

The highlight of March was another anticipated Fed meeting, especially after back to back bigger than expected inflation increases. The market wanted confirmation that after the last two inflation increases the Fed's next move was still a cut and not a hike. The Fed kept their 2024 Dot Plot the same at 3 cuts, but slightly more tilted towards 2 cuts. The biggest news was that the Fed acknowledged that they expect to see stronger growth, higher inflation and slightly lower employment. Because of this acknowledgement the Fed made it clear that they are not thinking about hikes right now and are still focused on the path of rate cuts, however, they are willing to be patient. With the Fed at an end of a hiking cycle, we would still recommend accounts adding duration to their fixed income portfolios.

Tax-exempt bonds continue to move sideways during 2024. The benchmark AAA 10-year tax-exempt yield has spent most of February and March trading around 2.50%, with yields capped 5 basis points in either direction. The tax-exempt curve remains inverted through the first 10 years and has actually inverted by an additional 10-15 basis points since mid-February. We continue to see institutional selling pressure in the 1-2 year range and reinvesting in 5-10 year maturities on the yield curve. Representative AAA tax-exempt benchmark yields in the 1, 5, 10 and 30-year maturities are being quoted at 3.06%, 2.46%, 2.47% and 3.64%, respectively, according to information provided by Bloomberg.

MARYLAND MUNICIPAL BOND OFFERINGS

| Rating | Par Value | Description | Price | YTM*/YTC* | TEY*** |
|---------|-----------|--|--------|----------------|----------------|
| Aaa/AAA | 115M | Anne Arundel Co., MD Special Obligation Rev. 3.00% due 7/1/2027, Callable 7/1/24 @100 | 99.99 | 3.00% | 5.05% |
| Aa3/AA | 75M | Maryland State Water Quality Financing Admin Bay Restoration Fund Rev. 3.00% due 3/1/2030, Callable with 20 days' notice | 99.99 | 3.00% | 5.05% |
| Aaa/AAA | 150M | Prince Georges Co., MD Consolidated Public Improvement G.O. 3.00% due 3/1/2031, Callable with 30 days' notice | 99.99 | 3.00% | 5.05% |
| Aaa/AAA | 40M | Maryland State G.O. 3.00% due 6/1/2031, Callable 6/1/24 | 99.99 | 3.00% | 5.05% |
| NR/A+ | 150M | Howard Co., MD Housing Commission Capital Improvement Rev. 3.75% due 6/1/2031, Callable 6/1/25 @100, Subject to extraordinary redemption | 99.99 | 3.75% | 6.32% |
| Aaa/AAA | 100M | Prince Georges Co., MD Consolidated Public Improvement G.O. 4.00% due 7/15/2032, Callable 7/15/28 @100 | 105.24 | 3.27% 2.70% | 5.51% 4.55% |

TREASURY BILL AND CORPORATE BOND OFFERINGS

| Rating | Par Value | Description | Price | YTM/YTC |
|--------------|-----------|---|--------|----------------|
| FDIC Insured | 250M | Bank of America Ctf of Deposit 5.10% due 4/4/2025, Survivor Option | 100.00 | 5.10% |
| Baa1/BBB+ | 270M | Nextera Energy 4.95% due 1/28/2026, Make-whole call @+10bps | 99.87 | 5.02% |
| Aaa/AA+ | 300M | Federal Home Loan Bank 5.00% due 2/9/2027, Callable 5/9/24 @100 | 99.99 | 5.00% |
| Baa1/BBB | 160M | Keurig Dr. Pepper Inc. 5.20% due 3/15/2031, Make-whole call @+15bps until 1/15/31, Callable @100 thereafter | 101.05 | 5.02% 5.01% |
| Baa2/BBB | 200M | Dominion Energy Inc. 6.75% due 12/15/2032, Make-whole call @+25 bps | 108.83 | 5.46% |
| A1/A- | 400M | JPMorgan Chase 5.25% due 3/21/2034, Callable 3/21/26 @100 | 100.00 | 5.25% |

*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.