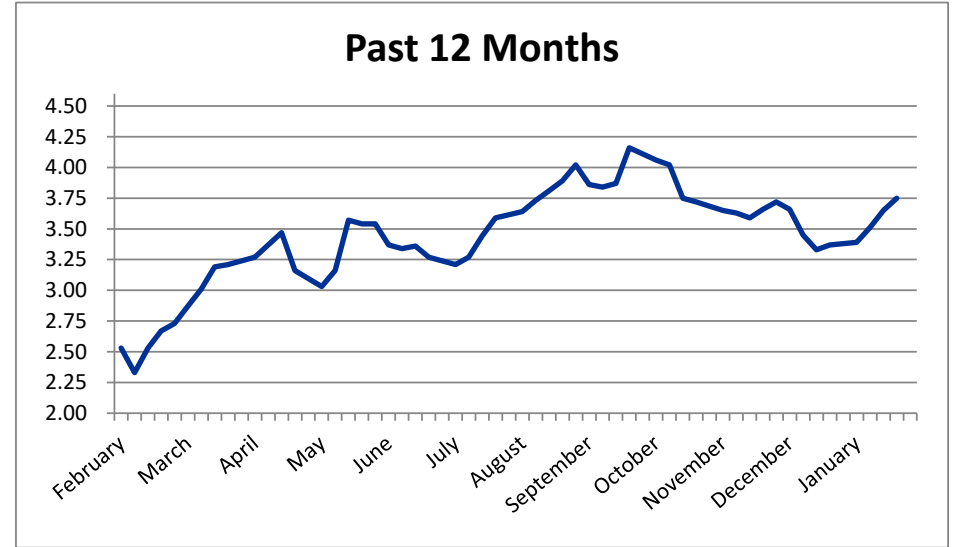
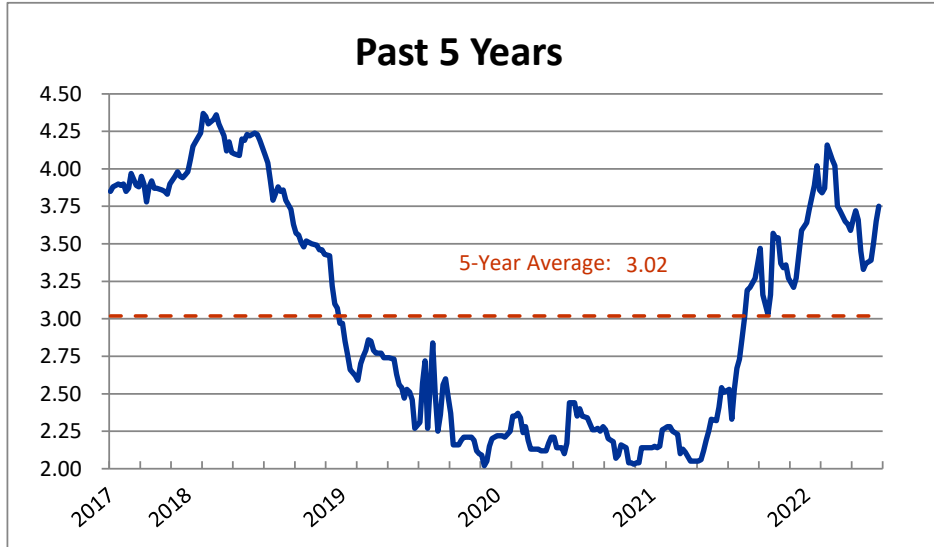


TEXAS BOND MARKET UPDATE - MARCH 2023

BOND BUYER'S INDEX

(as detailed on reverse side)



REPRESENTATION OF RECENT TEXAS BOND SALES

(as reported to the Municipal Advisory Council of Texas)

Issuer	Issue Size (000's)	Sale Date	Bank Qualified?	S&P Rating	Credit Enhanced?	Call Date	Yield to Maturity for Bonds Maturing in:				
							2027	2032	2037	2042	2047
City of Victoria	\$ 2,265	2/7/2023	No	AA	No	8/15/2032	2.590%	2.985%	3.856%	4.070%	n/a
City of Early	\$ 3,935	2/22/2023	Yes	AA	Yes	2/15/2032	n/a	3.210%	4.171%	4.360%	n/a
City of Weslaco	\$ 11,810	2/7/2023	No	AA-	No	2/15/2032	2.620%	2.770%	3.913%	4.090%	n/a
Lubbock County	\$ 41,640	2/13/2023	No	AA+	No	2/15/2032	2.310%	2.420%	3.679%	n/a	n/a
Gruver ISD	\$ 9,145	2/15/2023	Yes	A1*	Yes	2/15/2028	2.810%	3.443%	3.941%	n/a	n/a
Stephenville ISD	\$ 39,875	2/14/2023	No	AA-	No	2/15/2032	2.470%	2.590%	3.864%	4.130%	4.350%
Prosper ISD	\$ 247,710	2/14/2023	No	Aaa*	PSF	2/15/2033	2.300%	2.380%	3.540%	4.048%	4.130%

