

Bond Case Briefs

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BofA Merrill Lynch Still Top U.S. Municipal Underwriter.

(Reuters) – Bank of America Merrill Lynch remained the top underwriter in a shrinking U.S. municipal bond market in 2013, while California sold the most debt in the year, Thomson Reuters data released on Thursday showed.

Altogether debt sales fell 15.1 percent to \$311.8 billion from the prior year, as rising interest rates brought the refunding trend to a grinding halt. Preliminary Thomson Reuters data released last week had estimated total issuance for the year at \$311.7 billion.

BofA underwrote \$45 billion of bonds sold by states, cities and authorities, representing 14 percent of the market. It was also top underwriter in 2012. J.P. Morgan Securities followed at \$38.5 billion, or 12.4 percent of the market.

California issued the most municipal debt in 2013, \$8.45 billion, followed by New York City at \$5.4 billion. New York State Dormitory Authority had been the top issuer in 2012, but fell to eighth place last year.

Negotiated sales continued to dominate the market, totaling \$242.41 billion last year. But they shrank 17.3 percent from 2012. Competitive sales also fell, by 6.4 percent, to \$69.36 billion.

(Reporting by Lisa Lambert; Additional reporting by Jim Christie in San Francisco; Editing by Chizu Nomiya and James Dagleish)