



Northern California Power Agency

November 2025

Finance Committee Materials

PFM Financial Advisors
LLC

222 N. Pacific Coast
Hwy., 10th Floor
El Segundo, CA 90245

213.489.4075



Report on Current Financial Market Conditions or Issues

Data, rates, and related statistics and charts are as of November 12, 2025, unless otherwise indicated



Market Overview Since August 5th

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
5-Aug	44,112	3.15%	4.22%	4.55%	4.78%
3-Sep	45,271	3.17%	4.22%	4.58%	4.90%
Δ	1,159	0.02%	0.00%	0.03%	0.12%

- BVAL and Treasury rates stayed relatively steady through August, despite investor concerns connected to the tariff package put into effect on 8/1, the firing of the BLS director, and the attempted ousting of Fed Governor Lisa Cook

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
3-Sep	45,271	3.17%	4.22%	4.58%	4.90%
16-Sep	45,758	2.83%	4.04%	4.17%	4.65%
Δ	487	-0.34%	-0.18%	-0.41%	-0.25%

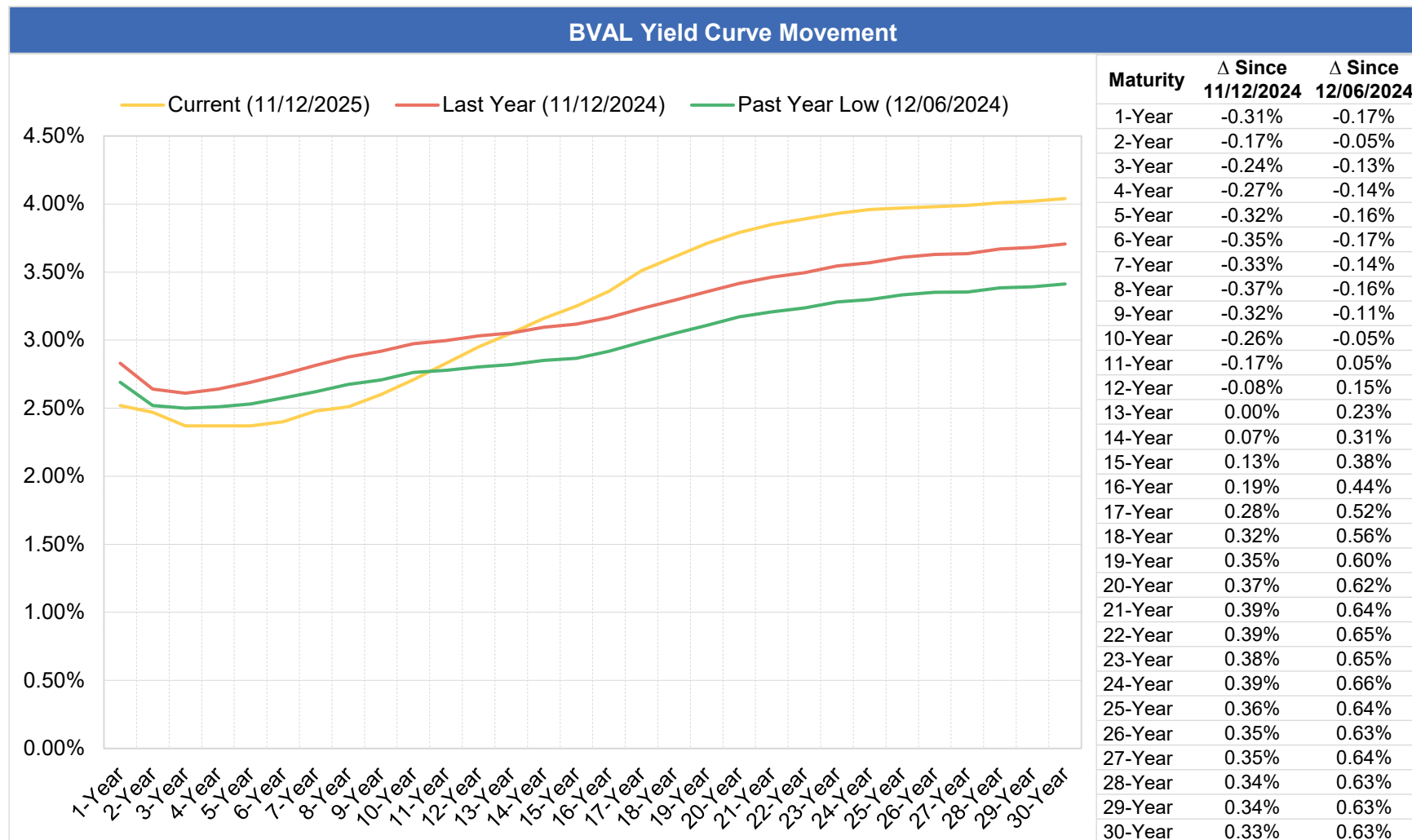
- On September 17th, the Fed cut the Funds Rate for the first time in 9 months by 25 bps
 - Treasuries initially rallied but quickly reversed, finishing the week higher
 - Powell's cautionary comments about balancing the weakening job market and inflation concerns ultimately kept Treasuries higher than the two weeks prior