*Moody's

compliments of
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MONTH	WEEK	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
January	1	5.24	4.25	5.08	3.83	3.68	4.75	3.42	3.45	3.78	3.44	4.09	2.73	2.17	2.12	3.66
	2	5.02	4.31	5.39	3.62	3.60	4.68	3.29	3.45	3.72	3.54	4.20	2.63	2.21	2.19	3.45
	3	4.80	4.31	5.41	3.60	3.53	4.55	3.36	3.37	3.83	3.52	4.19	2.56	2.21	2.25	3.33
	4	5.13	4.30	5.25	3.68	3.54	4.50	3.36	3.38	3.87	3.59	4.23	2.54	2.14	2.33	3.37
	5	5.16	4.39		3.67	3.67	4.48					4.22	2.47			
February	1	4.96	4.36	5.25	3.60	3.68	4.46	3.49	3.30	3.87	3.72	4.23	2.53	2.14	2.32	3.39
	2	4.89	4.34	5.29	3.70	3.72	4.46	3.60	3.27	3.88	3.73	4.24	2.51	2.10	2.41	3.51
	3	4.89	4.38	5.10	3.65	3.74	4.44	3.62	3.27	3.94	3.84	4.23	2.46	2.17	2.54	3.65
	4	4.87	4.36	4.95	3.69	3.74	4.38	3.62	3.34	3.92	3.86	4.19	2.27	2.44	2.51	3.75
March	1	4.96	4.34	4.90	3.72	3.86	4.41	3.68	3.34	3.95	3.85	4.09	2.31	2.44	2.53	
	2	5.03	4.33	4.91	3.84	4.00	4.47	3.62	3.42	4.02	3.88	4.04	2.57	2.35	2.33	
	3	4.98	4.32	4.86	3.95	3.99	4.51	3.62	3.40	4.02	3.89	3.92	2.72	2.40	2.53	
	4	5.00	4.44	4.91	4.01	3.99	4.43	3.52	3.38	3.91	3.90	3.79	2.27	2.35	2.67	
	5				4.02					3.38	3.86	3.89			2.73	
April	1	4.92	4.44	5.00	4.08	3.96	4.44	3.49	3.28	3.83	3.90	3.88	2.84	2.34	2.87	
	2	4.92	4.45	5.04	3.97	3.93	4.32	3.49	3.30	3.77	3.85	3.85	2.49	2.30	3.01	
	3	4.78	4.43	5.06	3.90	3.89	4.32	3.45	3.28	3.71	3.87	3.86	2.25	2.26	3.19	
	4	4.57	4.37	4.98	3.86	3.90	4.33	3.52	3.32	3.82	3.97	3.79	2.36	2.26	3.21	
	5			4.86				3.62					2.56	2.27		
May	1	4.70	4.37	4.69	3.81	3.77	4.33	3.74	3.32	3.82	3.89	3.73	2.60	2.25	3.27	
	2	4.62	4.29	4.61	3.71	3.67	4.31	3.74	3.32	3.81	3.88	3.63	2.48	2.28	3.37	
	3	4.54	4.32	4.55	3.75	3.61	4.26	3.81	3.26	3.73	3.95	3.57	2.37	2.26	3.47	
	4	4.44	4.27	4.53	3.81	3.70	4.28	3.73	3.26	3.69	3.90	3.56	2.16	2.20	3.16	
	5	4.61	4.28		3.77	3.84	4.29				3.78	3.51				
June	1	4.71	4.28	4.51	3.92	3.93	4.37	3.81	3.26	3.61	3.88	3.48	2.16	2.18	3.03	
	2	4.86	4.37	4.49	3.95	4.16	4.37	3.87	3.03	3.53	3.92	3.52	2.19	2.07	3.16	
	3	4.86	4.40	4.49	3.95	4.37	4.36	3.79	2.99	3.53	3.87	3.51	2.21	2.09	3.57	
	4	4.79	4.40	4.46	3.95	4.63	4.29	3.80	2.90	3.53	3.87	3.50	2.21	2.16	3.54	
	5								2.85	3.58					3.54	
July	1	4.81	4.38	4.59	3.94	4.39	4.31	3.85	2.80	3.60	3.86	3.49	2.21	2.14	3.37	
	2	4.71	4.36	4.65	3.83	4.55	4.38	3.76	2.80	3.61	3.85	3.46	2.19	2.04	3.34	
	3	4.68	4.37	4.51	3.75	4.52	4.36	3.82	2.87	3.51	3.83	3.46	2.12	2.04	3.36	
	4	4.69	4.26	4.46	3.61	4.77	4.29	3.75	2.85	3.52	3.90	3.43	2.10	2.03	3.27	
	5	4.69	4.21	4.47		4.33	3.75						2.09	2.04		
August	1	4.65	4.16	4.19	3.66	4.70	4.31	3.75	2.85	3.50	3.95	3.42	2.02	2.04	3.21	
	2	4.65	4.06	3.97	3.75	4.73	4.24	3.69	2.85	3.52	3.98	3.22	2.05	2.14	3.27	
	3	4.58	4.03	3.83	3.80	4.80	4.21	3.73	2.84	3.57	3.95	3.10	2.15	2.14	3.44	
	4	4.53	3.88	4.09	3.76	4.91	4.17	3.79	2.84	3.53	3.94	3.07	2.20	2.14	3.59	
	5				3.72	4.96				3.51	3.96	2.97				
September	1	4.37	3.86	4.14	3.73	5.03	4.09	3.82	2.84	3.49	3.98	2.97	2.22	2.14	3.64	
	2	4.33	3.92	4.05	3.79	4.93	4.14	3.82	2.83	3.56	4.06	2.85	2.22	2.15	3.73	
	3	4.20	3.89	4.07	3.72	4.66	4.17	3.78	2.96	3.60	4.15	2.76	2.22	2.14	3.81	
	4	4.04	3.83	3.85	3.67	4.53	4.11	3.71	2.98	3.64	4.18	2.66	2.21	2.15	3.89	
	5			3.93					3.06					2.26	4.02	
October	1	3.94	3.84	4.14	3.61	4.53	4.11	3.67	3.20	3.63	4.24	2.62	2.25	2.27	3.86	
	2	4.06	3.84	4.17	3.64	4.57	4.01	3.68	3.28	3.61	4.37	2.59	2.35	2.28	3.84	
	3	4.32	3.82	4.08	3.68	4.68	3.87	3.68	3.28	3.53	4.35	2.70	2.35	2.28	3.87	
	4	4.31	3.84	4.12	3.68	4.56	3.90	3.67	3.32	3.65	4.30	2.75	2.37	2.25	4.16	
	5	4.39	3.96			4.48	3.90	3.66				2.79	2.34			
November	1	4.41	4.02	4.02	3.67	4.56	3.98	3.69	3.27	3.67	4.33	2.86	2.24	2.23	4.06	
	2	4.40	4.24	4.02	3.55	4.64	3.98	3.74	3.52	3.49	4.36	2.85	2.28	2.10	4.02	
	3	4.35	4.72	4.09	3.41	4.60	3.93	3.65	3.75	3.52	4.30	2.79	2.19	2.13	3.75	
	4	4.33	4.60	4.07	3.37	4.61	3.94	3.65	3.80	3.51	4.26	2.77	2.13	2.11	3.72	
	5				3.29					3.59	4.22					
December	1	4.24	4.65	4.12	3.27	4.70	3.83	3.57	4.03	3.29	4.12	2.77	2.13	2.05	3.65	
	2	4.19	4.86	3.93	3.44	4.74	3.65	3.57	3.78	3.41	4.18	2.74	2.13	2.05	3.63	
	3	4.18	5.15	3.92	3.64	4.73	3.65	3.57	3.88	3.56	4.11	2.74	2.12	2.05	3.59	
	4	4.21	5.00	3.92	3.58	4.73	3.65	3.57	3.83	3.44	4.10	2.74	2.12	2.05	3.66	
	5		4.95	3.88				3.56		3.78			2.12	2.06	3.72	

The Bond Buyer's 20-Bond Index is determined by a poll taken of several investment banks each week of the 20 year yield of outstanding general obligation bonds from a select group of municipalities across the nation with an average credit rating of "AA".

HTS Commodities Energy Updates: March 3, 2023

Active Commodity Contracts

Source: Bloomberg

	3/3/23	2/24/23	Net Chg	3/3/22	YoY Net	
					Chg	YoY %Chg
RBOB Gasoline NYMEX (\$/gal)	2.749	2.359	0.390	3.284	-0.536	-16.31%
ULSD NYMEX (HO) (\$/gal)	2.909	2.796	0.112	3.503	-0.595	-16.98%
Natural Gas NYMEX (\$/mmbtu)	2.998	2.451	0.547	4.722	-1.724	-36.51%
Crude Oil NYMEX (\$/barrel)	79.710	76.320	3.390	107.670	-27.960	-25.97%

Fixed Price Projection¹

Source: Bloomberg

	2Q23	3Q23	4Q23	1Q24	2Q24
RBOB Gasoline NYMEX (\$/gal)	2.704	2.530	2.318	2.318	2.450
ULSD NYMEX (HO) (\$/gal)	2.809	2.761	2.736	2.736	2.637
Natural Gas NYMEX (\$/mmbtu)	3.151	3.492	3.899	3.899	3.559
Crude Oil NYMEX (\$/barrel)	79.660	78.590	77.080	77.080	74.320

Commentary

This week, the NYMEX energy futures complex was trading mostly higher with natural gas leading the way. Positive Fed comments about slowing the pace of raising the overnight Fed Funds rate between 5-5.25% helped provide some welcome support to the futures complex. On Friday afternoon, the prompt natural gas futures contract was trading +17% WoW while reformulated gasoline was trading +16% WoW. Both the front ULSD and WTI contracts were trading +4% WoW.

Despite the bearish EU and US gas stocks data showing accommodating supplies heading into the end of the winter, solid LNG export demand, cooler US weather and contracting domestic gas supplies helped propel natural futures to a second consecutive week of gains. The short-term US weather forecast in major eastern population centers is expected to help keep heating demand elevated through mid-March. Domestic supplies and production continue to soften as the producer level narrative is about reducing the rig count to preserve margins amid high labor and supply costs. Last week, US gas production was 98.6 bcf which is +4.3% YoY. This figure is toward the upper band of the historical range but is below the recent highs where domestic production has consistently been above the 100 bcf level. Recent gas flows to LNG export terminals were +14% WoW which is another positive, albeit a well estimated and transparent, demand related variable that can help deliver confidence to the market that seems to be searching for a fundamental bullish catalyst.

Aside from the short weather-related demand, gas bulls can direct their focus on the net managed money position. The delayed COT data shows that the current net position, -83,400 contracts, is seasonally the third shortest over the last 10 years. We believe that while the managed money component of the gas trade has been paid to be short, the structure of the trade can help lead to upside price risks when bullish surprises surface and if the bearish fundamental narrative changes.

(1) Indications only, valuation as of 3/3/2023; includes \$0.00 in customary and transaction expenses; assumes equal monthly volumes.

