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U.S. Municipal Debt Sales Estimated at \$8.26 bln Next Week.

July 14 (Reuters) – U.S. states, cities, schools and other issuers will sell \$8.26 billion of bonds and notes next week as debt issuance so far in 2017 lags the same period in 2016, according to Thomson Reuters estimates on Friday.

Year-to-date supply in the U.S. municipal bond market totaled \$195 billion, a 14 percent drop from the \$226.4 billion sold last year.

Barclays this week increased its 2017 supply forecast to a range of \$380 billion to \$400 billion from a range of \$360 billion to \$380 billion based on an expected uptick in refundings of outstanding bonds.

“As long as rates remain stable, we expect refunding activity to increase and to be driven by the strong new-money issuance of long-dated bonds a decade ago,” Barclays said in its weekly municipal report.

The coming week features several transportation-related deals.

The New Jersey Turnpike Authority will sell \$597.7 million of revenue bonds through Loop Capital Markets on Tuesday. Bank of America Merrill Lynch will price \$353 million of bonds backed by federal highway funds for Georgia’s State Road and Tollway Authority on Wednesday.

Federal grants also back \$230 million of Chicago Transit Authority revenue bonds scheduled to price on Tuesday through Morgan Stanley.

The San Diego County Regional Airport Authority has \$310 million of subordinate revenue bonds pricing on Tuesday through Morgan Stanley. About half of the bonds are subject to the alternative minimum tax.

In competitive bidding, New York state’s Dormitory Authority will sell nearly \$1.35 billion of state sales tax revenue bonds on Tuesday. The four-part deal, rated AAA by S&P, includes \$72.7 million of taxable bonds.

U.S. municipal bond funds reported net outflows for a second straight week of \$172.5 million for the week ended July 12, according to Lipper, a unit of Thomson Reuters.

(Reporting by Karen Pierog; Editing by Jonathan Oatis)