



# Northern California Power Agency

**May 2025**

**Finance Committee Materials**

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PFM Financial Advisors  
LLC

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# Report on Current Financial Market Conditions or Issues

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*Data, rates, and related statistics and charts are as of April 29, 2025, unless otherwise indicated*



## Market Overview Since February 11<sup>th</sup>

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
11-Feb	44,594	2.97%	4.54%	3.91%	4.75%
4-Apr	38,315	2.93%	4.01%	3.96%	4.41%
Δ	-6,279	-0.04%	-0.53%	0.05%	-0.34%

- In the second half of February Treasuries and BVAL trended downward in response to several data releases
  - Consumer sentiment released 2/21 showed a steeper drop than expected and the highest 5-year inflation outlook since 1995, at 3.5%
  - Consumer confidence data on 2/25 fell the most since August 2021
- For much of March, uncertainty about actions in Washington and tariff rollout, coupled with data showing a weakening economy, continued to drive volatility
- Moving into April and ahead of “Liberation Day,” markets reacted strongly to growing concerns over the US economic outlook and anticipated impacts of the trade war, inciting a flight to safety

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
4-Apr	38,315	2.93%	4.01%	3.96%	4.41%
9-Apr	40,608	3.80%	4.34%	4.80%	4.72%
Δ	2,294	0.87%	0.33%	0.84%	0.31%

- The week after Trump’s tariff announcements, rates experienced the most extreme volatility since the Pandemic, with market reactions to the tariff rollout and subsequent 90-day pause resulting in day-to-day swings of sometimes more than 30 bps

Date	DJIA	10-Yr BVAL	10-Yr Tsy	30-Yr BVAL	30-Yr Tsy
9-Apr	40,608	3.80%	4.34%	4.80%	4.72%
30-Apr	40,669	3.34%	4.17%	4.39%	4.66%
Δ	61	-0.46%	-0.17%	-0.41%	-0.06%

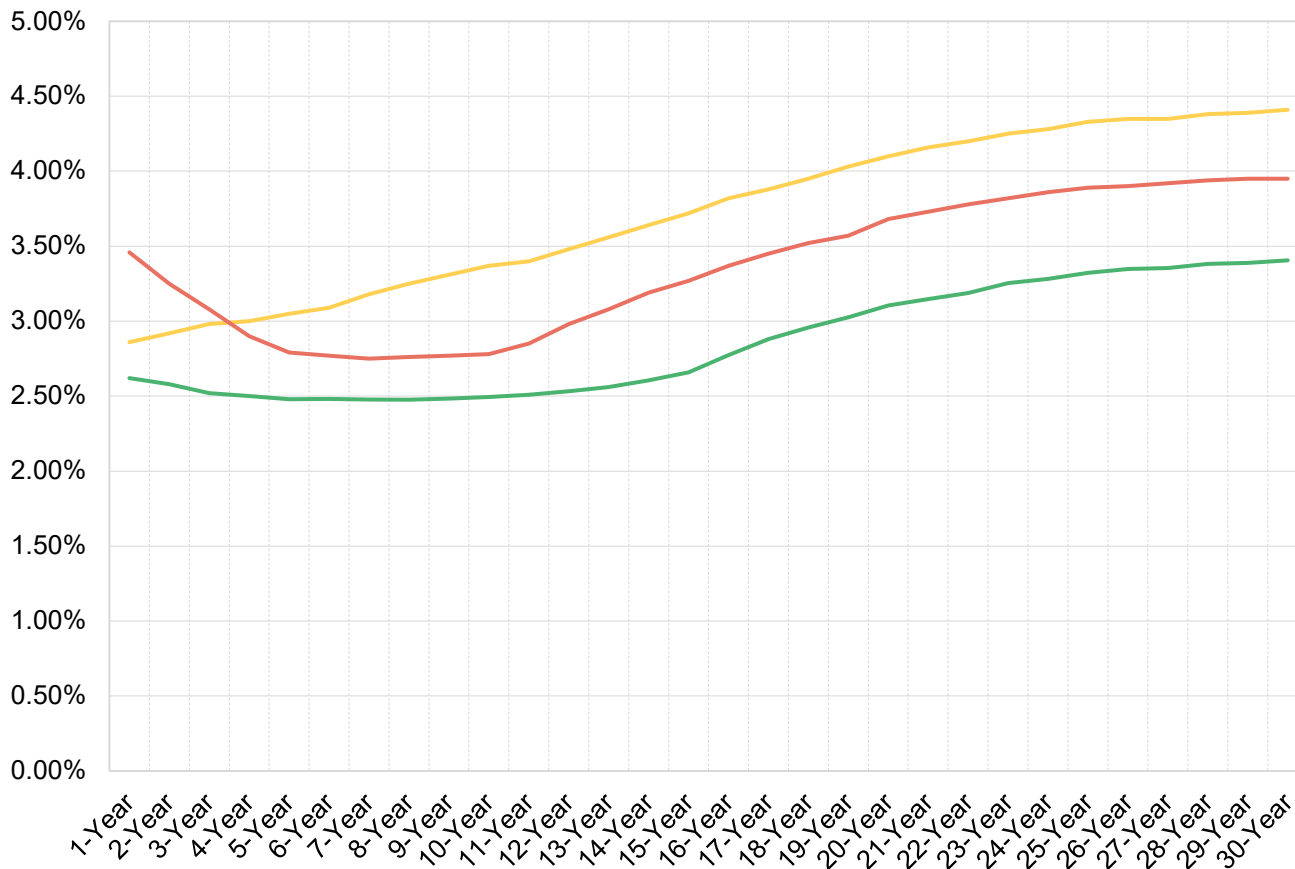
- Markets rebounded somewhat in the weeks following as Trump walked back tariffs, punctuated by some volatility connected to Trump’s public conflict with Chairman Powell



