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Muni Mega Deals Set to Smash Record on Lower Rates, Higher Costs.

- **Issuers rush to refinance, pay for more expensive projects**
- **Buyers seize chance to add large, liquid issuers to positions**

States and municipalities are demonstrating an explosive demand for debt two years after the Fed first suppressed bond sales with a series of 11 interest rate increases.

Nowhere is this more evident than in the number of bond sales of $1 billion or more, long a rarity in municipals. There have been 22 so far this year, putting the market on pace to smash the previous annual record of 26 set in all of 2020, according to data compiled by Bloomberg. Those deals account for almost one-quarter of the year's $154 billion in long-term borrowing.

"I've never seen deal sizes like this," said JB Golden, portfolio manager for Advisors Asset Management. He said the large deals make it easier for smaller firms to get access to bond sales, a welcome development.

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By Joseph Mysak Jr

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