Will War in Eastern Europe Lead to Cyber-Attacks on U.S. Public Finance Infrastructure?

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- A flight to quality occurred just after announcements were made about Russia's conventional attack on Ukraine. We are not convinced the flight to quality will continue and it is difficult to say how investor sentiment is likely to develop in coming days. Potential U.S. Fed policy shifts still weighs heavily on investors' outlook.
- We remain concerned about the potential for cyberattacks on U.S. public finance related targets such as utilities, infrastructure and state and local governments.
- Public finance entities who have prepared over a multi-year period for cyber intrusions and with healthy general fund balances will be best protected from cyberattacks. It is possible cyber insurance policies are only of limited value especially if there is an "Act of War" or similar clause that can be enacted by the policy provider.

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