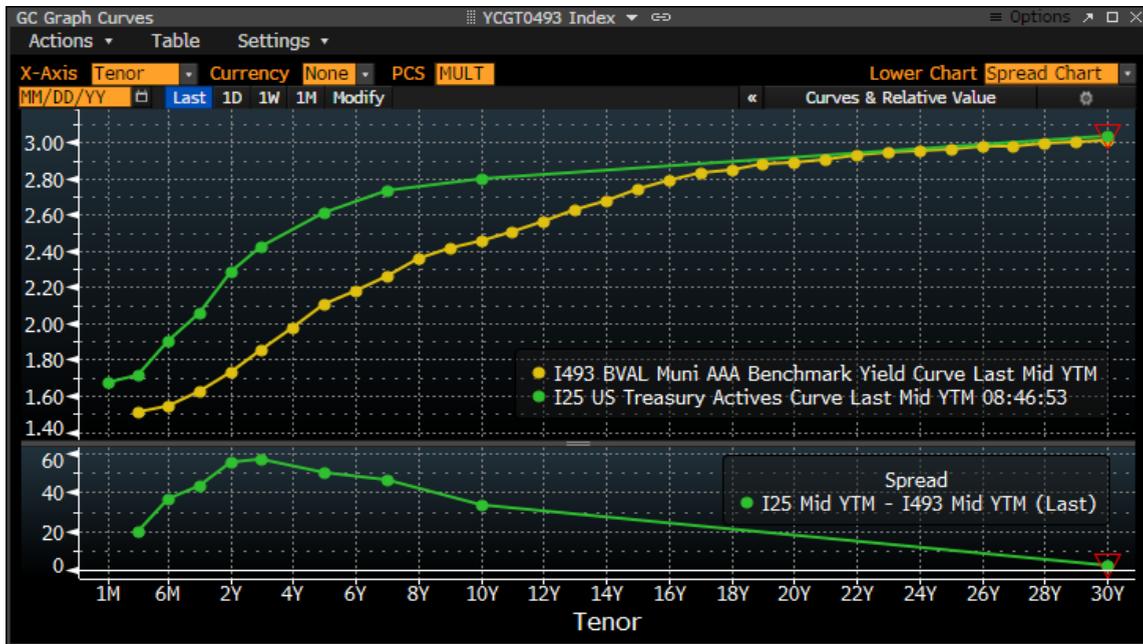




## Hartford's Super Upgrade

- After the bailout announcement by the state of Connecticut, Moody's followed through with a super upgrade of Hartford's debt from Caa3 to A2, one notch below the state's rating. This is quite a turn of events from the city's credit spiral that made national headlines last summer.
- Kentucky's legislature passed a \$22 billion biennial budget for fiscal years '19 and '20, which begins July 1. The bill now sits with the governor who has expressed support for it. The bill balances revenue increases along with 6.25% in baseline cuts for most state agencies. Most importantly, the budget will fully fund the state's actuarially required pension contribution amounts for the next two years.
- Chicago O'Hare Airport recently approved a new 15 year use and lease agreement with ten signatory airlines, including American and United, that provides for approximately \$8.4 billion in capital spending to improve capacity. Moody's commented the plan is credit negative due to increased leverage. However, credit positive provisions lie in the agreement specifically a pledge to increase fees to push debt service coverage to 1.25x in 2021 from 1.10x currently.

## Municipal vs. Treasury Curve



Source: Bloomberg

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