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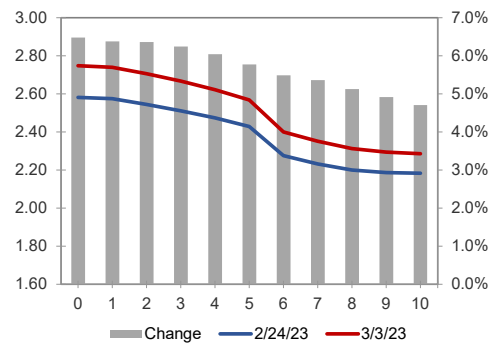
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RBOB Gasoline NYMEX

Source: Bloomberg

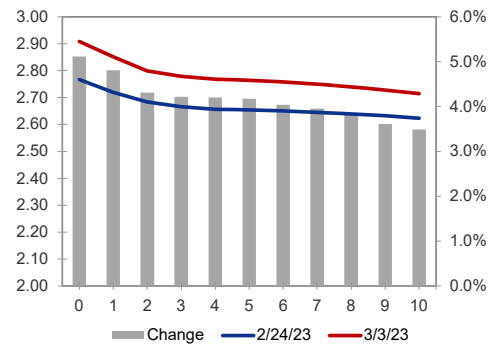
	3/3/23	2/24/23	Net Chg	%Change
APR 23	2.75	2.58	0.17	+6.48%
MAY 23	2.74	2.58	0.16	+6.38%
JUN 23	2.71	2.54	0.16	+6.36%
JUL 23	2.67	2.51	0.16	+6.25%
AUG 23	2.62	2.47	0.15	+6.05%
SEP 23	2.57	2.43	0.14	+5.77%
OCT 23	2.40	2.28	0.12	+5.48%
NOV 23	2.35	2.23	0.12	+5.36%
DEC 23	2.31	2.20	0.11	+5.12%
JAN 24	2.29	2.19	0.11	+4.92%
FEB 24	2.29	2.18	0.10	+4.71%



ULSD NYMEX (formerly Heating Oil)

Source: Bloomberg

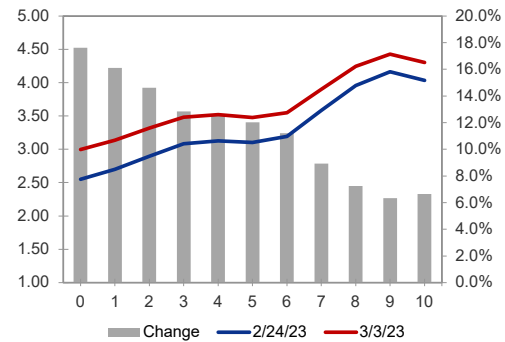
	3/3/23	2/24/23	Net Chg	%Change
APR 23	2.91	2.77	0.14	+5.11%
MAY 23	2.85	2.72	0.13	+4.81%
JUN 23	2.80	2.68	0.12	+4.31%
JUL 23	2.78	2.67	0.11	+4.22%
AUG 23	2.77	2.66	0.11	+4.20%
SEP 23	2.76	2.65	0.11	+4.18%
OCT 23	2.76	2.65	0.11	+4.04%
NOV 23	2.75	2.65	0.10	+3.95%
DEC 23	2.74	2.64	0.10	+3.84%
JAN 24	2.73	2.63	0.10	+3.61%
FEB 24	2.72	2.62	0.09	+3.49%



Natural Gas NYMEX

Source: Bloomberg

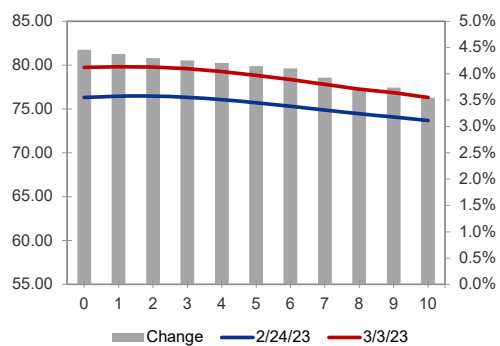
	3/3/23	2/24/23	Net Chg	%Change
APR 23	3.00	2.55	0.45	+17.62%
MAY 23	3.14	2.70	0.44	+16.11%
JUN 23	3.32	2.90	0.42	+14.61%
JUL 23	3.48	3.08	0.40	+12.84%
AUG 23	3.52	3.13	0.39	+12.53%
SEP 23	3.48	3.10	0.37	+12.02%
OCT 23	3.55	3.19	0.36	+11.22%
NOV 23	3.90	3.58	0.32	+8.94%
DEC 23	4.25	3.96	0.29	+7.25%
JAN 24	4.43	4.16	0.26	+6.34%
FEB 24	4.30	4.03	0.27	+6.65%



Crude Oil NYMEX

Source: Bloomberg

	3/3/23	2/24/23	Net Chg	%Change
APR 23	79.72	76.32	3.40	+4.45%
MAY 23	79.82	76.47	3.35	+4.38%
JUN 23	79.77	76.48	3.29	+4.30%
JUL 23	79.58	76.33	3.25	+4.26%
AUG 23	79.25	76.05	3.20	+4.21%
SEP 23	78.82	75.68	3.14	+4.15%
OCT 23	78.36	75.27	3.09	+4.11%
NOV 23	77.81	74.87	2.94	+3.93%
DEC 23	77.25	74.47	2.78	+3.73%
JAN 24	76.84	74.07	2.77	+3.74%
FEB 24	76.29	73.68	2.61	+3.54%



(1) Indications only, valuation as of 3/3/2023; includes \$0.00 in customary and transaction expenses; assumes equal monthly volumes.

Disclosures

Trading on regulated commodity exchanges inherently involves risk of loss and is not suitable for everyone. The leverage created by trading on margin can work against you just as much as it can benefit you, and losses could exceed the entire investment as well as additional cash deposits. You may be required to immediately provide capital upon notice to maintain any or all open positions, and failure to do so in a timely manner could result in penalties, liquidating debit balances, unforeseen financial obligation and the loss of opportunity sought by participating in the commodity futures and options marketplace. Only risk capital should be considered for alternative investment or speculation. Before opening an account you should seek advice from related associations, regulators, certified public accountants, industry professionals and other trusted advisors. Be certain that you understand the risks and can withstand the potential losses associated with SWAPS, futures, options on futures or any other derivatives or cash commodity transactions in which you intend to participate. HTSCommodities may not represent, guarantee or warrant that you will profit from any trading activity nor that realized losses will be limited whatsoever.

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Weekly Rate Summary: March 03, 2023

Weekly Summary and Highlights

- (1) Reminder: USD LIBOR will be discontinued after **June 30 of THIS YEAR**. Our desk can help you understand ISDA IBOR Fallbacks Protocol and alternatives.
- (2) Guaranteed Investment Contracts (GICs) continue to offer attractive rates for **project funds, Cap-I funds** and **reserve funds**.
- (3) Next FOMC rate decision will be March 22. This week's data releases include nonfarm payrolls and job data.

Short-Term Interest Rates

Source: Bloomberg

	3/3/23	2/24/23	WoW Chg (bps)	3/3/22	YoY Chg (bps)
SIFMA	2.800%	3.420%	-62.0	0.200%	260
SOFR	4.550%	4.550%	0.0	0.050%	450
BSBY (O/N)	4.623%	4.633%	-1.1	0.080%	454
Ameribor (O/N)	4.861%	4.869%	-0.9	0.123%	474
Fed Funds Effec.	4.570%	4.580%	-1.0	0.080%	449
Prime	7.750%	7.750%	0.0	3.250%	450

Variable Rate Term Structure

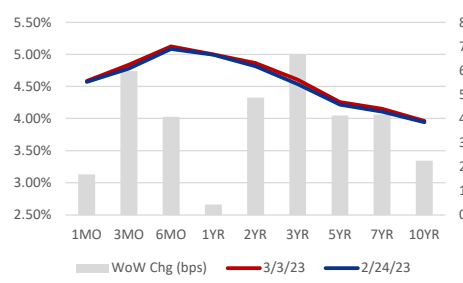
Source: Bloomberg

	3/3/23	2/24/23	WoW Chg (bps)	3/3/22	YoY Chg (bps)
1MO Term SOFR	4.708%	4.618%	9.0	0.244%	446
3MO Term SOFR	4.940%	4.890%	4.9	0.410%	453
1MO BSBY	4.673%	4.557%	11.7	0.195%	448
3MO BSBY	4.907%	4.842%	6.5	0.527%	438
1MO LIBOR	4.709%	4.635%	7.4	0.289%	442
3MO LIBOR	4.984%	4.953%	3.1	0.583%	440

U.S. Treasury Yields

Source: Bloomberg

	3/3/23	2/24/23	WoW Chg (bps)
1MO	4.587%	4.570%	1.7
3MO	4.841%	4.781%	6.0
6MO	5.127%	5.086%	4.1
1YR	4.999%	4.995%	0.4
2YR	4.863%	4.814%	4.9
3YR	4.604%	4.537%	6.7
5YR	4.256%	4.215%	4.1
7YR	4.151%	4.109%	4.2
10YR	3.965%	3.943%	2.2