## Recent BVAL Yield Curve Movement

BVAL Yield Curve Movement

— Current (04/29/2025) — Last Year (04/29/2024) — Past Year Low (08/05/2024)

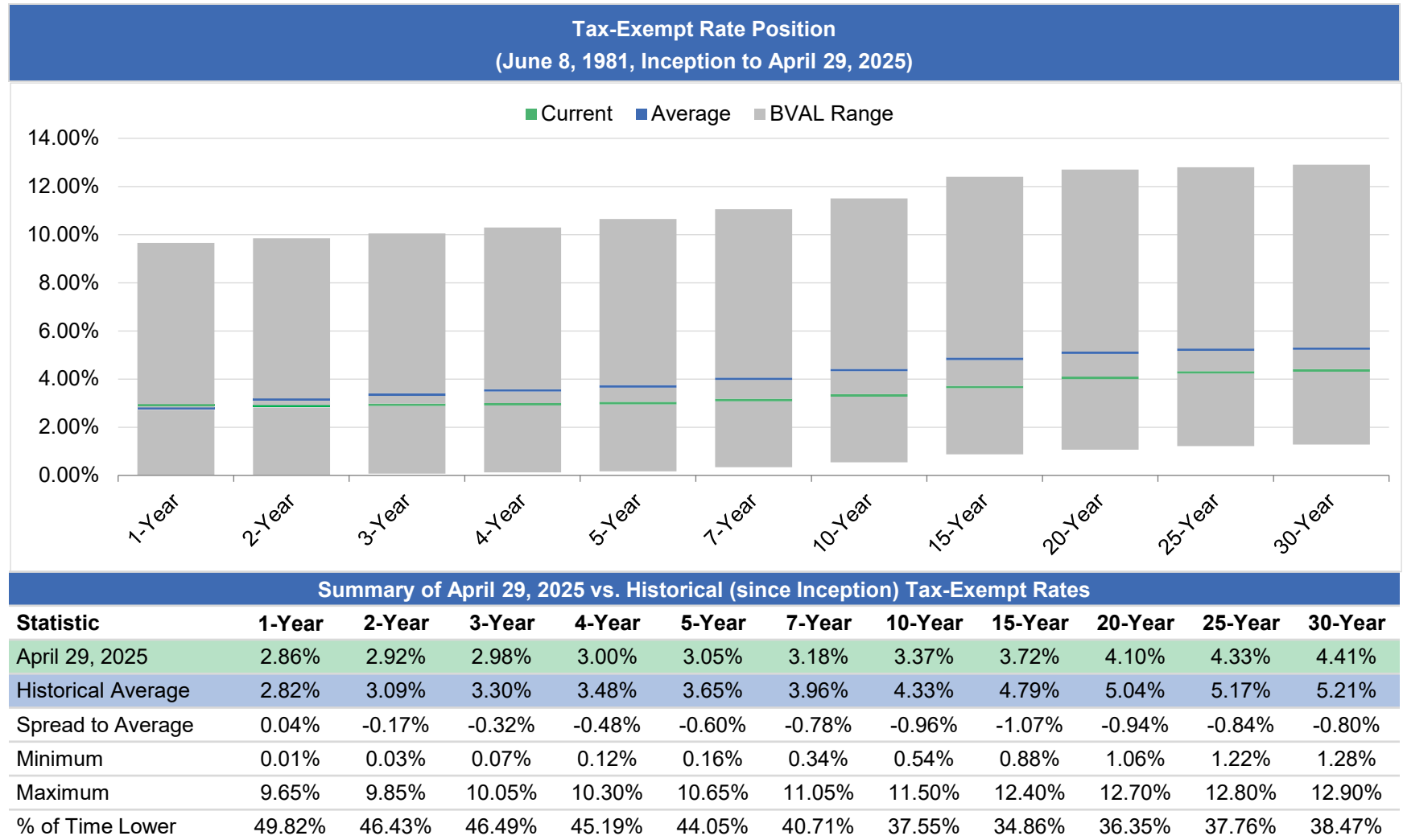


Maturity	Δ Since 04/29/2024	Δ Since 08/05/2024
1-Year	-0.60%	0.24%
2-Year	-0.33%	0.34%
3-Year	-0.10%	0.46%
4-Year	0.10%	0.50%
5-Year	0.26%	0.57%
6-Year	0.32%	0.61%
7-Year	0.43%	0.70%
8-Year	0.49%	0.77%
9-Year	0.54%	0.83%
10-Year	0.59%	0.88%
11-Year	0.55%	0.89%
12-Year	0.50%	0.95%
13-Year	0.48%	1.00%
14-Year	0.45%	1.04%
15-Year	0.45%	1.06%
16-Year	0.45%	1.05%
17-Year	0.43%	1.00%
18-Year	0.43%	0.99%
19-Year	0.46%	1.00%
20-Year	0.42%	0.99%
21-Year	0.43%	1.01%
22-Year	0.42%	1.01%
23-Year	0.43%	1.00%
24-Year	0.42%	1.00%
25-Year	0.44%	1.01%
26-Year	0.45%	1.00%
27-Year	0.43%	1.00%
28-Year	0.44%	1.00%
29-Year	0.44%	1.00%
30-Year	0.46%	1.00%