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
16-Sep	45,758	2.83%	4.04%	4.17%	4.65%
12-Nov	48,255	2.71%	4.08%	4.04%	4.67%
Δ	2,497	-0.12%	0.04%	-0.13%	0.02%

- As a result of strong data released the week of September 22nd, showing GDP above expectations and PCE steady, municipal rates were pressured to move higher
- Despite the ongoing federal government shutdown, municipal bonds were well supported by strong investor demand in early October, allowing the BVAL AAA curve to rally modestly, even as economic data releases were suspended
- The Federal Reserve ultimately delivered its second 25 basis point rate cut of the quarter on October 29th
- For the week ending 10/29, ICI showed fund outflows of \$3.6 billion, but demand rebounded the week ending 11/5



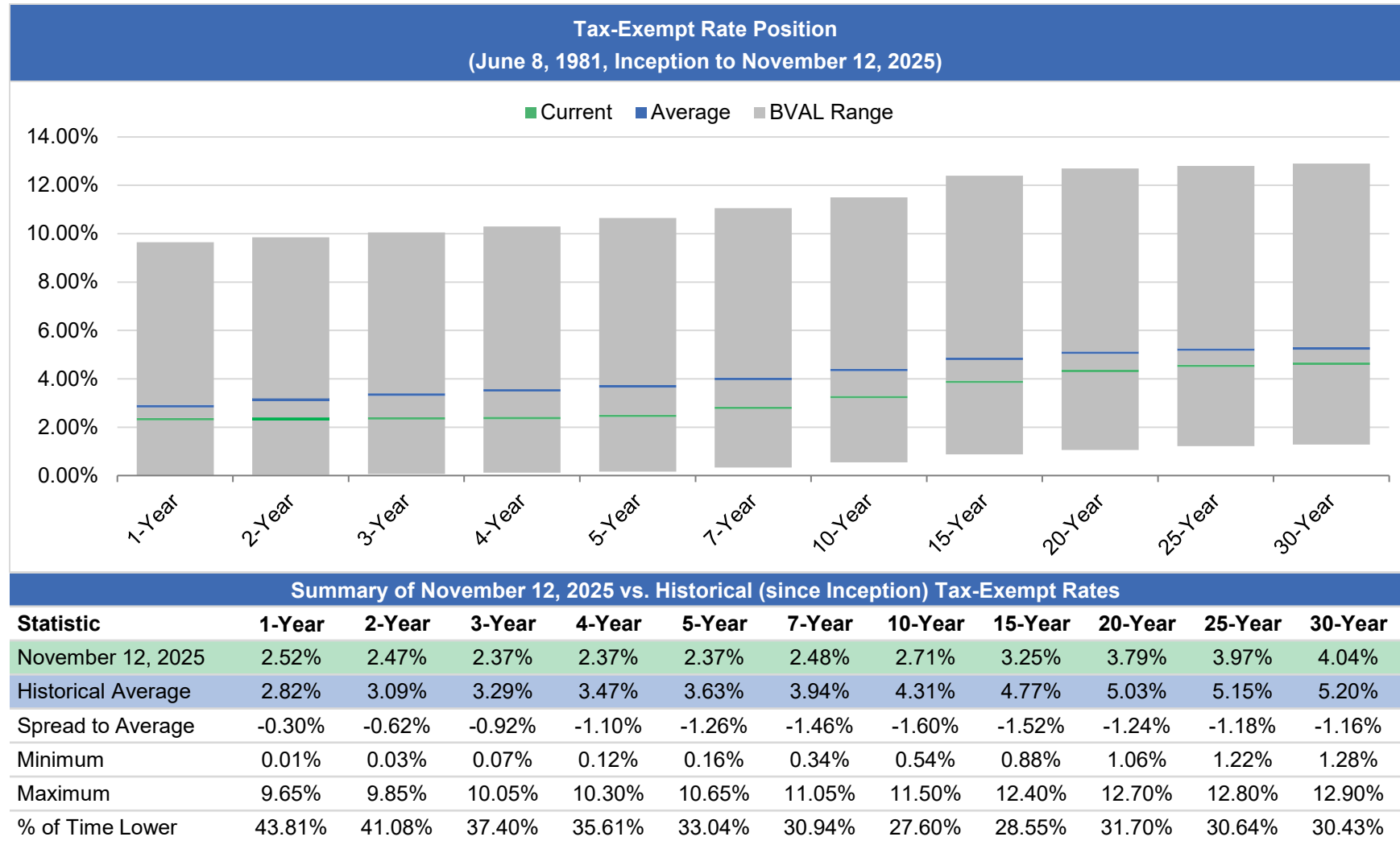
Recent BVAL Yield Curve Movement



Source: Bloomberg, PFM Research



Tax-Exempt Rate Position Since Inception

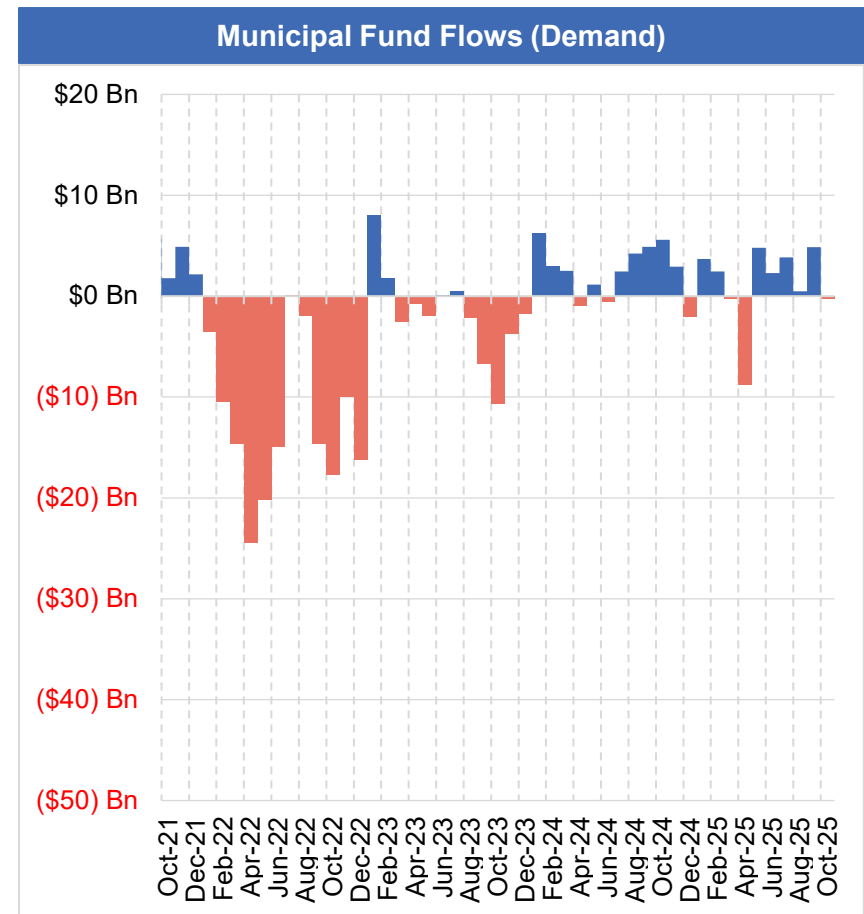