Interest Rate Forecast Survey

Source: Bloomberg

	Current	Q123	Q223	Q323	Q423
Target Fed Funds	4.750%	5.00%	5.25%	5.20%	5.05%
3MO Term SOFR	4.929%	4.90%	5.11%	5.04%	4.85%
2YR T-Note	4.885%	4.45%	4.37%	4.16%	3.88%
10YR T-Note	4.056%	3.68%	3.66%	3.60%	3.48%
30YR T-Note	3.994%	3.88%	3.89%	3.82%	3.73%

SOFR Forward Swap Rates

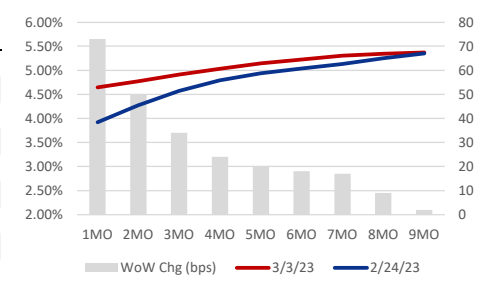
Source: Bloomberg

Tenor	Current	3Mo Fwd	6Mo Fwd	1Yr Fwd	2Yr Fwd
5YR	4.071%	3.978%	3.862%	3.630%	3.359%
7YR	3.858%	3.789%	3.702%	3.529%	3.336%
10YR	3.706%	3.658%	3.597%	3.474%	3.338%
20YR	3.502%	3.466%	3.422%	3.334%	3.220%
30YR	3.223%	3.190%	3.151%	3.075%	2.968%

CP (A1/P1) Indicative Rates

Source: Bloomberg

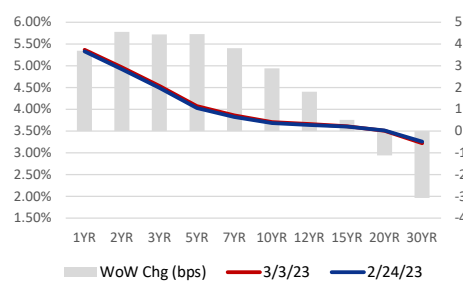
	3/3/23	2/24/23	WoW Chg (bps)
1MO	4.65%	3.92%	73
2MO	4.77%	4.27%	50
3MO	4.91%	4.57%	34
4MO	5.03%	4.79%	24
5MO	5.14%	4.94%	20
6MO	5.22%	5.04%	18
7MO	5.30%	5.13%	17
8MO	5.34%	5.25%	9
9MO	5.37%	5.35%	2



SOFR Swap Rates

Source: Bloomberg

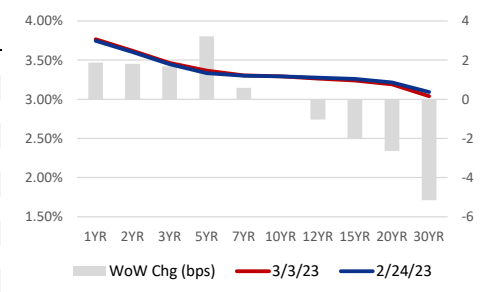
	3/3/23	2/24/23	WoW Chg (bps)
1YR	5.370%	5.333%	3.7
2YR	4.961%	4.915%	4.6
3YR	4.531%	4.487%	4.4
5YR	4.071%	4.026%	4.5
7YR	3.858%	3.820%	3.8
10YR	3.706%	3.678%	2.9
12YR	3.657%	3.639%	1.8
15YR	3.607%	3.602%	0.5
20YR	3.502%	3.513%	-1.1
30YR	3.223%	3.254%	-3.1



Tax Exempt Swap Rates

Source: Bloomberg

	3/3/23	2/24/23	WoW Chg (bps)
1YR	3.768%	3.750%	1.9
2YR	3.620%	3.602%	1.8
3YR	3.464%	3.447%	1.7
5YR	3.366%	3.334%	3.2
7YR	3.306%	3.300%	0.6
10YR	3.294%	3.294%	0.0
12YR	3.264%	3.274%	-1.0
15YR	3.239%	3.259%	-2.0
20YR	3.189%	3.215%	-2.6
30YR	3.042%	3.094%	-5.2



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Data as of March 03, 2023 2:45 PM Central Time.

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Weekly Rate Summary: March 10, 2023

Weekly Summary and Highlights

- (1) Reminder: USD LIBOR will be discontinued after **June 30 of THIS YEAR**. Our desk can help you understand ISDA IBOR Fallbacks Protocol and alternatives.
- (2) Guaranteed Investment Contracts (GICs) continue to offer attractive rates for **project funds, Cap-I funds** and **reserve funds**.
- (3) Next FOMC rate decision will be on March 22. This week's data releases include CPI on Tuesday and PPI on Wednesday.

Short-Term Interest Rates

Source: Bloomberg

	3/10/23	3/3/23	WoW Chg (bps)	3/10/22	YoY Chg (bps)
SIFMA	2.210%	2.800%	-59.0	0.240%	197
SOFR	4.550%	4.550%	0.0	0.050%	450
BSBY (O/N)	4.632%	4.623%	0.9	0.074%	456
Ameribor (O/N)	4.853%	4.852%	0.0	0.092%	476
Fed Funds Effec.	4.570%	4.570%	0.0	0.080%	449
Prime	7.750%	7.750%	0.0	3.250%	450

Variable Rate Term Structure

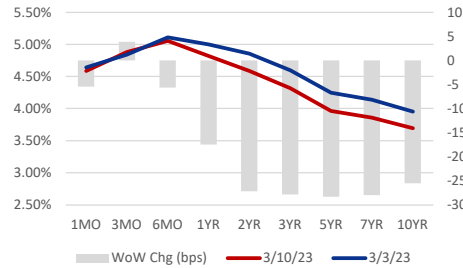
Source: Bloomberg

	3/10/23	3/3/23	WoW Chg (bps)	3/10/22	YoY Chg (bps)
1MO Term SOFR	4.860%	4.708%	15.2	0.298%	456
3MO Term SOFR	5.120%	4.940%	18.0	0.465%	466
1MO BSBY	4.713%	4.673%	4.0	0.247%	447
3MO BSBY	5.011%	4.907%	10.4	0.722%	429
1MO LIBOR	4.799%	4.709%	8.9	0.387%	441
3MO LIBOR	5.138%	4.984%	15.4	0.803%	434

U.S. Treasury Yields

Source: Bloomberg

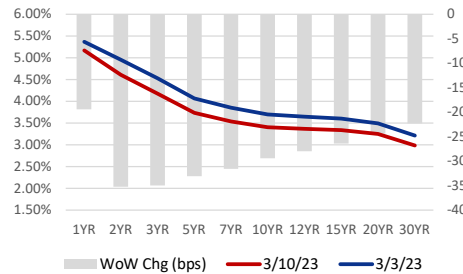
	3/10/23	3/3/23	WoW Chg (bps)
1MO	4.584%	4.639%	-5.5
3MO	4.880%	4.841%	3.9
6MO	5.054%	5.111%	-5.7
1YR	4.822%	4.997%	-17.5
2YR	4.584%	4.856%	-27.2
3YR	4.317%	4.595%	-27.8
5YR	3.963%	4.246%	-28.3
7YR	3.858%	4.138%	-28.0
10YR	3.697%	3.952%	-25.5



SOFR Swap Rates

Source: Bloomberg

	3/10/23	3/3/23	WoW Chg (bps)
1YR	5.173%	5.367%	-19.4
2YR	4.604%	4.957%	-35.3
3YR	4.175%	4.524%	-35.0
5YR	3.729%	4.060%	-33.1
7YR	3.532%	3.849%	-31.6
10YR	3.404%	3.698%	-29.4
12YR	3.368%	3.648%	-28.0
15YR	3.334%	3.598%	-26.4
20YR	3.248%	3.492%	-24.4
30YR	2.989%	3.212%	-22.3



Data as of March 10, 2023 3:49 PM Central Time.

