

# **Bond Case Briefs**

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## **MBIA Plummets After Downgrade.**

The firm BTIG came out on Monday and downgraded Assured Guaranty Ltd. (NYSE: AGO) and MBIA Inc. (NYSE: MBI). BTIG said that this risks makes the two insurers not buyable and that investors should not get involved in the names. Assured Guaranty and MBIA are municipal bond insurers, and their ratings were each downgraded to Neutral from Buy.

Puerto Rico has warned that it is effectively near default after Puerto Rico's governor said that its \$72 billion in debt is unpayable. The governor had previously said that Puerto Rico would effectively do whatever was necessary to pay its debt.

Puerto Rico faces crunch time this week with a June 30 deadline to restructure some of its debt or bump the deadline.

It is estimated that Puerto Rico stands to have an overall deficit of \$2.5 billion per year, over the next five years.

MBIA Inc. (NYSE: MBI). shares fell 23.50 % by days end to \$6.36 per, down \$1.95 per share with more than 20 million shares trading hands. The average daily volume is 3 million shares. That marks the lowest level for the issue since mid-November 2012 when it bottomed at \$6.78.

### **About MBIA**

MBIA Inc. (NYSE:MBI) provides financial guarantee insurance, as well as related reinsurance, advisory and portfolio services, for the public and structured finance markets, and asset management advisory services. MBIA conducts its United States public finance only financial guarantee business through its subsidiary National Public Finance Guarantee Corporation (National), and its global structured finance and non-United States public finance financial guarantee insurance business through its subsidiary MBIA Insurance Corporation and its subsidiaries (MBIA Corp.). Related advisory and portfolio services are provided by the Company's subsidiary Optinuity Alliance Resources Corporation (Optinuity), which provides support services, such as surveillance, risk management, legal, accounting, treasury and information technology.

### **Ira Market Report**

June 30, 2015

By Don Miller