

We started March where we left off at the end of February with strong bids in Treasuries on uncertain policies and potential slow growth ahead. The March Federal Reserve meeting did little to change the markets opinion as Chairman Powell emphasized how “Uncertainty around the economic outlook has increased.” He went on to say uncertainty 16 times in the press conference. Hopefully we will get more clarity on tariffs on April 2. While the market is still pricing in two rate cuts for 2025, Chairman Powell and many other Fed speakers continue to say they are not in a hurry. Time will tell and in the meantime, we continue to be active in creating bond ladders that yield 4.75-5.25% with a mix of Corporates, CD’s, Treasuries and Hybrid Preferreds with fixed floor coupons with around 5-year average life.

Tax-exempt yields surged higher during March as investors struggled to find clear direction from policy initiatives coming from the new administration. The entire tax-exempt yield curve shifted higher by 30-40 basis points. The intermediate part of the curve (maturities +/- 10 years) showed the biggest yield movements while shorter dated maturities posted the smallest increases. Additionally, tax-exempt bonds continued to cheapen versus Treasury bonds (defined as the ratio of tax-exempt yield versus corresponding Treasury bond yield). Secondary offerings by dealers are near record levels as we close the month, an indication of weaker investor demand in the current environment. The benchmark AAA 10-year tax-exempt yield is being quoted at 3.26%, an increase of 40 basis points over the February closing yield quote, according to information provided by Bloomberg.

MARYLAND MUNICIPAL BOND OFFERINGS

Rating	Par Value	Description	Price	YTM*/YTC*	TEY***
Aa2/NR	50M	Maryland Cmnty Dev. Admin. Hsg & Cmnty Development Sustainable Rev. Bonds 3.125% due 12/1/2026, Subject to extraordinary redemption	100.00	3.125%	5.26%
Aa2/A+	100M	Baltimore, MD Water Projects Rev. 5.00% due 7/1/2030, Callable 1/1/27 @100	103.86	4.17% 2.72%	7.03% 4.59%
Aaa/AAA	15M	Montgomery Co., MD G.O. 4.00% due 11/1/2031	105.82	3.02%	5.08%
Aa1/AA+	125M	Wicomico Co., MD G.O. 4.00% due 10/1/2033 Callable 10/1/28 @100	102.62	3.64% 3.20%	6.13% 5.39%
Aaa/AAA	540M	Howard Co., MD G.O. 4.00% due 8/15/2041, Callable 8/15/34 @100	100.31	3.97% 3.96%	6.69% 6.67%

TREASURY BILL AND CORPORATE BOND OFFERINGS

Rating	Par Value	Description	Price	YTM/YTC
A2/BBB+	280M	Citigroup Inc. 5.00% due 3/28/2029 Callable 3/28/26 @100	100.00	5.00%
Baa3/BBB-	500M	EQT Corp. 7.00% due 2/1/2030, Make-whole call @+50bps until 11/1/29, Callable @100 thereafter	108.41	5.02% 4.93%
A2/BBB+	200M	Goldman Sachs Group Inc. 5.00% due 3/31/2031, Callable 3/31/26 @100	100.00	5.00%
Baa2/BBB	500M	Oracle Corp. 4.90% due 2/6/2033, Make-whole call @+25bps until 11/6/32, Callable @100 thereafter	99.18	5.03%
Baa3/BBB-	250M	Dominion Energy. Fixed-to-Float due 6/1/2054, Coupon 7.00% until 6/1/34, thereafter +251bps with a 5-year reset, Callable 3/3/34 @100, Cannot reset below 7.00%	107.80	6.40% 5.86%

*YTM — Yield to Maturity *YTC — Yield to Call **After Tax Yield (ATY)

***TEY — Tax Equivalent Yield calculated using the 37% federal tax bracket. Bond prices, yields and availability are subject to change based upon market conditions. Please review this information carefully with your Financial Advisor to ensure it meets your investment objectives. Bonds are subject to market and interest risk; values expect to decline as interest rates rise. Bonds may not be suitable for all investors and you should consider specific risks such as credit risk, default risk and volatility prior to investing. Moody’s Investors Services, Standard & Poor’s and Fitch provide ratings. Municipal securities may be subject to Federal Alternative Minimum Tax (AMT). Davenport & Company is a financial services firm and does not provide tax or legal advice. Please consult your professional accounting or legal advisors prior to acting on any information provided by us that may have an effect in these areas. Davenport may have a position in the bonds presented above and may buy or sell such securities in the course of our regular business.