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Interest Rate Forecast Survey

Source: Bloomberg

	Current	Q123	Q223	Q323	Q423
Target Fed Funds	4.750%	5.05%	5.30%	5.30%	5.15%
3MO Term SOFR	5.107%	4.90%	5.11%	5.04%	4.85%
2YR T-Note	4.870%	4.45%	4.37%	4.16%	3.88%
10YR T-Note	3.903%	3.68%	3.66%	3.60%	3.48%
30YR T-Note	3.849%	3.88%	3.89%	3.82%	3.73%

SOFR Forward Swap Rates

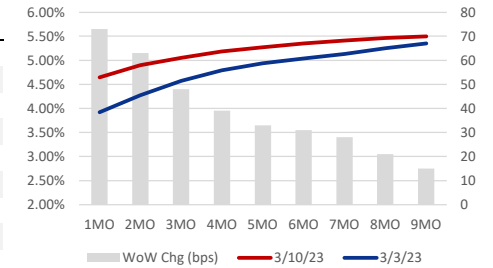
Source: Bloomberg

Tenor	Current	3Mo Fwd	6Mo Fwd	1Yr Fwd	2Yr Fwd
5YR	3.729%	3.622%	3.495%	3.273%	3.058%
7YR	3.532%	3.454%	3.360%	3.198%	3.050%
10YR	3.404%	3.349%	3.285%	3.173%	3.073%
20YR	3.248%	3.209%	3.163%	3.083%	2.992%
30YR	2.989%	2.954%	2.915%	2.844%	2.756%

CP (A1/P1) Indicative Rates

Source: Bloomberg

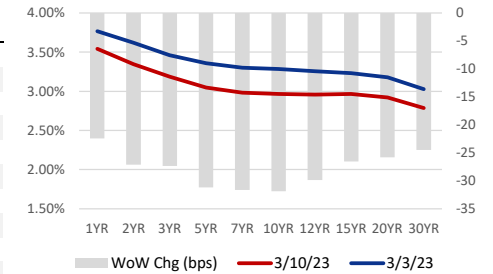
	3/10/23	3/3/23	WoW Chg (bps)
1MO	4.65%	3.92%	73
2MO	4.90%	4.27%	63
3MO	5.05%	4.57%	48
4MO	5.18%	4.79%	39
5MO	5.27%	4.94%	33
6MO	5.35%	5.04%	31
7MO	5.41%	5.13%	28
8MO	5.46%	5.25%	21
9MO	5.50%	5.35%	15



Tax Exempt Swap Rates

Source: Bloomberg

	3/10/23	3/3/23	WoW Chg (bps)
1YR	3.542%	3.766%	-22.4
2YR	3.348%	3.619%	-27.1
3YR	3.187%	3.460%	-27.4
5YR	3.046%	3.358%	-31.2
7YR	2.982%	3.299%	-31.7
10YR	2.967%	3.286%	-31.9
12YR	2.957%	3.256%	-29.9
15YR	2.964%	3.230%	-26.6
20YR	2.921%	3.179%	-25.8
30YR	2.786%	3.030%	-24.5



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Weekly Rate Summary: March 17, 2023

Weekly Summary and Highlights

- (1) Reminder: USD LIBOR will be discontinued after **June 30 of THIS YEAR**. Our desk can help you understand ISDA IBOR Fallbacks Protocol and alternatives.
- (2) Guaranteed Investment Contracts (GICs) continue to offer attractive rates for **project funds, Cap-I funds** and **reserve funds**.
- (3) Flight to quality was a major contributing factor to the US Treasury rally last week.

Short-Term Interest Rates

Source: Bloomberg

	3/17/23	3/10/23	WoW Chg (bps)	3/17/22	YoY Chg (bps)
SIFMA	2.620%	2.210%	41.0	0.370%	225
SOFR	4.570%	4.550%	2.0	0.300%	427
BSBY (O/N)	4.638%	4.632%	0.6	0.071%	457
Ameribor (O/N)	4.912%	4.853%	5.8	0.370%	454
Fed Funds Effec.	4.580%	4.570%	1.0	0.330%	425
Prime	7.750%	7.750%	0.0	3.500%	425

Variable Rate Term Structure

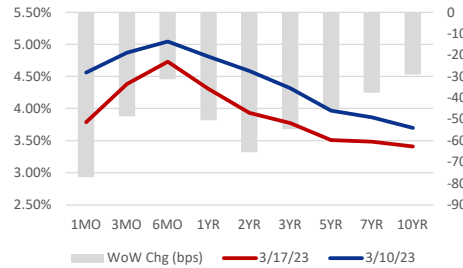
Source: Bloomberg

	3/17/23	3/10/23	WoW Chg (bps)	3/17/22	YoY Chg (bps)
1MO Term SOFR	4.756%	4.860%	-10.4	0.330%	443
3MO Term SOFR	4.854%	5.120%	-26.6	0.550%	430
1MO BSBY	4.712%	4.713%	-0.1	0.404%	431
3MO BSBY	4.888%	5.011%	-12.3	0.859%	403
1MO LIBOR	4.778%	4.799%	-2.1	0.449%	433
3MO LIBOR	4.998%	5.138%	-14.0	0.928%	407

U.S. Treasury Yields

Source: Bloomberg

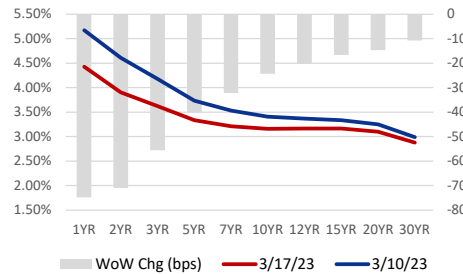
	3/17/23	3/10/23	WoW Chg (bps)
1MO	3.788%	4.559%	-77.1
3MO	4.382%	4.869%	-48.7
6MO	4.732%	5.046%	-31.4
1YR	4.306%	4.811%	-50.5
2YR	3.931%	4.586%	-65.5
3YR	3.771%	4.317%	-54.6
5YR	3.510%	3.965%	-45.5
7YR	3.484%	3.860%	-37.6
10YR	3.408%	3.699%	-29.1



SOFR Swap Rates

Source: Bloomberg

	3/17/23	3/10/23	WoW Chg (bps)
1YR	4.429%	5.177%	-74.8
2YR	3.900%	4.610%	-71.0
3YR	3.624%	4.180%	-55.6
5YR	3.331%	3.733%	-40.2
7YR	3.212%	3.533%	-32.2
10YR	3.160%	3.404%	-24.4
12YR	3.164%	3.368%	-20.4
15YR	3.167%	3.334%	-16.7
20YR	3.102%	3.249%	-14.6
30YR	2.882%	2.990%	-10.7



Interest Rate Forecast Survey

Source: Bloomberg

	Current	Q123	Q223	Q323	Q423
Target Fed Funds	4.750%	5.00%	5.35%	5.40%	5.25%
3MO Term SOFR	4.730%	4.90%	5.11%	5.04%	4.85%
2YR T-Note	4.157%	4.45%	4.37%	4.16%	3.88%
10YR T-Note	3.577%	3.68%	3.66%	3.60%	3.48%
30YR T-Note	3.699%	3.88%	3.89%	3.82%	3.73%

SOFR Forward Swap Rates

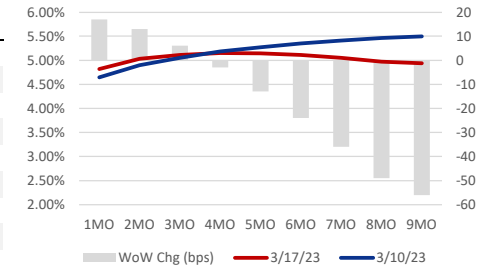
Source: Bloomberg

Tenor	Current	3Mo Fwd	6Mo Fwd	1Yr Fwd	2Yr Fwd
5YR	3.331%	3.222%	3.131%	3.001%	2.904%
7YR	3.212%	3.133%	3.069%	2.978%	2.927%
10YR	3.160%	3.109%	3.068%	3.012%	2.987%
20YR	3.102%	3.062%	3.030%	2.980%	2.930%
30YR	2.882%	2.845%	2.816%	2.770%	2.713%

CP (A1/P1) Indicative Rates

Source: Bloomberg

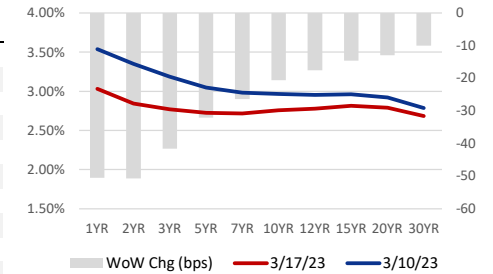
	3/17/23	3/10/23	WoW Chg (bps)
1MO	4.82%	4.65%	17
2MO	5.03%	4.90%	13
3MO	5.11%	5.05%	6
4MO	5.15%	5.18%	-3
5MO	5.14%	5.27%	-13
6MO	5.11%	5.35%	-24
7MO	5.05%	5.41%	-36
8MO	4.97%	5.46%	-49
9MO	4.94%	5.50%	-56



Tax Exempt Swap Rates

Source: Bloomberg

	3/17/23	3/10/23	WoW Chg (bps)
1YR	3.033%	3.538%	-50.5
2YR	2.842%	3.349%	-50.8
3YR	2.771%	3.187%	-41.6
5YR	2.725%	3.046%	-32.1
7YR	2.716%	2.980%	-26.4
10YR	2.759%	2.965%	-20.6
12YR	2.780%	2.955%	-17.5
15YR	2.817%	2.963%	-14.6
20YR	2.790%	2.920%	-13.0
30YR	2.686%	2.786%	-10.0



Data as of March 17, 2023 12:54 PM Central Time.

