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Satellites Are Helping the Municipal-Bond Market Assess Climate Risk.

Investment firms are using spatial data mining to visualize dangers.

The \$3.8 trillion municipal-bond market has found a new tool in its effort to understand the impact of climate change: the array of satellites orbiting high above Earth.

Assessing climate risks is a particularly vexing problem given that U.S. state and local governments tend to give investors information that's often too little or just too late. But the use of geospatial data and information from sources like Google Earth could help municipal-bond investors evaluate and price the risks posed from a warming climate, rising sea levels and natural disasters.

The deployment of spatial technology in the municipal market advanced in January when credit-ratings company S&P Global Ratings completed an analysis of U.S. water utilities using data from National Aeronautics and Space Administration satellite missions. Other investment firms say they're starting to focus on geospatial information as a way to evaluate climate risks as well.

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