

# **Bond Case Briefs**

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## **Muni Issuance Slumps at End of Strong Year.**

New issuance in the U.S. municipal bond market will slow to a trickle in the remainder of the year after a refunding boom lifted issuance in 2015 to its highest in five years.

Around \$377 billion in muni bonds came to market in 2015, the strongest since 2010 when \$430.4 billion were issued, according to data compiled by Thomson Reuters.

Some analyst are predicting even higher issuance next year as debt refundings continue to dominate the market. Bank of America Merrill Lynch predict \$440 billion to \$450 billion will hit the market in 2016.

Meanwhile, issuance has all but dried up in the last few weeks of the year. Just \$77 million of notes and bonds is slated to come to market in the holiday-shortened week ahead, compared to a weekly average this year of \$7.4 billion.

U.S. financial markets will be closed on Friday for the Christmas Day holiday. The muni market will close early at 2 p.m. on the preceding Thursday.

Dawn Daggy-Mangerson, a fund manager at McDonnell investment Management in Oakbrook Terrace, Illinois, said the “severe lack of supply” would likely continue until February.

“January is typically very limited supply,” she said. “Maybe not until the end of February will we see significant pickup. We definitely have the January effect.”

Bucks County, Pennsylvania, will issue a \$38 million water and sewer revenue bond in a sale slated for Monday. Boenning & Scattergood is the lead manager for the deal.

### **Reuters**

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(Reporting by Edward Krudy Additional reporting by Hilary Russ; Editing by James Dalglish)