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HTS Commodities Energy Updates: March 17, 2023

Active Commodity Contracts

Source: Bloomberg

	3/17/23	3/10/23	Net Chg	3/17/22	YoY Net	
					Chg	YoY %Chg
RBOB Gasoline NYMEX (\$/gal)	2.502	2.646	-0.144	3.217	-0.715	-22.23%
ULSD NYMEX (HO) (\$/gal)	2.679	2.773	-0.094	3.487	-0.809	-23.19%
Natural Gas NYMEX (\$/mmbtu)	2.338	2.430	-0.092	4.990	-2.652	-53.15%
Crude Oil NYMEX (\$/barrel)	66.740	76.680	-9.940	102.980	-36.240	-35.19%

Fixed Price Projection¹

Source: Bloomberg

	2Q23	3Q23	4Q23	1Q24	2Q24
	RBOB Gasoline NYMEX (\$/gal)	2.414	2.228	2.028	2.028
ULSD NYMEX (HO) (\$/gal)	2.494	2.452	2.448	2.448	2.398
Natural Gas NYMEX (\$/mmbtu)	2.494	2.883	3.318	3.318	3.196
Crude Oil NYMEX (\$/barrel)	67.080	66.840	66.230	66.230	65.240

Commentary

Another week and another round of red prices for listed US energy futures. Last week, the prompt WTI crude futures contract fell by 13% WoW to \$66.74/bbl on continued news that the domestic and global economic outlook is frosty. The collapse of Silicon Valley Bank and Signature Bank, broader concerns within the banking sector, and concerns of tightening monetary policy to combat inflation all added to the energy pessimism. Short covering and margin calls were bearish for the price action but the 20,000 increase in aggregate open interest strongly suggests that new shorts are entering the market and helping to push the price lower. The \$9.94/bbl price collapse has put the front NYMEX WTI crude contract at the 200-week moving average which is a major technical support level. The prompt NYMEX ULSD futures contract fell by 3% WoW to \$2.6787/gal and the prompt reformulated gasoline was down 5% WoW at \$2.5015/gal.

On Monday, the Biden administration approved the Willow Oil Project in Alaska, one of the largest new oil and gas developments in 20 years. The \$8.0 billion ConocoPhillips project includes three of five drilling sites initially proposed and decreased original 200 well plan by 40%. The administration also stated that they would work to ban any future drilling plans for more than 13 million acres of the 23 million acre National Petroleum Reserve-Alaska. The site is estimated to produce 180k bbl/d, or roughly 1.6% of current US crude production, for a total of approximately 576 million barrels over the project's 30-year life.

The EIA published their March Drilling Productivity Report. The report forecasts domestic crude production to climb by 68k bpd between March and April, with increases in every region except the Haynesville. The largest increases are from the Permian (+26k bpd) and Bakken (+18k bpd). While this expansion was anticipated, increasing supplies can present further structural headwinds for US energy futures prices.

Despite the cold blast in the eastern and Midwest population centers that raised the demand for gas, the 3.7% WoW decline in the prompt NYMEX futures contract was indicative of the broad negative sentiment that has been plaguing the US energy trade. Mild temperatures returning for the major northern population centers combined with a bearish EIA March Drilling Productivity Report, another week of robust domestic production combined with a gnarly domestic macro climate injected further negative sentiment into the US gas trade. The EIA reported that seasonal domestic gas inventories are the third highest level in 10 years. Weekly gas production crept back over the 100 bcf mark and is +7% YoY. The EIA is forecasting that domestic natural gas production will increase by 420 mmcf/d between March and April 2023. Production is forecast to increase in all regions. The highest increases were in the Haynesville (+113 mmcf/d), the Permian (+93 mmcf/d), and Appalachia (+75 mmcf/d).

(1) Indications only, valuation as of 3/17/2023; includes \$0.00 in customary and transaction expenses; assumes equal monthly volumes.

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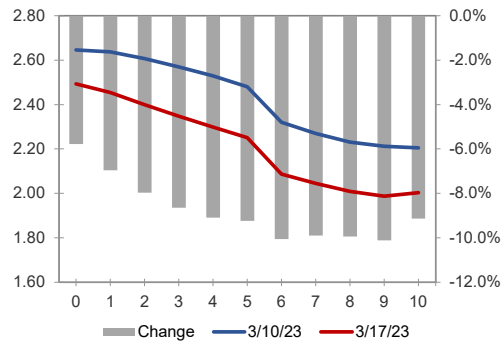
Park Cities (TX): 972-624-6373
St. Paul: 612-439-6111

www.htscommodities.com
www.hilltopsecurities.com

RBOB Gasoline NYMEX

	<u>3/17/23</u>	<u>3/10/23</u>	<u>Net Chg</u>	<u>%Change</u>
APR 23	2.49	2.65	-0.15	-5.77%
MAY 23	2.45	2.64	-0.18	-6.96%
JUN 23	2.40	2.61	-0.21	-7.96%
JUL 23	2.35	2.57	-0.22	-8.64%
AUG 23	2.30	2.53	-0.23	-9.10%
SEP 23	2.25	2.48	-0.23	-9.23%
OCT 23	2.09	2.32	-0.23	-10.05%
NOV 23	2.05	2.27	-0.22	-9.90%
DEC 23	2.01	2.23	-0.22	-9.94%
JAN 24	1.99	2.21	-0.22	-10.11%
FEB 24	2.00	2.21	-0.20	-9.13%

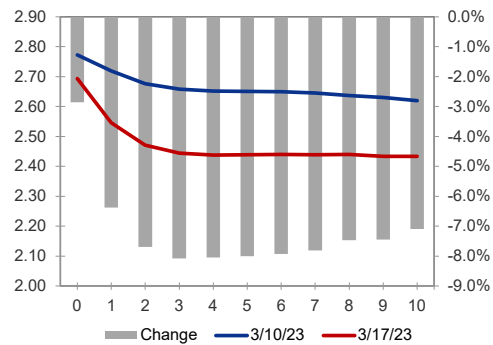
Source: Bloomberg



ULSD NYMEX (formerly Heating Oil)

	<u>3/17/23</u>	<u>3/10/23</u>	<u>Net Chg</u>	<u>%Change</u>
APR 23	2.69	2.77	-0.08	-2.86%
MAY 23	2.55	2.72	-0.17	-6.38%
JUN 23	2.47	2.68	-0.21	-7.69%
JUL 23	2.44	2.66	-0.21	-8.08%
AUG 23	2.44	2.65	-0.21	-8.04%
SEP 23	2.44	2.65	-0.21	-8.00%
OCT 23	2.44	2.65	-0.21	-7.92%
NOV 23	2.44	2.65	-0.21	-7.81%
DEC 23	2.44	2.64	-0.20	-7.47%
JAN 24	2.43	2.63	-0.20	-7.45%
FEB 24	2.43	2.62	-0.19	-7.09%

