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Municipal Bond Sales Poised to Accelerate as Redemptions Rise.

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

States and localities plan to issue \$13.8 billion of bonds over the next 30 days, according to data compiled by Bloomberg. A week ago, the calendar showed \$11.7 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.

California plans to sell \$1.49 billion of bonds, Texas Transportation Commission has scheduled \$615 million, Louisiana will offer \$359 million and Texas's Lewisville Independent School District will bring \$331 million to market.

Municipalities have announced \$8.68 billion of redemptions and an additional \$10.8 billion of debt matures in the next 30 days, compared with the \$17.4 billion total that was scheduled a week ago.

Issuers from California have the most debt coming due with \$1.97 billion, followed by Michigan at \$1.21 billion and New York with \$997.4 million. State of California Department of Water Resources Power Supply Revenue has the biggest amount of securities maturing, with \$669.1 million.

Fund Flows

Investors added \$1.46 billion to mutual funds that target municipal securities in the week ended April 6, compared with an increase of \$1.4 billion in the previous period, according to Investment Company Institute data compiled by Bloomberg.

Exchange-traded funds that buy municipal debt fell by \$50.4 million last week, reducing the value of the ETFs by 0.24 percent to \$21.1 billion.

State and local debt maturing in 10 years now yields 94.803 percent of Treasuries, compared with 92.75 percent in the previous session and the 200-day moving average of 96.982 percent, Bloomberg data show.

Bonds of Ohio 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 Ohio's securities narrowed 4 basis points to 1.84 percent while California's declined 3 basis points to 1.89 percent. Puerto Rico and Connecticut handed investors the worst results. The yield gap on Puerto Rico bonds widened 192 to 12.69 percent and Connecticut's rose 12 basis points to 2.26 percent.

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