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US Municipal Credit Report, Fourth Quarter and Full Year 2014.

The municipal bond credit report is a quarterly report on the trends and statistics of U.S. municipal bond market, both taxable and tax-exempt. Issuance volumes, outstanding, credit spreads, highlights and commentary are included.

Summary

According to Thomson Reuters, long-term public municipal issuance volume totaled \$99.3 billion in the fourth quarter of 2014, an increase of 37.2 percent from the prior quarter (\$72.4 billion) and an increase of 35.3 percent year-over-year (y-o-y) (\$73.4 billion). For the full year 2014, issuance figures reached \$314.9 billion, well below the 10-year average of \$370.6 billion. Including private placements (\$5.3 billion), long-term municipal issuance for 4Q'14 was \$104.6 billion. According to the SIFMA Municipal Issuance Survey ("SIFMA Survey"), issuance for 2015 was expected to rise slightly to \$315.0 billion.

Tax-exempt issuance totaled \$89.9 billion in 4Q'14, an increase of 37.3 percent and 40.8 percent q--q and y-o-y, respectively. For the full year, tax-exempt issuance was \$282.8 billion. Taxable issuance totaled \$6.7 billion in 4Q'14, an increase of 43.2 percent and 2.3 percent respectively, q-o-q and y o y. For the full year, taxable issuance was \$23.0 billion. AMT issuance was \$2.7 billion, an increase of 20.4 percent q-o-q but a decline of 9.7 percent y-o-y; for the full year, AMT issuance was \$9.1 billion. According to the SIFMA Survey, issuance for 2015 was expected to reach \$275 billion in tax-exempt issuance, \$30 billion in taxable issuance, and \$10 billion in AMT issuance.

By use of proceeds, general purpose led issuance totals in 4Q'14 (\$21.4 billion), followed by primary & secondary education (\$16.9 billion), and water & sewer facilities (\$10.6 billion), identical rankings as the prior quarter and for the whole year. Respondents to the SIFMA Survey expect general proceeds to remain the largest category of municipal issuance in 2015.

Refunding volumes as a percentage of issuance rose slightly from the prior quarter, with 52.8 percent of issuance refunded compared to 49.8 percent in 3Q'14 and 33.4 percent in 4Q'13. For the full year, 47.3 percent of municipal issuance were refundings. Respondents of the SIFMA Survey expect refundings to remain largely unchanged year over year as a percentage of overall issuance (46 percent in 2015).

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