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U.S. Muni Bond Sales Seen Increasing to Over \$10 Billion Next Week.

U.S. municipal bond sales are expected to reach \$10.3 billion next week, led by a \$750 million issue of bonds by a Florida state insurance company preparing for hurricane season.

The Citizens Property Insurance Corporation of Florida is issuing \$750 million Coastal Account Senior Secured Bonds, Series 2015A-1.

The corporation was created by the Florida Legislature in 2002 as a not-for-profit, tax-exempt, government entity. Its mission is to provide insurance protection to Florida policyholders entitled to but unable to find property insurance coverage in the private market.

The new bond issue is meant to increase liquidity in preparation for Florida's approaching hurricane season.

"This financing program provides a necessary cash 'bridge' to certain claims paying resources, especially reimbursements from the Florida Hurricane Catastrophe Fund," Jennifer Montero, the corporation's chief financial officer, said in a statement.

Overall bond issuance is expected to reach \$10.3 billion, with the tender of tax-exempt bonds reaching \$9 billion next week, above the weekly year-to-date average of \$7.8 billion, said Dorian Jamison, a municipal research analyst at Wells Fargo Advisors.

Jamison added that since Jan. 30, yields for 30-year Triple-A rated municipal bonds have risen 75 basis points, much of that due to high supply. Through April, supply has been at its highest for 10 years, due mainly to a rash of refunding, he said.

The second biggest issue on schedule for next week is a \$515 million sale of public utility refunding revenue bonds by the city of Springfield, Missouri.

REUTERS

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