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Dollar Volume of Muni Trades Last Year at \$3.14T, Highest Since 2012.

WASHINGTON - The dollar volume of municipal bond trading soared higher last year than in any year since 2012, the Municipal Securities Rulemaking Board found in its 2016 Fact Book released Monday.

The total par amount traded reached \$3.14 trillion, almost 30% higher than in 2015. The last time that amount was surpassed was 2012, when it reached almost \$3.23 trillion, according to the statistics book.

Of that amount, customers bought a total par amount of \$1.58 trillion, sold \$947.08 billion, with interdealer trades totaling \$609.52 billion.

By tax status, almost \$2.71 trillion of the par amount traded was tax-exempt, \$256.21 billion was taxable, \$136.64 billion of securities traded were subject to alternative minimum tax and \$32.67 billion was other.

By coupon type, the largest par amount traded was fixed rate, at \$1.78 trillion, followed by variable rate, at \$1.01 trillion, zero coupon securities, at \$107.34 billion, and other, at \$230.52 billion.

The total number of trades last year was almost 9.36 million, only about 1.1% above the 9.26 million trades in 2015. The highest total number of trades over the past five years was 10.63 million in 2013. The vast amount of the number of trades last year was tax-exempt, at almost 8.60 million, and fixed rate, at 8.81 million.

The top most actively traded securities by par amount of trades last year were \$7.31 billion of the Industrial Development Board of the Parish of East Baton Rouge, La, Inc. revenue bonds for an ExxonMobil project. The bonds were issued in 2010 and are slated to mature in 2035. That was followed by \$5.64 billion of Puerto Rico Sales Tax Financing Corp. sales tax revenue bonds sold in July 2007 with a maturity of 2054.

The top most actively traded securities by number of trades was St. John Baptist Parish La.'s fixed revenue bonds for a Marathon Oil Corp. project issued in 2007 with a 2037 maturity. There were 8,092 trades of these bonds last year. The second highest was 4,205 trades of Illinois State taxable general obligation pension bonds issued in 2003 with a 2033 maturity. Following that was 4,093 of trades of Commonwealth of Puerto Rico public improvement refunding bonds issued in 2012 with a 2041 maturity.

The Fact Book shows a steady drop in registered dealers in recent years. Last year there were 1,448 registered dealers, down 6% from 1,541 in 2015. The 2015 figure is down 5.2% from 1,625 in 2014. The most dealers - 1,787- were registered in 2012 during the past five years.

Last year the top five dealers accounted for 48% of the par amount of trades, and the top 10 dealers accounted for 69% of them. The top five dealers accounted for 35% of the number of trades last year

and the top 10 were responsible for 52% of them.

The MSRB looked at continuing disclosures submitted and found that the number of financial submissions rose to 98,084 in 2016, up slightly from 97,379 in 2015, but below the peak of 101,289 in 2014. Material event submissions dropped to 63,586 last year from 68,309 in 2015 and a peak of 74,340 in 2014.

The Bond Buyer

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