Source: Bloomberg, PFM Research



## Tax-Exempt Rate Position Since Inception

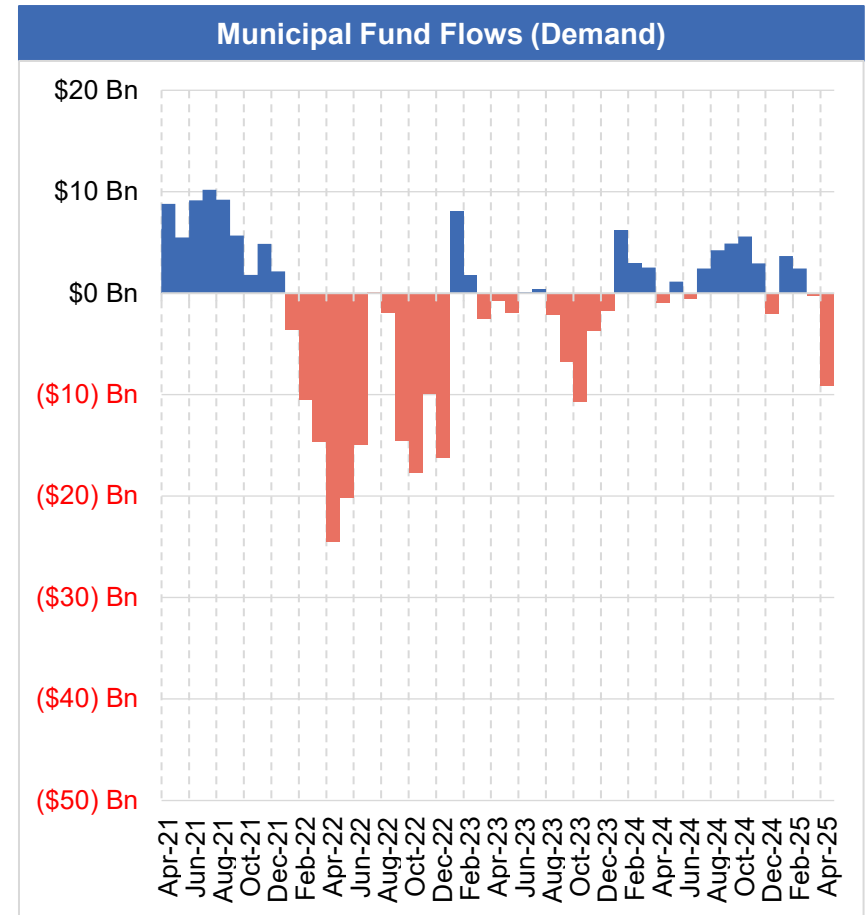
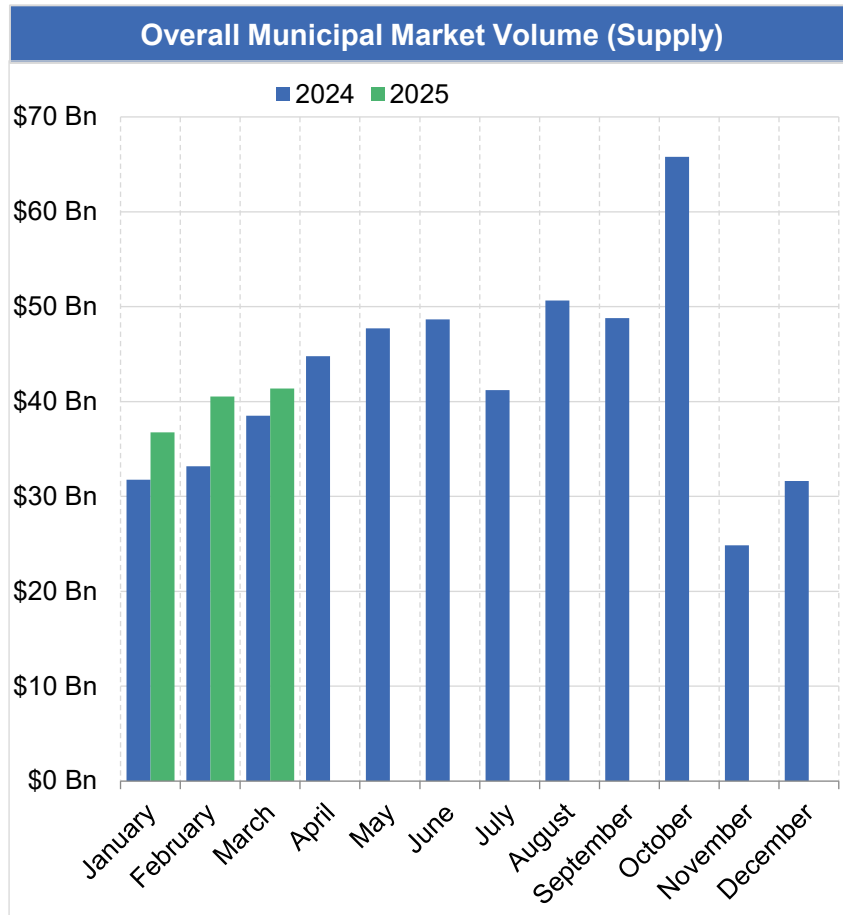


Source: Bloomberg, PFM Research



## Municipal Market Supply & Demand

- Municipal funds experienced significant outflows in April. New issuance volume was up 7.45% year-over-year in March, and year-to-date new issuance volume was 14.7% higher than 2024 issuance through March.



Source: Bond Buyer, Investment Company Institute



## Interest Rate Forecasts

- Market participants have differing opinions as to whether there will be a rate cut this quarter.

