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U.S. Muni Bond Market Sales Pegged at \$7 bln Next Week.

U.S. states, cities, schools and other issuers in the municipal market are expected to sell about \$7 billion of bonds and notes next week after muni prices dropped sharply on Thursday and Friday.

The price fall boosted the 10-year yield on Municipal Market Data's benchmark triple-A scale 17 basis points over the week to 2.33 percent. The 30-year yield rose 15 basis points to end Friday at 3.06 percent.

Peter Block, a muni market strategist at Ramirez, said tax-free bonds were following a slump in U.S. Treasuries.

"It's really driven by Treasuries. It's hard to say what will happen next week," he said, adding that much depends on what messages emerge from Washington under President Donald Trump's new administration. Topping next week's negotiated calendar is a \$486 million new and refunding city of Baltimore water and wastewater revenue bond issue pricing through Citigroup on Thursday after a retail presale period on Wednesday.

San Francisco's Bay Area Toll Authority will sell \$450 million of toll bridge revenue bonds through Bank of America Merrill Lynch on Thursday.

In competitive bidding, the Metropolitan Government of Nashville and Davidson County will sell \$457 million of general obligation bonds on Tuesday. The bonds carry serial maturities between 2018 and 2036, according to the preliminary official statement.

The Los Angeles County Metropolitan Transportation Authority has set a \$455.7 million sales tax revenue bond sale for Tuesday. The bonds mature in 2018 through 2042.

U.S. municipal bond funds reported a second straight week of net inflows, indicating investors were seeing relative value in munis, according to Block. Lipper reported \$511.7 million of inflows in the week ended Jan. 18, down from \$974 million in the prior week.

Reuters

Fri Jan 20, 2017 | 3:53pm EST

(Reporting By Karen Pierog; Editing by Chizu Nomiya)