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SIFMA U.S. Municipal Credit Report, Fourth Quarter and Full Year 2016

According to Thomson Reuters, long-term public municipal issuance volume totaled \$100.3 billion in the fourth quarter of 2016, a decline of 7.5 percent from the prior quarter (\$108.5 billion) but an increase of 31.1 percent year-over-year (y-o-y) (\$76.5 billion). Including private placements (\$4.5 billion), long-term municipal issuance for 4Q'16 was \$104.9 billion. Despite the fourth quarter decline, full year issuance was \$423.8 billion, an increase of 12.2 percent from 2015 well above the 10-year average of \$372.0 billion. Including private placements, full year issuance was \$445.8 billion.

Tax-exempt issuance totaled \$91.2 billion in 4Q'16, a decline of 7.3 percent q-o-q but an increase of 35.2 percent y-o-y. For the full year, tax-exempt issuance was \$383.1 billion, an increase of 13.2 percent from the prior year. Taxable issuance totaled \$7.3 billion in 4Q'16, a decline of 7.3 percent q-o-q but an increase of 40.0 percent y o y. For the full year, taxable issuance was \$28.5 billion, an increase of 2.2 percent from 2015. AMT issuance was \$1.9 billion in 4Q'16, a decline of 18.4 percent q-o-q and 52.1 percent y-o-y. For the full year, AMT issuance was \$12.2 billion, 8.1 percent above 2015 volumes.

By use of proceeds, general purpose led issuance totals in 4Q'16 (\$22.7 billion), followed by primary & secondary education (\$19.0 billion), and water & sewer (\$10.7 billion). For the full year, general purpose led issuance totals (\$103.7 billion), followed by primary & secondary education (\$81.9 billion), and water & sewer (\$44.1 billion).

Refunding volumes comprised 46.6 percent of issuance in 4Q'16, declining slightly from the prior quarter (52.3 percent) but was an increase year-over-year (43.5 percent). For the full year, refunding volumes comprised 50.7 percent of all issuance, down slightly from 2015 (51.8 percent).

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