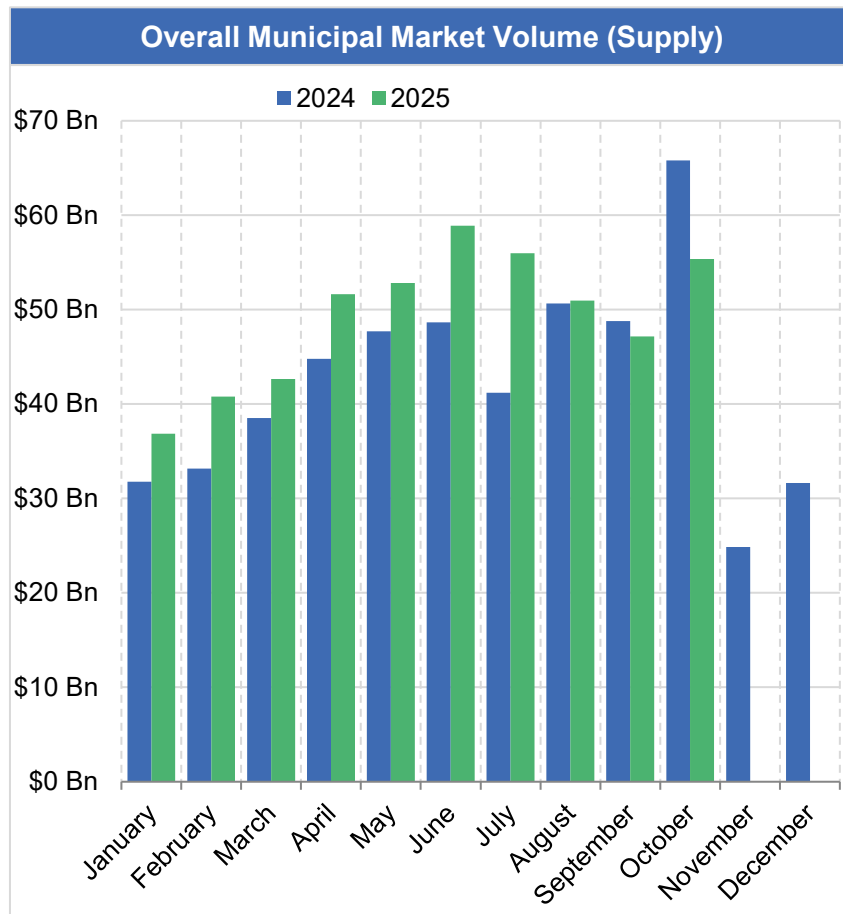


Source: Bloomberg, PFM Research



Municipal Market Supply & Demand

- Municipal funds experienced slight net outflows in October. New issuance volume was down 15.9% year-over-year in October, and year-to-date new issuance volume was 9.3% higher than 2024 issuance through October.



Source: Bond Buyer, Investment Company Institute



Interest Rate Forecasts

- Market participants are split as to whether to expect another rate cut this quarter.

