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Weekly Healthcare Market Update

John Henningsgard
CO-HEAD OF HEALTHCARE
MINNEAPOLIS

Keith Kleven
CO-HEAD OF HEALTHCARE
MINNEAPOLIS

Jeff Cohen
MANAGING DIRECTOR
ALBANY

Jeff Fivecoat
MANAGING DIRECTOR
COLUMBUS

Nessy Shems
MANAGING DIRECTOR
BOSTON

Todd Van Deventer
MANAGING DIRECTOR
KANSAS CITY

Frank Kaul
SENIOR VICE PRESIDENT
MINNEAPOLIS

Andrew Jessmore
VICE PRESIDENT
MINNEAPOLIS

Michelle Chen
ANALYST
MINNEAPOLIS

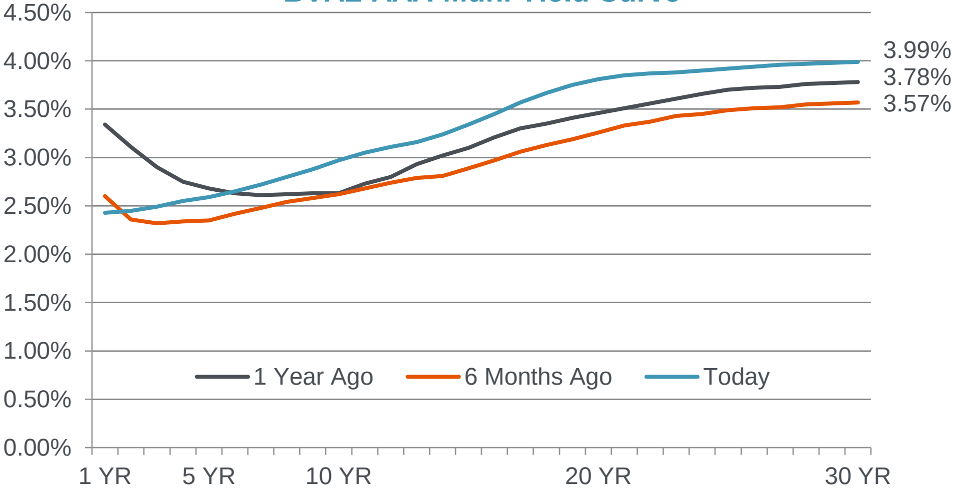
Capital Markets Update

Market Commentary

Treasury and municipal yields fell across the curve last week in response to last Wednesday's tariff announcement. In Treasuries, 10-year yields moved 26 bps lower and 30-year yields decreased 23 bps. Municipal yields followed Treasuries lower, as 10-year and 30-year yields fell by 33 bps and 29 bps, respectively. Municipal bond funds experienced outflows for the fourth consecutive week, with $232 million exiting funds, following $573 million of outflows in the prior week. In addition to evaluating the potential impact of the tariff announcement, market participants will be watching for the release of the March CPI report on Thursday. The inflation report is expected to show price increases slowing to 2.6%. Currently, the market is anticipating the first rate cut to occur in June, with a 50% probability of a cut in May. Market participants expect some rate volatility ahead as the impact of policy decisions remains uncertain.

