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## **Muni Sales Set to Fall as Redemptions Decline; Puerto Rico Sells.**

Municipal bond sales in the U.S. are set to decrease in the next month while the amount of redemptions and maturing debt falls.

States and localities plan to issue \$8.7 billion of bonds over the next 30 days, according to data compiled by Bloomberg. A week ago, the calendar showed \$10.1 billion planned for the coming month. Supply figures exclude derivatives and variable-rate debt. Some municipalities set their deals less than a month before borrowing.

Puerto Rico Aqueduct and Sewer Authority plans to sell \$750 million of bonds, New York State Convention Center Development Corp. has scheduled \$640 million, Portland, Oregon, Sewer System will offer \$404 million and Illinois Finance Authority will bring \$400 million to market.

Municipalities have announced \$10.1 billion of redemptions and an additional \$17.9 billion of debt matures in the next 30 days, compared with the \$29.5 billion total that was scheduled a week ago.

Issuers from Texas have the most debt coming due with \$6.12 billion, followed by California at \$1.77 billion and New Jersey with \$929 million. Texas has the biggest amount of securities maturing, with \$5.4 billion.

The \$3.6 trillion municipal market shrank by 4 percent in 2014. This year, maturities are poised to drop 38 percent to \$176 billion from the 2014 levels.

### **ETF Flows**

Investors removed \$106 million from mutual funds that target municipal securities in the week ended Aug. 5, compared with a reduction of \$91 million in the previous period, according to Investment Company Institute data compiled by Bloomberg.

Exchange-traded funds that buy municipal debt fell by \$10.2 million last week, reducing the value of the ETFs by 0.06 percent to \$17.2 billion.

State and local debt maturing in 10 years now yields 103.273 percent of Treasuries, compared with 103.156 percent in the previous session and the 200-day moving average of 101.301 percent, Bloomberg data show.

Bonds of Michigan and California had the best performance over the past year compared with the average yield of AAA rated 10-year securities, the data shows. Yields on Michigan's securities narrowed 5 basis points to 2.48 percent while California's declined 1 basis points to 2.48 percent. Puerto Rico and Illinois handed investors the worst results. The yield gap on Puerto Rico bonds widened 137 to 11.14 percent and Illinois's rose 36 basis points to 4.16 percent.

### **Bloomberg**

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