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Port Authority Leads Rise in Muni Sales; Redemptions Decline.

Municipal bond sales in the U.S. are set to increase in the next month by the most since March, while the amount of redemptions and maturing debt falls.

States and localities plan to issue $15.3 billion of bonds over the next 30 days, according to data compiled by Bloomberg. A week ago, the calendar showed $12.1 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.

Port Authority of New York and New Jersey plans to sell $2 billion of bonds to refund older securities, Chicago O'Hare International Airport has scheduled $2 billion of mostly refunding debt, Texas Water Development Board will offer $862 million and California will bring $446 million to market.

Municipalities have announced $8.3 billion of redemptions and an additional $8.4 billion of debt matures in the next 30 days, compared with the $25.1 billion total that was scheduled a week ago.

Issuers from New York have the most debt coming due with $2.03 billion, followed by California at $1.16 billion and New Jersey with $602 million. New York City Transitional Finance Authority has the biggest amount of securities maturing, with $916 million.

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.

Investors added $628 million to mutual funds that target municipal securities in the week ended Sept. 23, compared with a reduction of $589 million in the previous period, according to Investment Company Institute data compiled by Bloomberg.

Exchange-traded funds that buy municipal debt increased by $243 million last week, boosting the value of the ETFs 1.4 percent to $17.6 billion.

State and local debt maturing in 10 years now yields 103.873 percent of Treasuries, compared with 103.631 percent in the previous session and the 200-day moving average of 102.526 percent, Bloomberg data show.

Bonds of Tennessee and Michigan had the best performance over the past year compared with the average yield of AAA rated 10-year securities, the data shows. Yields on Tennessee's securities narrowed 16 basis points to 2.00 percent while Michigan's declined 9 basis points to 2.30 percent. Puerto Rico and Illinois handed investors the worst results. The yield gap on Puerto Rico bonds widened 72 to 10.69 percent and Illinois's rose 22 basis points to 3.92 percent.

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