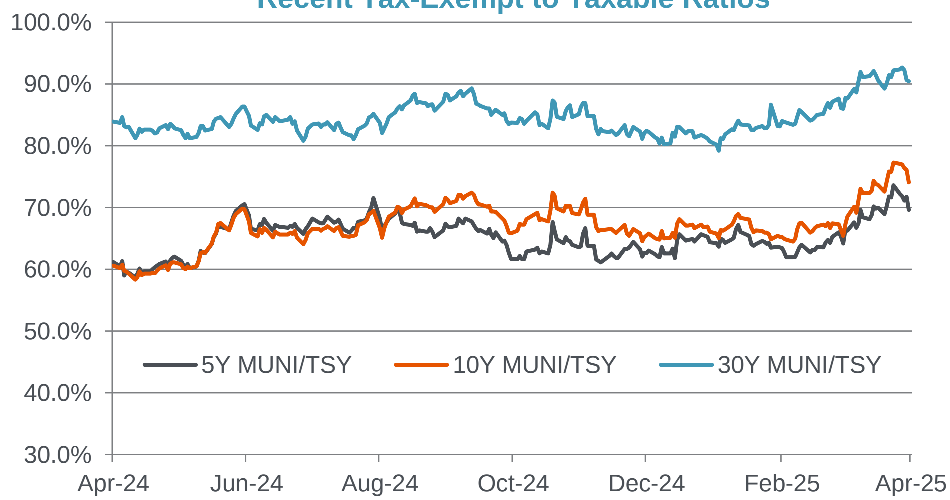
US Treasury Market			Tax-Exempt Market			Tax-Exempt to Taxable Ratios		
US Treasury	**Current Yield**	**Weekly Change**	**BVAL "AAA" Muni Yield**	**Current Yield**	**Weekly Change**	**Muni / TSY Ratio**	**Current Ratio**	**Previous Week**
1 Year	3.86%	-18 bps	1 Year	2.43%	-23 bps	5Y Muni / TSY	69.6%	73.6%
5 Year	3.72%	-26 bps	5 Year	2.59%	-34 bps	10Y Muni / TSY	74.1%	77.3%
10 Year	4.01%	-26 bps	10 Year	2.97%	-33 bps	30Y Muni / TSY	90.5%	92.2%
20 Year	4.44%	-21 bps	20 Year	3.81%	-29 bps			
30 Year	4.41%	-23 bps	30 Year	3.99%	-29 bps			

BVAL AAA Muni Yield Curve



Source: Bloomberg

Recent Tax-Exempt to Taxable Ratios



Source: Bloomberg, Treasury.gov

Note: Rates as of April 4, 2025.

Healthcare Market Update

Pricings last week

Mayo Clinic (MN) was in the market last week.

Selected Healthcare Financings Priced the Week of 3/31/2025							
Borrower	Par Amount ($000s)	Rating (M/S/F)	Spread	Coupon/Yield	Maturity	Tax Status	Purpose
Mayo Clinic (MN)	$100,000	Aa2/AA/NR	0.43%	4.38%/4.60%	2053	Tax-Exempt	New Money
Mayo Clinic (MN)[1]	$100,000	Aa2/AA/NR	0.36%	5.00%/3.32%	2055	Tax-Exempt	New Money
Total	**$200,000**						

[1] Mandatory tender date of May 15, 2032.

Expected pricings this week

Bon Secours Mercy Health and Baylor College of Medicine (TX) are expected to price issues this week.

Selected Healthcare Financings Expected the Week of 4/7/2025					
Borrower	Par Amount ($000s)	Rating (M/S/F)	Expected Pricing Date	Tax Status	Purpose
Bon Secours Mercy Health	$705,700	A1/A+/AA-	4/8	Tax-Exempt	New Money and Refunding
Bon Secours Mercy Health[2]	$185,545	A1/A+/AA-	4/8	Tax-Exempt	New Money and Refunding
Baylor College of Medicine (TX)[2]	$150,000	NR/A/NR	4/8	Tax-Exempt	New Money
Total	**$1,041,245**				

[2] Includes mandatory tender bonds.