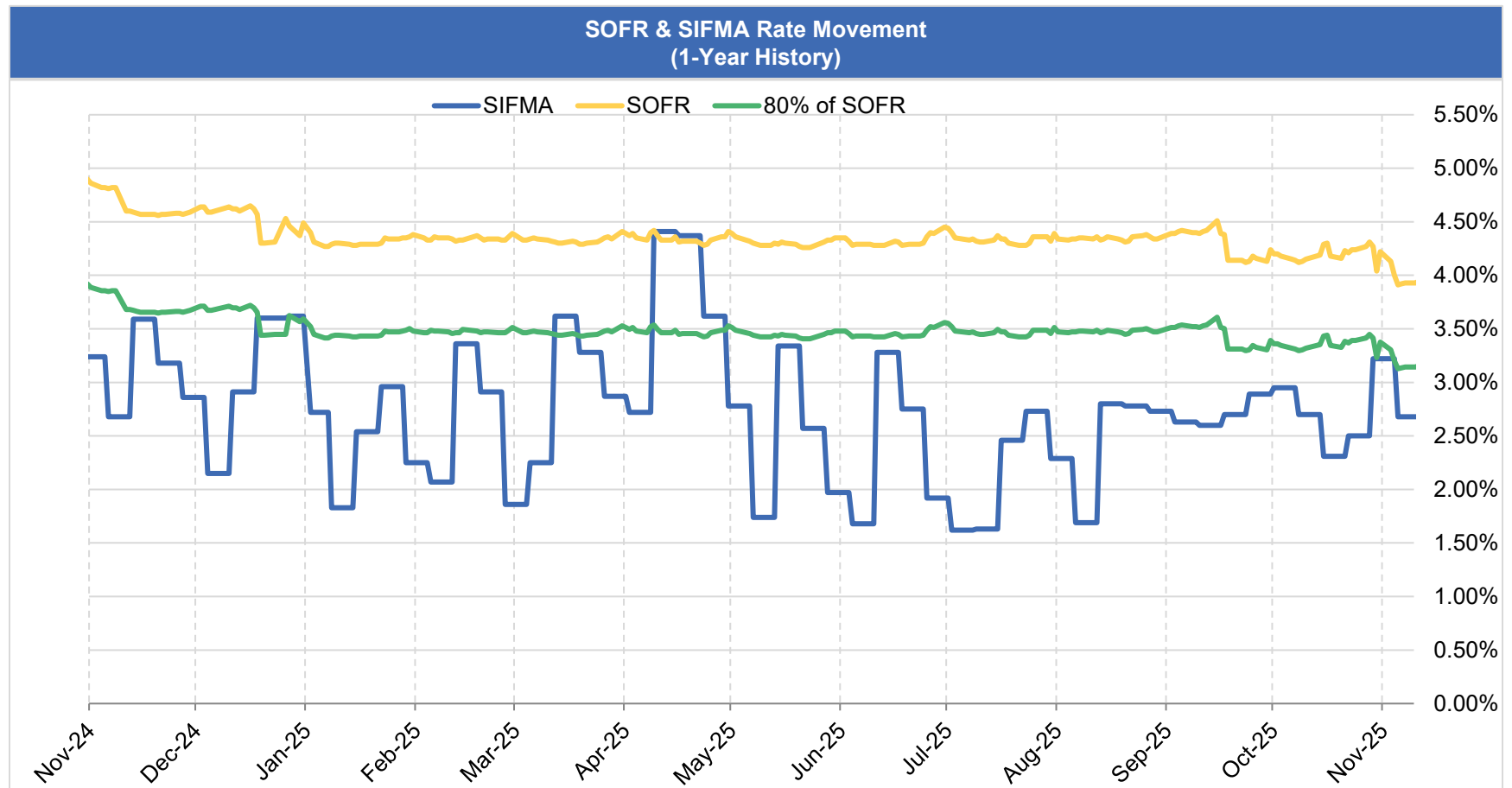
The Street's Interest Rate Forecast (As of November 10, 2025)								
Average Forecasts	Current	Q4 25	Q3 Δ vs. Current	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27
30-Year UST	4.70%	4.67%	-0.03%	4.64%	4.62%	4.60%	4.61%	4.58%
10-Year UST	4.10%	4.12%	0.02%	4.10%	4.08%	4.07%	4.07%	4.00%
2-Year UST	3.58%	3.50%	-0.08%	3.42%	3.37%	3.34%	3.33%	3.28%
3M SOFR	3.84%	3.72%	-0.12%	3.51%	3.32%	3.22%	3.19%	3.18%
Fed Funds Target Rate	3.75%	3.58%	-0.17%	3.36%	3.17%	3.05%	3.01%	2.92%
<i>Fed Funds Δ Since August Meeting</i>	-0.50%	-0.27%		-0.28%	-0.27%	-0.25%	-0.19%	-0.11%

Source: Bloomberg



SOFR & SIFMA Rate Movement

- SIFMA fluctuated in October within 2.31% and 3.22%. SOFR fell to sub-4% levels on 11/5, a week after the most recent Fed rate cut, remaining within the 3.90% - 3.95% range since.



Source: Bloomberg, PFM Research



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