# Bond Case Briefs

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## Muni Weekly Issuance in U.S. Set to Hit 4-Month High.

Oct 17 (Reuters) – Issuance of new debt in the $3.7 billion U.S. municipal bond market is set to hit its highest level in four months next week, reaching $8.4 billion, as investors and issuers remain undeterred by the volatility that has hit financial markets.

Notable deals include $253.27 million for Atlantic City, New Jersey; $1 billion of toll revenue bonds from San Joaquin Hills, California, Transportation Corridor Agency; and $500 million transportation revenue bonds from New York's Metropolitan Transportation Authority (MTA).

The total issuance, which does not include notes, will be the highest since the week ending June 28, according to Thomson Reuters data. Nearly $6 billion on the planned issuance is made up of negotiated deals.

The high issuance is a vote of confidence in the market after a volatile period and a sign issuance may pick up after a slower year so far than last year. Year-to-date new issuance is down 7.6 percent compared to the same period in 2013.

San Joaquin Hills Transportation Corridor Agency's $1 billion issue of toll revenue bonds is to refund bond issues in 1993 and 1997, the agency said. Joaquin Hills Transportacion Corridor is a 15-mile segment of 18-mile State Route 73, which opened to traffic in 1996. It passes through cities such as Newport Beach, Irvine, and Laguna Beach.

A study commissioned by the agency projects toll revenue will grow by an annual 3.2 percent through 2050.

Janney Capital Markets this week upgraded its outlook on the U.S. toll road sector to 'stable' from 'cautious', saying toll revenues had stabilized although annual vehicle miles have not recovered to the 3 trillion peak clocked before the recession.

"This stability, combined with toll rate increases in most systems, has improved revenue streams, although debt loads have also grown," said Janney is a report dated Oct 15.

Barclays and Goldman Sachs are joint lead underwriters on the deal.

The New Jersey state authority that supports development in Atlantic City, the Casino Reinvestment Development Authority, is slated to sell $253.27 million of luxury tax revenue bonds next week, despite a triple-notch downgrade of other bonds from the same issuer to junk on Wednesday.

While Atlantic City's economy has struggled alongside its flat lining casino industry, some indicators have improved. The luxury tax, for instance, have had an average annual growth rate of 6.13 percent from 2004 to 2013, with only two years of decline during the recession in 2008 and 2009, the POS said.

Even so, annual trips to Atlantic City were down 4.4 percent in 2013 to 24.7 million.

The MTA’s sale of revenue bonds will come in two segments. One is a $400 million in fixed rate bonds while the remaining $100 million will be made up of $100 million SIFMA floating rate tender notes. RBC Capital Markets is the underwriter.

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(Reporting by Edward Krudy; Additional reporting by Hilary Russ; Editing by Grant McCool)