Recent rating actions

Selected Moody's Rating Actions for the Week of 3/31		
Borrower	Rating (Outlook)	Note
EvergreenHealth (WA)	A1 (Sta)	Revised to Sta
Monument Health (SD)	A1 (Sta)	Rating affirmed
Corewell Health (MI)	Aa3 (Sta)	Rating affirmed

Selected S&P Rating Actions for the Week of 3/31		
Borrower	Rating (Outlook)	Note
Brown Health (RI)	BBB+ (Sta)	Rating affirmed
Adena Health (OH)	A- (Neg)	Rating affirmed
OSF Healthcare (IL)	A (Sta)	Rating affirmed

Selected Fitch Rating Actions for the Week of 3/31		
Borrower	Rating (Outlook)	Note
CHRISTUS Health (TX)	A+ (Sta)	Rating affirmed
Cape Cod Healthcare (MA)	AA- (Sta)	Rating affirmed
Prime Healthcare (CA)	A- (Sta)	Rating affirmed

Note: Expected pricings based on the negotiated calendar, which was released on Thursday, April 3rd.

Fixed Income Analytics Group

In-depth market analysis

Piper Sandler has a nationally recognized fixed income analytics team that provides comprehensive research into market trends and outlook.

Nonfarm Payrolls and Unemployment (Jobs Report Shatters Expectations)

"The March jobs report exceeded expectations, with the U.S. adding 228k jobs, more than double the 117k added in February, and surpassing the three-month, six-month, 12-month, and 24-month averages. Notable gains were seen in health care, social assistance, and leisure & hospitality sectors. While overall government jobs increased by 19k, federal government employment posted its second consecutive decline. The household survey also depicted a more robust picture, showing an increase of 201k employed workers. Although the unemployment rate rose from 4.1% to 4.2%, reaching its cyclical high, this was partly driven by an uptick in the participation rate as more Americans entered the workforce. Despite the seemingly strong jobs report, other labor market indicators suggest underlying vulnerabilities. Job postings remain at multi-year lows, layoffs of temporary jobs are on the rise, and the voluntary quit rate has declined by the most in almost a year. More alarmingly, the number of Americans working multiple jobs has escalated to historic levels, highlighting ongoing challenges such as insufficient wages, underemployment, and a scarcity of full-time opportunities. On a more optimistic note, year-over-year wage growth fell to 3.8%, with wage growth for production and nonsupervisory employees—who constitute approximately 82% of the workforce—declining to 3.9% YoY, hitting a cyclical low. This development should offer some relief to the Fed as it strives to balance employment and inflation amidst the evolving tariff landscape. The U.S.'s 'reciprocal' tariff announcements were more aggressive than anticipated, but their impact on the economy may take several months to materialize."

Initial Jobless Claims (Hitting 7-Month Lows Alongside a Cycle High)

"The number of individuals applying for unemployment benefits last week decreased modestly, reaching a seven-week low. This decline in jobless claims, along with a decrease in the moving average, underscores the persistent strength of the U.S. labor market that has characterized it over the past three years. On the other hand, continuing claims rose to their highest level since November 2021, which is a cycle high. The contrast between falling initial claims and rising continuing claims indicates reemployment challenges in the labor market, suggesting that individuals who have been laid off are struggling to secure new jobs. The Trump administration's job cuts related to DOGE have not been reflected in recent reports, which show only 564 federal employees filing new claims in the week ending March 22. In contrast, total job cut announcements hit 275k in March. This discrepancy suggests a lag in reporting or the possibility that many affected employees have not filed for unemployment benefits as many workers have been reinstated by court order. Low levels of layoffs have kept the labor market strong, but as the ratio of job openings to unemployed individuals declines, a hiring slowdown is expected. Adding to the weakness will be the escalating trade wars that are unlikely to produce positive outcomes. The extent of damage to the economy and the labor market will now also depend on the duration of these new trade disputes."

ISM Manufacturing PMI (Factories Beset by Tariff Anxieties)

"U.S. manufacturing activity contracted for the first time this year. It appears that manufacturers may have proactively accelerated orders to circumvent tariffs, and the artificial demand they created earlier in the year may have run its course. The decline was notable across the board, with three out of five manufacturing subindices pushing the overall index into contraction territory. The Input Prices Index soared to its highest level since June 2022, driven by significant increases in steel and aluminum prices due to newly imposed tariffs. However, a similar trend was observed during the 2018 tariff episode, which did not lead to inflation, as core PCE remained relatively stable. The manufacturing sector has faced difficulties in recent years due to a higher interest rate environment, and the current uncertainty surrounding tariffs is exacerbating the situation. Almost all survey respondents voiced concerns regarding tariffs."

