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New York Transit Bonds Lead Next Week's U.S. Muni Supply.

New York's Triborough Bridge and Tunnel Authority will lead next week's U.S. municipal bond calendar with a \$665 million deal that is the largest of some \$8.9 billion in sales.

The authority, a unit of the Metropolitan Transportation Authority, will price \$400 million of refunding bonds and \$265 million of general revenue bonds in a negotiated deal through lead underwriter Goldman Sachs & Co.

The MTA plans fare and toll increases and is continuing to reduce costs, according to its most recent disclosure statement.

It is also attempting to rein in expenses by paying down its pension liability when possible, cutting health and debt service costs, and hedging fuel purchases.

Issuers in New York state plan to sell nearly \$4.3 billion of debt in the first quarter, about 70 percent of which will be new money, according to a tentative schedule from New York State Comptroller Thomas DiNapoli on Thursday.

Also next week, Wisconsin will price about \$524 million in negotiated general fund refunding bonds, while Texas will be the most heavily represented state, with \$1.1 billion in total negotiated deals. That includes \$389 million in revenue bonds by the Texas A&M University System and about \$347 million by the city of Austin for airport system revenue bonds.

The largest competitive bond deals will come out of Washington state, which on Tuesday plans to issue \$473 million in new various purpose general obligation bonds and \$136 million in GO refunding bonds. Seattle will price \$190 million of water system improvement refunding bonds on Wednesday.

Given the potential for tax reforms such as a repeal of the Affordable Care Act, municipal bonds "are not extremely appetizing," Barclays analysts said in a research note on Friday.

"Munis can have some upside near-term," they said, citing stabilizing Treasury yields and light dealer balance sheets, but "we think it is likely to be limited."

Reuters

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(Reporting by Nick Brown and Hilary Russ in New York; Editing by Lisa Von Ahn)