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U.S. Municipal Credit Report, Third Quarter 2016

About the Report

The municipal bond credit report is a quarterly report on the trends and statistics of U.S. municipal bond market, both taxable and tax-exempt. Issuance volumes, outstanding, credit spreads, highlights and commentary are included.

Summary

According to Thomson Reuters, long-term public municipal issuance volume totaled \$108.4 billion in the third quarter of 2016, a decline of 9.2 percent from the prior quarter (\$119.5 billion) but an increase of 25.8 percent year-over-year (y-o-y) (\$86.1 billion). Including private placements (\$3.8 billion), long-term municipal issuance for 3Q'16 was \$112.2 billion. Year to date ending September 30, municipal issuance totaled \$323.4 billion, well above the ten-year average of \$276.5 billion.

Tax-exempt issuance totaled \$98.1 billion in 3Q'16, a decline of 29.3 percent but an increase of 29.3 percent, respectively, q-o-q and y-o-y. Taxable issuance totaled \$7.9 billion in 3Q'16, an increase of 15.8 percent q-o-q and a 0.6 percent increase y o y. AMT issuance was \$2.3 billion, a decline of 67.8 percent and 1.5 percent, respectively, q-o-q and y-o-y.

By use of proceeds, general purpose led issuance totals in 3Q'16 (\$29.0 billion), followed by primary & secondary education (\$17.0 billion) and water & sewer facilities (\$10.7 billion).

Refunding volumes as a percentage of issuance fell slightly from the prior quarter, with 50.6 percent of issuance attributable to refundings compared to 51.2 percent in 2Q'16, but was higher than from 3Q'15 (48.9 percent).

[Read the full report.](#)