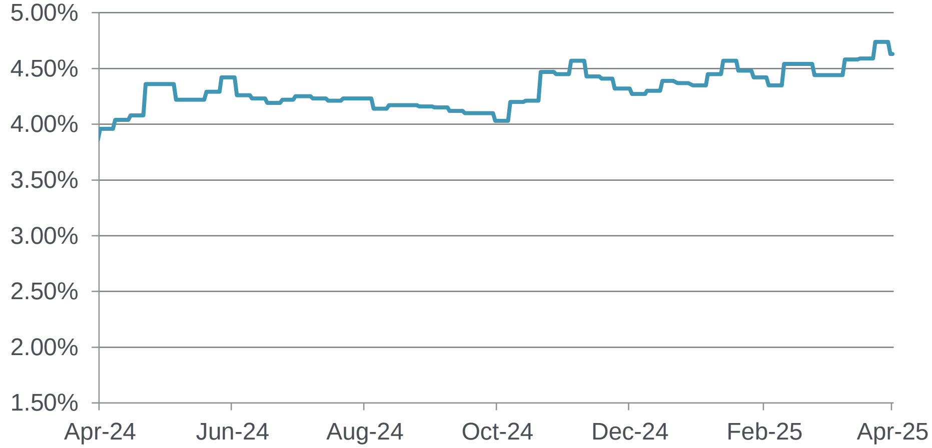
Rate Movements Last 12 Months

Long-term and short-term rates

Index	Current	Max	Min	Average
BBRBI	4.63%	4.74%	3.83%	4.28%
10Y Muni	2.97%	3.32%	2.52%	2.87%
10Y Treasury	4.01%	4.79%	3.63%	4.28%
SIFMA	2.72%	4.55%	1.83%	3.33%
SOFR	4.35%	5.40%	4.27%	4.89%
SIFMA/SOFR Ratio	62.5%	84.2%	42.4%	64.8%

