separate accounts are not FDIC insured. Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.