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U.S. Municipal Bond Market Grows to \$3.694 trln in First Quarter.

The U.S. municipal bond market grew to \$3.694 trillion during the first quarter, following an increase to \$3.652 trillion in the prior quarter, according to a quarterly report from the Federal Reserve released Thursday.

Retail buyers acquired a total of \$13 billion of municipal bonds, a rebound from 16 straight quarters of declines in bonds held by households, the biggest buyers in the municipal bonds market.

Institutional investors picked up their buying, as bank holdings of municipal bonds grew \$68.5 billion in the first quarter, after increasing by \$41 billion in the prior quarter.

Mutual funds holdings grew by \$59.4 billion in the first quarter, compared with \$57.9 billion in the fourth quarter, the Federal Reserve said.

Property casualty-insurance companies shed \$5.7 billion and life-insurance companies picked up \$1.3 billion in municipal bonds.

REUTERS

(Reporting by Elvina Nawaguna; Editing by Chizu Nomiya)

WASHINGTON, JUNE 11