Long-Term Rates

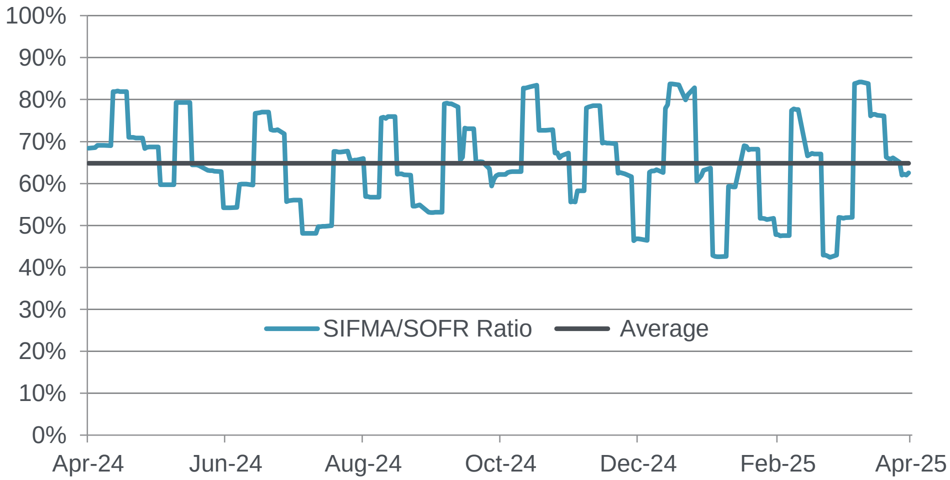
The Bond Buyer Revenue Bond Index



Source: Bond Buyer

Short-Term Rates

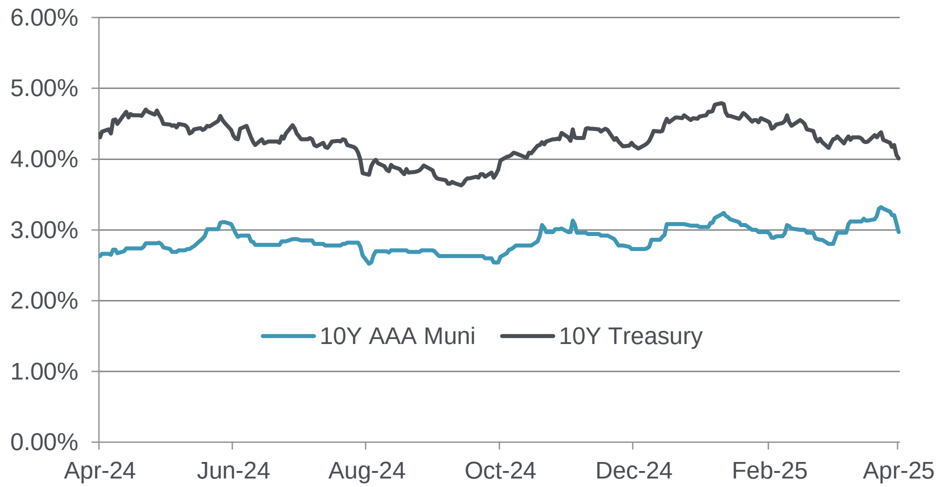
SIFMA/SOFR Ratio



Source: SIFMA, Bloomberg

Long-Term Rates

Tax-Exempt and Taxable Rates

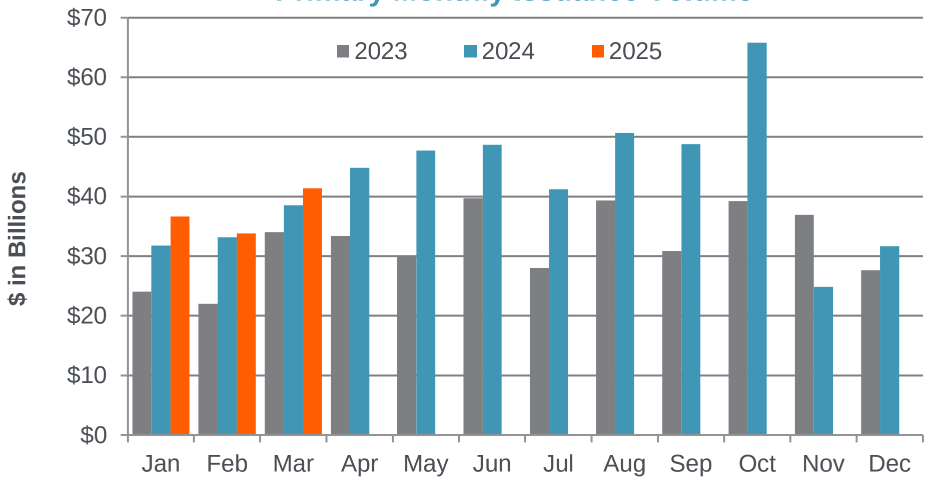


Source: Treasury.gov, Bloomberg

Bond Buyer Revenue Bond Index (BBRBI) shows the average yield on a basket of 25 revenue bonds with 30-year maturities and an average rating equivalent to Moody's "A1" and S&P's "A+."
Bloomberg's BVAL AAA Callable Curve (Muni) is the yield curve of the highest-rated ("AAA" GO) municipal bonds.
SIFMA rate is a weekly short-term index comprised of tax-exempt variable rate bonds which serves as a benchmark floating rate.
Secured Overnight Financing Rate (SOFR) is a benchmark rate at which banks charge each other for short-term loans. SOFR is a replacement for LIBOR.

