

Bond Case Briefs

Municipal Finance Law Since 1971

SIFMA US Research Quarterly, First Quarter 2017

About the Report

A quarterly report containing brief commentary and statistics on the U.S. capital markets, including but not limited to: municipal debt, U.S. Treasury and agency debt, short-term funding and money market debt, mortgage-related, asset-backed and CDO debt; corporate bonds, equity and other, derivatives, and the primary loan market.

Summary

Total Issuance Increases in 3Q'16 Quarter-Over-Quarter and Year-over-Year

Long-term securities issuance totaled \$1.90 trillion in 1Q'17, a 18.7 percent increase from \$1.60 trillion in 4Q'16 and a 13.1 percent increase year-over-year (y-o-y) from \$1.68 trillion. Issuance increased quarter-over-quarter (q-o-q) across all asset classes but municipal, mortgage-related and asset-backed securities; y-o-y, growth was positive in all asset classes except municipal debt.

Long-term public municipal issuance volume including private placements for 1Q'17 was \$90.5 billion, down 13.7 percent from \$104.9 billion in 4Q'16 and down 9.4 percent from 1Q'16.

The U.S. Treasury issued \$654.1 billion in coupons, FRNs and TIPS in 1Q'17, up 44.8 percent from \$451.6 billion in the prior quarter and 13.1 percent above \$578.2 billion issued in 1Q'16.

Issuance of mortgage-related securities, including agency and non-agency passthroughs and collateralized mortgage obligations, totaled \$406.5 billion in the first quarter, a 27.3 percent decline from 4Q'16 (\$558.9 billion) but a 12.3 percent increase y-o-y (\$361.9 billion).

Corporate bond issuance totaled \$468.7 billion in 1Q'17, up 79.0 percent from \$261.8 billion issued in 4Q'16 and up 17.9 percent from 1Q'16's issuance of \$397.4 billion. Of all 1Q'17 corporate bond issuance, investment grade issuance was \$381.0 billion (81.3 per-cent of total) while high yield issuance was \$87.7 billion (18.7 percent).

Long-term federal agency debt issuance was \$151.2 billion in the first quarter, a 49.1 per-cent increase from \$101.4 billion in 4Q'16 and a 2.5 percent increase from \$147.4 billion issued in 1Q'16.

Asset-backed securities issuance totaled \$75.8 billion in the first quarter, a decline of 3.5 percent q-o-q but an 37.5 percent increase y-o-y.

Equity underwriting increased by 23.4 percent to \$57.7 billion in the first quarter from \$46.8 billion in 4Q'16 and up 29.4 percent from \$44.6 billion issued in 1Q'16. Of the total, "true" initial public accounted for \$10.7 billion, up 144.8 percent from \$4.4 billion in 4Q'16 and up tenfold from \$1.2 billion in 1Q'16.

[View the Report.](#)

