

Treasury yields started the month on the high side of their ranges for the year but then made a quick move lower in the middle of the month. The downward move began when the change in the employment cost index reported the smallest gain in over five years, and retail sales were reported flat for December. Yields in the corporate bond market continued to tighten in the month of February with fairly low new issuance. We continue to see strong activity in CD's, and callable and non-call investment grade corporates with yields in the 4%-5% range.

Municipal bond yields moved lower across the 1-30YR tax-exempt yield curve during the month of February. Activity during the month has been a continuation of the "bull steepening" trend that began in November. Demand remains strong for tax-exempt bonds, especially at the short end of the yield curve. Strong reinvestment dynamics associated with the first two months of the year have contributed to the strong start to 2026. Available reinvestment funds tend to wane into the spring before picking up again in the May-July period. Yields at the long end of the tax-exempt curve remain elevated and provide attractive opportunities for Municipal Bond investors.

MARYLAND MUNICIPAL BOND OFFERINGS

Rating	Par Value	Description	Price	YTM*/YTC*	TEY***
Aaa/AAA	25M	Montgomery Co., MD G.O. 4.00% due 8/1/2028	104.36	2.15%	3.62%
Aaa/AAA	50M	Montgomery Co., MD G.O. 5.00% due 10/1/2029, Callable 10/1/27 @100	104.53	3.64% 2.10%	6.14% 3.54%
Aa3/NR	100M	Prince Georges Co., MD Certificate of Participation-Suitland Public Infrastructure 3.00% due 10/1/2038, Callable 10/1/28 @100, Sinking Fund 10/1/36 @100, Subject to extraordinary redemption	96.84	3.31% 3.29% ATY**	5.57% 5.54%**
Aa3/A-	565M	Baltimore. MD Wastewater Project Rev. 4.00% due 7/1/2044, Callable 7/1/29 @100, Sinking Fund 7/1/40 @100	100.78	3.94% 3.75%	6.63% 6.31%
Aaa/AAA	850M	Washington Suburban Sanitation District, MD Rev. 4.375% due 6/1/2050, Callable 6/1/36 @100	101.37	4.28% 4.21%	7.21% 7.09%

TREASURY BILL AND CORPORATE BOND OFFERINGS

Rating	Par Value	Description	Price	YTM/YTC
A3/BBB+	270M	McKesson Corp. 7.65% due 3/1/2027, Make-whole call @+12.50bps	103.87	3.72%
A1/A-	270M	Bank of America 4.05% due 2/23/2029, Callable 2/23/27 @100, Monthly Pay	100.00	4.05%
Baa2/BBB+	365M	Martin Marietta Materials Inc. 6.25% due 5/1/2037, Make-whole call @+25bps	110.60	5.00%
A1/A-	200M	Bank of America 5.05% due 12/4/2037, Callable 12/4/26 @100, Monthly Pay	100.00	5.05%
A1/A	95M	JPMorgan Chase & Co. 5.05% due 8/13/2038, Callable 2/13/28 @100, Annual Pay	100.00	5.05%

*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.