

Treasury prices were lower in October for the first time in five months with continued economic growth, stronger than expected employment and sticky inflation as the main causes for the move. The market is focused on deficits and inflation heading into an action packed first week of November with both the election and Federal Reserve meeting taking place. The market is pricing in a -98% chance of a 25 basis point cut in next week's meeting. We continue to see good demand in corporates and agencies with yields now between 4.5% and 5.5%.

Tax-exempt bond yields have spiked higher by 30-40 basis points across the yield curve since the beginning of October. Fears of a resurgence of inflation and the uncertainty of the U.S. Presidential election have put bond investors on edge. That, coupled with a surge in new issue volume as issuers rush to market before the election, has put upward pressure on interest rate. The bigger yield moves have been posted in the 10-20 year maturity points on the curve, while shorter and longer-dated maturities have seen large moves, but not as pronounced as the middle points on the yield curve. The 10-year benchmark AAA tax-exempt yield is being quoted at 2.99%, according to information provided by Bloomberg.

MARYLAND MUNICIPAL BOND OFFERINGS

Rating	Par Value	Description	Price	YTM*/YTC*	TEY***
Aaa/AAA	35M	Maryland State G.O. 4.00% due 3/1/2029	106.17	2.49%	4.19%
Aaa/AAA	25M	Prince Georges Co., MD G.O. 3.00% due 3/1/2030, Callable 11/29/24 @100	99.72	3.06%	5.15%
Aa1/AA+	200M	Saint Mary's Co., MD G.O. 3.00% due 5/1/2033, Callable 5/1/31 @100	98.50	3.20%	5.39%
Aa1/AA+	405M	Wicomico Co., MD G.O. 4.00% due 11/1/2035, Callable 11/1/32 @100	106.74	3.27% 3.04%	5.50% 5.13%
NR/AA	275M	Maryland Stadium Authority Sports Entertainment Facility Rev. Hagerstown Project 5.25% due 6/15/2052, Callable 6/15/33 @100, Sinking Fund 6/15/48 @100	110.97	4.55% 3.75%	7.66% 6.31%

TREASURY BILL AND CORPORATE BOND OFFERINGS

Rating	Par Value	Description	Price	YTM/YTC
Baa2/BBB	325M	Citigroup Inc. 4.40% due 6/10/2025	99.83	4.68%
Aaa/AAA	260M	Federal Home Loan Bank 4.625% due 10/15/2029, Callable 4/15/25 @100	100.00	4.62% 4.61%
A1/A-	180M	Bank of America 5.05% due 10/29/2031, Callable 10/29/25 @100	100.00	5.05%
A3/NR	190M	US Bancorp 5.00% due 10/30/2034, Callable 10/30/26 @100	100.00	5.00%
Baa1/BBB	500M	Dow Chemical 5.55% due 11/15/2054, Callable 5/15/25 @100, Survivor Option	100.00	5.55%

*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.