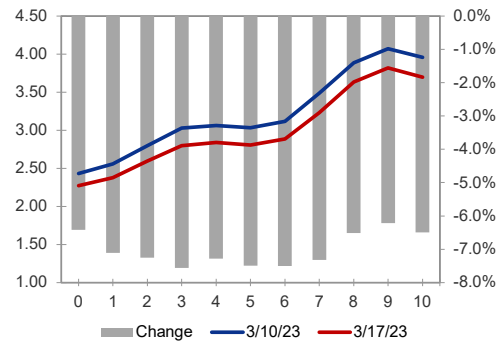
Source: Bloomberg



Natural Gas NYMEX

	<u>3/17/23</u>	<u>3/10/23</u>	<u>Net Chg</u>	<u>%Change</u>
APR 23	2.27	2.43	-0.16	-6.42%
MAY 23	2.38	2.56	-0.18	-7.11%
JUN 23	2.60	2.80	-0.20	-7.25%
JUL 23	2.80	3.03	-0.23	-7.56%
AUG 23	2.84	3.06	-0.22	-7.28%
SEP 23	2.80	3.03	-0.23	-7.49%
OCT 23	2.88	3.12	-0.23	-7.50%
NOV 23	3.23	3.49	-0.26	-7.32%
DEC 23	3.63	3.89	-0.25	-6.51%
JAN 24	3.82	4.07	-0.25	-6.21%
FEB 24	3.70	3.96	-0.26	-6.50%

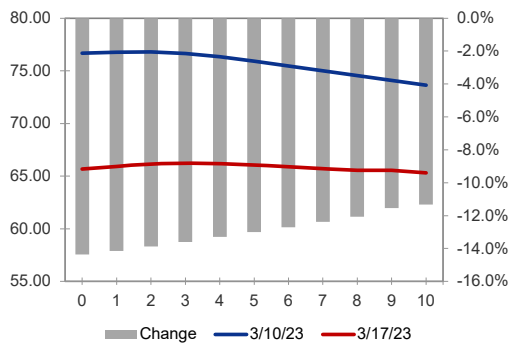
Source: Bloomberg



Crude Oil NYMEX

	<u>3/17/23</u>	<u>3/10/23</u>	<u>Net Chg</u>	<u>%Change</u>
APR 23	65.67	76.68	-11.01	-14.36%
MAY 23	65.92	76.78	-10.86	-14.14%
JUN 23	66.15	76.80	-10.65	-13.87%
JUL 23	66.23	76.65	-10.42	-13.59%
AUG 23	66.19	76.34	-10.15	-13.30%
SEP 23	66.05	75.92	-9.87	-13.00%
OCT 23	65.88	75.47	-9.59	-12.71%
NOV 23	65.72	75.01	-9.29	-12.39%
DEC 23	65.55	74.55	-9.00	-12.07%
JAN 24	65.54	74.09	-8.55	-11.54%
FEB 24	65.29	73.63	-8.34	-11.33%

Source: Bloomberg



(1) Indications only, valuation as of 3/17/2023; includes \$0.00 in customary and transaction expenses; assumes equal monthly volumes.

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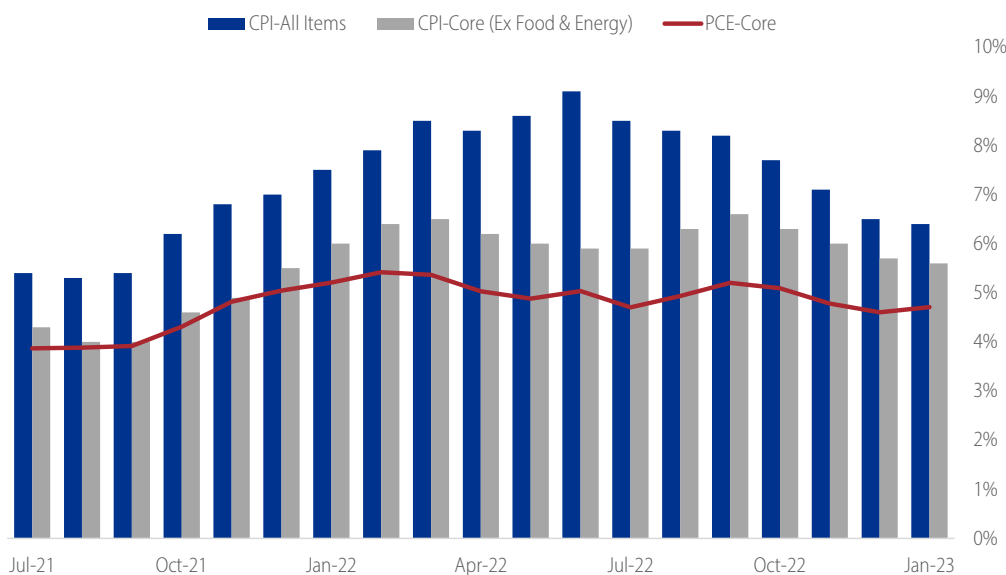
Markets Tumble as Fed's Preferred Inflation Number Heats Up

The latest batch of January inflation data wasn't expected to be a market-mover, despite PCE being the Fed's preferred measure. As it turned out, not only did PCE follow last week's hotter-than-expected CPI script, but it amplified it, abruptly halting the year-over-year downward inflation trend.

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Consumer Price Index (Year-over-Year Percent Change)

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Source: Bureau of Labor Statistics

Not only did PCE follow last week's hotter-than-expected CPI script, but it amplified it, abruptly halting the year-over-year downward inflation trend.

The headline Personal Consumption Expenditures (PCE) deflator climbed +0.6% in January, topping the +0.4% median forecast, while the December gain was revised upward from +0.1% to +0.2%. On an annual basis, PCE actually *increased* to +5.4%, reversing a seven-month decline.

The core PCE deflator (ex food and energy) rose +0.6% In January, following a revised +0.4% December increase. On a year-over-year basis, core PCE climbed from a revised +4.6% to +4.7%. *The optics aren't pretty.* Momentum has disappeared.

Several other economic releases this morning were also a bit too warm. Personal spending rose +1.8% in January, after declines of -0.1% and -0.2% in the previous two months, while new home sales rose +7.2% in January to a +670k unit annual pace, *the highest since last August.* Unseasonably warm weather played a role in the winter spending boom, but signs of increased consumer activity suggest a more resilient economy which, in turn, implies additional Fed tightening.

On a year-over-year basis, core PCE climbed from a revised +4.6% to +4.7%. *The optics aren't pretty. Momentum has disappeared.*

Bond yields are higher across the curve in early trading as investors digest the latest round of unwelcome economic news and anticipate the Fed's reaction. The U.S. economy will eventually weaken, easing price pressure, but the failure of analysts and Fed officials to predict the broad January surge has resulted in a loss of faith.

The two-year Treasury note yield has risen an astonishing 75 basis points in the three-week period following the Fed's announcement of a quarter point hike on February 2nd. The 10-year note yield is roughly 60 bps higher.

Yesterday, in the first of two GDP revisions, fourth quarter growth was trimmed from +2.9% to +2.7%. Despite the relatively minor headline revision, there was significant movement within categories. In particular, personal consumption was whittled down from +2.1% to +1.4%, *the weakest consumer spending since the Q2 2020 pandemic crash*, while gross fixed investment (business spending) was revised sharply upward from +1.4% to +3.7%. On a year-over-year basis, GDP rose by just +0.9%, *also the weakest since the 2020 economic shutdown*.

In terms of contributions to the overall GDP headline, inventories (+1.5) and net exports (+0.5) still combined to make up over 70% of real growth during the quarter. Both of these can be wildly volatile. Core GDP, which excludes inventories and trade as well as government spending, was revised downward from +0.2% to just +0.1%. This is an extremely weak growth number, but it's also grown stale. *January data has clearly heated up*.

Earlier this week, existing home sales fell by -0.7% in January to an seasonally-adjusted annual rate of 4.0 million. The sales pace has fallen for 12 consecutive months on a seasonally-adjusted basis and is now -37% lower year-over-year. Although data from the National Association of Realtors showed average time on the market had risen from 19 days a year ago to 33 days in January, 54% of those homes still sold within a month, indicating a tight market. Supply has improved, but remains a problem. Listings increased for the first time since July, but available supply (at the current sales pace) was just 2.9 months in January, roughly half of "normal."

The U.S. economy will eventually weaken, easing price pressure, but the failure of analysts and Fed officials to predict the broad January surge has resulted in a loss of faith.

On a year-over-year basis, GDP rose by just +0.9%, also the weakest since the 2020 economic shutdown.