Municipal Bond Supply and Economic Calendar

Primary Monthly Issuance Volume



Source: Bond Buyer

Economic Outlook

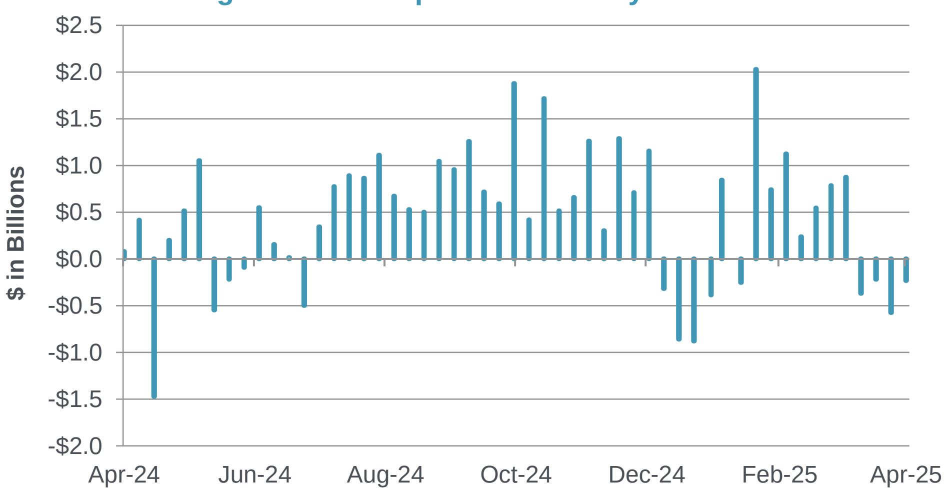
Monday, April 7	Tuesday, April 8	Wednesday, April 9
		EIA Petroleum Status Report
		FOMC Minutes

Thursday, April 10	Friday, April 11
CPI	PPI Final Demand
Jobless Claims	Consumer Sentiment
EIA Natural Gas Report	
Treasury Statement	
Fed Balance Sheet	

Reference Key
Market Moving Indicator
Merits Extra Attention

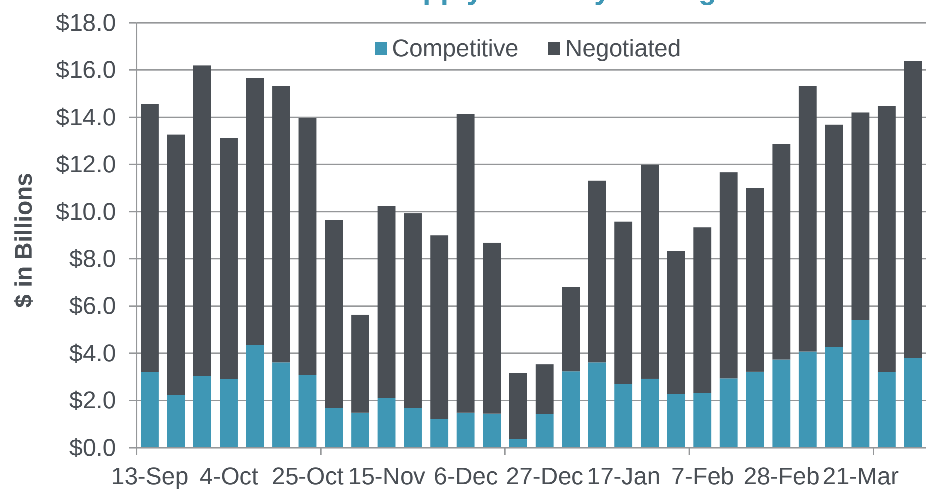
Source: Bloomberg.com

Long-Term Municipal Fund Weekly Net Cash Flows



Source: Lipper

Visible Supply - Weekly Averages



Source: Bond Buyer

Visible Supply reflects the dollar volume of bonds expected to reach the municipal market in the next 30 days.

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