

Bond Case Briefs

Municipal Finance Law Since 1971

Municipal Securities Trading Volume Falls to Lowest Level in 10 Years.

Alexandria, VA - The Municipal Securities Rulemaking Board (MSRB) today released municipal market statistics for the third quarter of 2015, showing the lowest par amount traded since at least 2005, when the MSRB first began collecting real-time trade data. Total par traded of municipal securities fell 18 percent to a total of \$551 billion in third quarter 2015, compared to \$672 billion traded in the same period one year ago. The number of trades for the quarter, 2.33 million, is up compared to the 2.19 million trades in the third quarter of 2014.

The MSRB, which regulates the municipal market, is the official source of municipal market trading and disclosure data, and operates the free Electronic Municipal Market Access (EMMA®) website that disseminates the information in real time. The website also houses aggregate trading, disclosure and new issuance data.

Other third quarter 2015 municipal securities trading highlights:

- Customer buying activity increased 9 percent, with an average of 15,189 customer purchases each day in third quarter 2015, compared to 13,953 daily trades in the same quarter last year.
- The volume of interest rate resets on municipal variable rate demand obligations (VRDOs) continued to decline compared to previous years, with 134,817 VRDO rate resets in the third quarter 2015. VRDO rate resets totaled 155,182 in the comparable quarter of 2014.
- Trades of \$100,000 or less, generally viewed as retail-sized trades, increased slightly in the third quarter of 2015, with a daily average par amount traded of \$405 million, or 9 percent of all customer purchases. This is up from the \$364 million daily average, or 7 percent of all customer purchases, in the same quarter of 2014.

The MSRB's quarterly statistical summaries include aggregate market information for different types of municipal issues and trades, and the number of interest rate resets for variable rate demand obligations and auction rate securities. The data also include statistics pertaining to continuing disclosure documents received through the MSRB's EMMA website.

The EMMA website is a centralized online database operated by the MSRB that provides free public access to official disclosure documents and trade data associated with municipal bonds. In addition to current credit rating information, the EMMA website also makes available real-time trade data and primary market and continuing disclosure documents for over one million outstanding municipal bonds, as well as current interest rate information, liquidity documents and other information for most variable rate municipal securities.

Date: November 19, 2015

Contact: Jennifer A. Galloway, Chief Communications Officer
(703) 797-6600
jgalloway@msrb.org

