



California Upgraded

- California was upgraded to Aa2/stable Monday citing the state's strong budget reserves and liquidity in addition to revenue growth, which has led to simultaneous building of reserve levels and debt reduction. The last time the state hit this Moody's rating level was September 2000 where it stayed for all of eight months before the economic effects of the 2001 recession led to a one-notch drop in May 2001. The upgrade comes ahead of the state's \$1.1 billion taxable sale scheduled for next week.
- The SEC sent the city of Atlanta last week a letter informing city management it is in the midst of a preliminary "fact-finding inquiry" related to whether securities laws and FAA regulations were violated through the alleged use of airport revenues for city purposes. The disclosure was included in a recent Atlanta airport preliminary official statement published October 1.
- Lori Lightfoot, Chicago's first-year mayor, will be charged with attempting to close a projected \$800 million deficit for FY20 in addition to grappling with teacher demands for more resources. Chicago teachers went on strike yesterday and the mayor is set to unveil her FY20 budget next week. The city's fiscal year begins January 1.

10-Year Tax-Free Municipal Yields



Source: Bloomberg

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