

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.

VIRGINIA MUNICIPAL BOND OFFERINGS

Rating	Par Value	Description	Price	YTM*/YTC*	TEY***
Aa1/AA- (Aa3/- Underlying)	240M	Danville, VA G.O. 4.00% due 3/1/2025, Credit Enhancement-State Aide Withholding	100.86	3.05%	5.14%
Aaa/AAA	270M	Virginia State Resources Authority Infrastructure Rev. 3.00% due 11/1/2027, Callable 11/1/24 @100	99.99	3.00%	5.05%
Aa2/AA+	245M	Fairfax Co., VA Industrial Development Authority Rev. Inova Health Systems 5.00% due 5/15/2030, Callable 5/15/26 @100, Subject to extraordinary redemption	104.42	4.17% 2.85%	7.03% 4.79%
Aa1/AA+	500M	Virginia College Building Authority Rev. 5.00% due 2/1/2037, Callable 2/1/33 @100	117.72	3.30% 2.73%	5.55% 4.60%
Aa1/AA	125M	Richmond, VA Public Utility Rev. 5.00% due 1/15/2047, Callable 1/15/34 @100, Sinking Fund 1/15/46 @100	113.23	4.10% 3.40%	6.10% 5.73%
Aaa/AAA	245M	Leesburg, VA G.O. 4.00% due 1/15/2052, Callable 1/15/34 @100, Sinking Fund 1/15/51 @100	99.98	4.00%	6.74%

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.