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Municipal Rush to Borrow May Repeat: Chart of the Day.

The biggest calendar of proposed municipal-bond offerings in more than five years may be more than a one-time event, according to John Mousseau, Cumberland Advisors Inc.'s director of fixed income.

As the CHART OF THE DAY illustrates, state and local governments planned as of yesterday to raise $18.7 billion through debt sales in the next 30 days, according to data compiled by the Bond Buyer. The previous day's $19.1 billion total was the highest since June 2009 and more than double this year's average of $7.9 billion.

Much of the borrowing will be done to refinance bonds that were sold a decade ago, when yields were higher, Mousseau wrote three days ago in a post on Cumberland's website. The average yield on 20-year municipal securities was 3.54 percent last week, down from 4.60 percent at the end of November 2005, according to Moody's Investors Service.

Similar surges in sales may happen during the next two years, especially "at the junctures of large maturities of bonds — that is, January and July," the Sarasota, Florida-based investor wrote. "This is a tried-and-true method for issuers to manage and lower their overall debt-service costs."

The current increase in what the Bond Buyer calls 30-day visible supply may send municipals lower, Mousseau wrote. As he put it: "The sheer size of the calendar should allow for some softening of prices."

Longer-term municipals may be available for purchase at yields 35 percent to 40 percent more than those on comparable Treasury securities, according to Mousseau, an executive vice president whose firm manages $2.2 billion of assets.

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