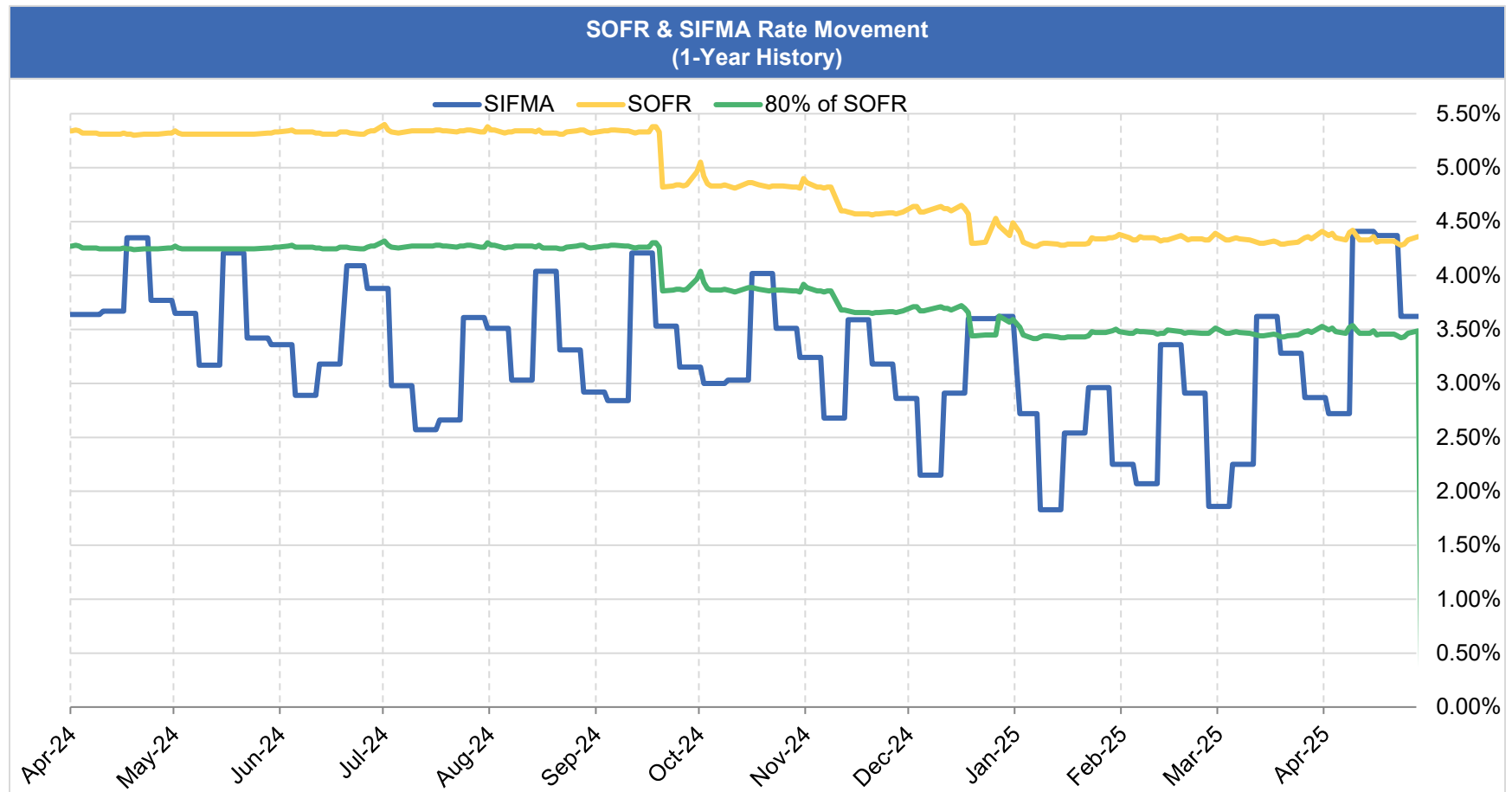
The Street's Interest Rate Forecast (As of April 28, 2025)								
Average Forecasts	Current	Q2 25	Q2 Δ vs. Current	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26
30-Year UST	4.74%	4.61%	-0.13%	4.53%	4.49%	4.46%	4.42%	4.39%
10-Year UST	4.28%	4.25%	-0.03%	4.18%	4.13%	4.11%	4.09%	4.05%
2-Year UST	3.76%	3.84%	0.08%	3.73%	3.62%	3.55%	3.51%	3.45%
3M SOFR	4.28%	4.21%	-0.07%	4.01%	3.77%	3.59%	3.44%	3.37%
Fed Funds Target Rate	4.25%	4.16%	-0.09%	3.96%	3.71%	3.50%	3.34%	3.28%
<i>Fed Funds Δ Since February Meeting</i>	0.00%	0.21%		0.16%	0.02%	-0.06%	-0.15%	-0.12%

Source: Bloomberg



## SOFR & SIFMA Rate Movement

- SIFMA fluctuated in April within 2.72% and 4.41%. SOFR has held relatively steady within 4.28% and 4.42% throughout April.



Source: Bloomberg, PFM Research





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