

# **Bond Case Briefs**

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## **U.S. Municipal Debt Sales to Surge to \$15.9 bln Next Week.**

The U.S. municipal bond market will be hit with a huge burst of issuance next week when states, cities, schools and other issuers will sell \$15.9 billion of bonds and notes, according to Thomson Reuters estimates on Friday.

Bonds make up the lion's share of the upcoming issuance at \$15.4 billion, which would mark the biggest weekly bond supply since June 2008.

Some issuers are scurrying to refund outstanding bonds and lock in currently lower rates before the Federal Reserve acts.

"Refunding will be a major theme in the final quarter, with issuers pushing to lock in low rates ahead of a likely Fed rate hike in December," Janney Managing Director Alan Schankel wrote in a report on Friday.

Underwriters on Tuesday will be bidding on a slew of California general obligation bonds — nearly \$1.4 billion of tax-exempt refunding bonds and \$255 million of taxable bonds.

Georgia will offer \$881 million of GO refunding bonds for competitive bidding on Wednesday.

The Philadelphia School District will refund \$561 million of lease revenue bonds through Pennsylvania's State Public School Building Authority in a deal pricing on Wednesday.

The district also plans to sell \$817 million of mostly GO refunding bonds on Wednesday. Another large refunding will come from New York's Metropolitan Transportation Authority, which has a \$627 million issue pricing on Tuesday through Jefferies.

Amid the supply surge, net flows into U.S. municipal bond funds were just \$147.3 million in the week ended Oct. 12, according to Lipper, a unit of Thomson Reuters. While fund flows have been unrelentingly positive for more than a year, the latest week had the lowest inflows since the week ended Nov. 4, 2015.

High-yield muni funds reported a second-straight week of net outflows, which totaled \$247.5 million.

### **Reuters**

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(Reporting By Karen Pierog)