Market Indications as of 10:29 A.M. Central Time

DOW	Down -351 to 32,803 (HIGH: 36,800)
NASDAQ	Down -204 to 11,387 (HIGH: 16,057)
S&P 500	Down -60 to 3,953 (HIGH: 4,797)
1-Yr T-bill	current yield 5.05%; opening yield 4.99%
2-Yr T-note	current yield 4.82%; opening yield 4.70%
3-Yr T-note	current yield 4.54%; opening yield 4.41%
5-Yr T-note	current yield 4.22%; opening yield 4.11%
10-Yr T-note	current yield 3.95%; opening yield 3.88%
30-Yr T-bond	current yield 3.92%; opening yield 3.88%

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Yields Lower on Underlying Labor Data and Bank Concerns

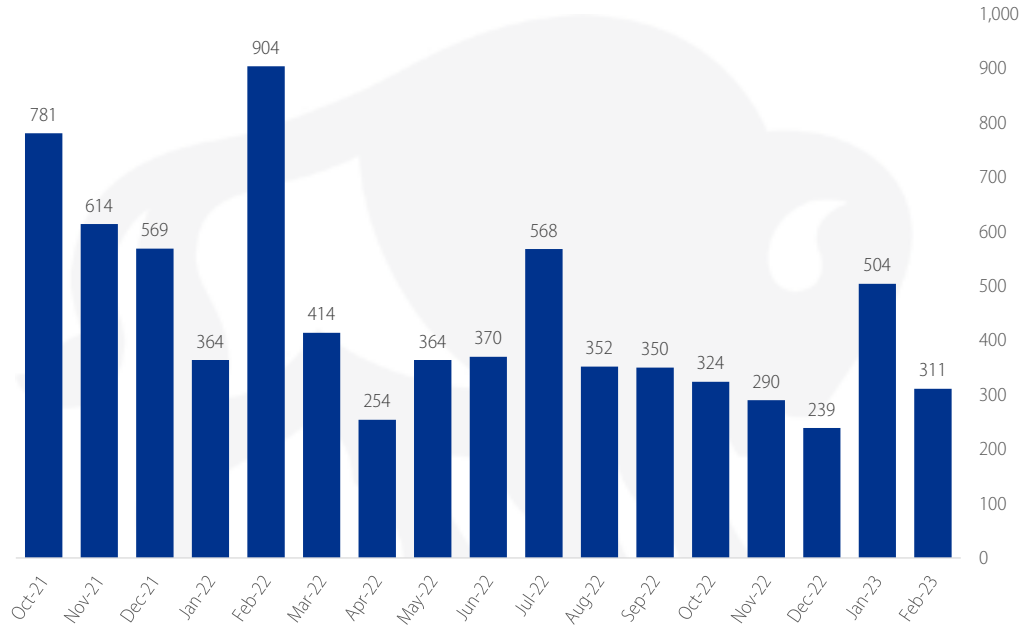
The closely-watched February employment numbers were mixed, but the markets decided a rise in the headline unemployment rate and slower wage growth was more important than the beat in non-farm payrolls, continuing a huge two-day bond rally.

U.S. businesses reported +311k jobs added to company payrolls last month, after a revised +504k gain in January. Although the headline payroll number was uncomfortably above the +225k Bloomberg median forecast, the remainder of the report was market-friendly. For the moment anyway, it appears the Fed will have latitude to hike in smaller increments going forward.

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Non-Farm Payrolls Total Change (in thousands)



Source: Bureau of Labor Statistics

Significant payroll gains were made last month in leisure and hospitality (+105k), retail (+50k), government (+46k), business and professional services (+45k) and healthcare (+44k). Notable payroll losses were concentrated in information technology (-25k) and transportation and warehousing (+22k).

Nonfarm payroll growth has historically been the most important component of the monthly report from the Bureau of Labor Statistics. However, in the post-pandemic era where posted jobs far exceed available workers, the act of adding more employees to payrolls shouldn't be a negative.

In the separate household survey, +177k Americans found jobs while +419k entered (or re-entered) the labor force. This boosted the labor force participation rate from 62.4% to 62.5%, the highest since the pandemic began. The increase in jobseekers

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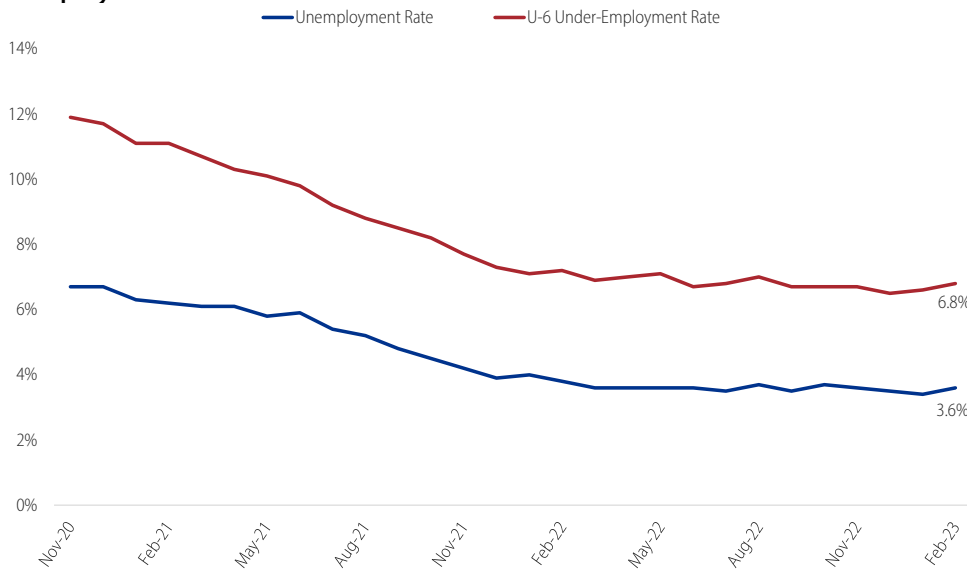
In the post-pandemic era where posted jobs far exceed available workers, the act of adding more employees to payrolls shouldn't be a negative.

helped push the headline unemployment rate up from a 54-year low of 3.4% to 3.6%.

Average hourly earnings, a major focus for Fed officials, climbed by just +0.2% in February. This was below the +0.3% median forecast and *the smallest monthly increase in a year*, and reflects the fact that the majority of jobs added last month were on the lower end of the wage scale.

In other labor-related news from yesterday, initial jobless claims (first-time filings for unemployment benefits) were reported above 200k for the first-time this year, while continuing claims topped 1.7 million for the first time in over a year. This hints that labor conditions (although still extremely tight), may be cooling a bit.

Unemployment Rate



The increase in jobseekers helped push the headline unemployment rate up from a 54-year low of 3.4% to 3.6%.

Source: Bureau of Labor Statistics

In all fairness, yields fell significantly yesterday for reasons unrelated to the labor market. On Wednesday, SVB, a Silicon Valley bank, announced it had absorbed a massive \$1.8 billion loss on its security portfolio, which had resulted from the rapid rise in interest rates.

According to CNN, the bank partners with nearly half of all venture-backed tech and health care companies in the United States. As word of financial distress spread, customers panicked and pulled deposits. Frantic efforts by the bank to raise new capital have failed. Investors are rightly concerned that other banks may suffer a similar fate given the Fed's aggressive policy stance. *Just one more consideration for Fed officials as they contemplate their future course of action.*

Today's employment numbers were ... a relief. However, next week's CPI report will determine whether the FOMC hikes 25 or 50 basis points in 12 days.

Today's employment numbers were ... a relief. However, next week's CPI report will determine whether the FOMC hikes 25 or 50 basis points in 12 days. At the moment, the markets are signaling the smaller hike. In fact, the two-day rally bond rally has extracted 25 bps from total expected tightening this year.

The two-year Treasury note yield, which closed at 5.07% on Wednesday before SVB made headlines, is down to 4.63% this morning. The volatility has been breathtaking.

Market Indications as of 9:58 A.M. Central Time

DOW	Up 47 to 32,302 (HIGH: 36,800)
NASDAQ	Down -42 to 11,296 (HIGH: 16,057)
S&P 500	Down -28 to 3,891 (HIGH: 4,797)
1-Yr T-bill	current yield 4.95%; opening yield 5.11%
2-Yr T-note	current yield 4.63%; opening yield 4.83%
3-Yr T-note	current yield 4.31%; opening yield 4.52%
5-Yr T-note	current yield 3.94%; opening yield 4.17%
10-Yr T-note	current yield 3.69%; opening yield 3.90%
30-Yr T-bond	current yield 3.69%; opening yield 3.85%

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