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U.S. Municipal Credit Report, First Quarter 2017

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 \$86.5 billion in the first quarter of 2017, a decline of 13.4 percent from the prior quarter (\$99.9 billion) and a decline of 9.5 percent year-over-year (y-o-y) (\$95.5 billion). Volumes were generally in line with the 10-year average of \$82.6 billion. Including private placements (\$3.0 billion), long-term municipal issuance for 1Q'17 was \$89.4 billion. Refunding volumes dropped sharply in the first quarter to \$33.5 billion, representing 38.7 percent of issuance.

Tax-exempt issuance totaled \$76.8 billion in 1Q'17, a decline of 15.4 percent q-o-q and a decline of 12.9 percent y-o-y. Taxable issuance totaled \$6.9 billion in 1Q'17, a decline of 4.6 percent q-o-q but an increase of 5.0 percent y-o-y. AMT issuance was \$2.8 billion in 1Q'17, a sharp increase of 51.6 percent q-o-q and nearly triple volumes y-o-y.

By use of proceeds, general purpose led issuance totals in 1Q'17 (\$22.3 billion), followed by primary & secondary education (\$18.4 billion) and higher education (\$9.2 billion). Refunding volumes dipped sharply to comprise 38.7 percent of issuance in 1Q'17 from 47.7 percent in the prior quarter and 52.7 percent year-over-year.

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