
Municipal Bond Sales Poised to Decelerate as Redemptions Rise.

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

States and localities plan to issue $5.9 billion of bonds over the next 30 days, according to data compiled by Bloomberg. A week ago, the calendar showed $10.8 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.

Houston's school district plans to sell $684 million of bonds, Hawaii has scheduled $331 million, Anne Arundel County, Maryland, will offer $285 million and the Pennsylvania Turnpike Commission will bring $205 million to market.

Municipalities have announced $7.6 billion of redemptions and an additional $8.4 billion of debt matures in the next 30 days, compared with the $15.3 billion total that was scheduled a week ago.

Issuers from New York have the most debt coming due with $1.18 billion, followed by California at $1.07 billion and Massachusetts with $649 million. California has the biggest amount of securities maturing, with $615 million.

Investors added $1.06 billion to mutual funds that target municipal securities in the week ended March 16, compared with an increase of $1.03 billion in the previous period, according to Investment Company Institute data compiled by Bloomberg.

Exchange-traded funds that buy municipal debt increased by $93.6 million last week, boosting the value of the ETFs 0.44 percent to $21 billion.

State and local debt maturing in 10 years now yields 96.2 percent of Treasuries, the same as the previous session and the 200-day moving average of 97.3 percent, Bloomberg data show.

Bonds of Tennessee 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 Tennessee's securities narrowed 1 basis point to 1.84 percent while California's increased 1 basis point to 2.09 percent. Puerto Rico and Connecticut handed investors the worst results. The yield gap on Puerto Rico bonds widened 149 basis points to 12.25 percent and Connecticut's rose 18 basis points to 2.46 percent.

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