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U.S. Municipal Bond Market Ticks Up to \$3.8337 trillion in Q4, Fed Says.

The U.S. municipal bond market grew slightly to \$3.8337 trillion in the fourth quarter of 2016 from a revised \$3.8334 trillion in the third quarter, according to a quarterly report from the Federal Reserve released on Thursday.

Households, or retail investors, held \$1.644 trillion of muni bonds compared to \$1.588 trillion the previous quarter.

Property and casualty insurance companies bought \$10.8 billion of munis in the fourth quarter after \$19 billion of acquisitions in the third quarter. Life insurance companies added \$5.4 billion to their muni holdings, while U.S. banks picked up \$53.4 billion.

U.S. mutual funds shed \$88.5 billion of munis in the fourth quarter, the funds' biggest reduction of the asset class in at least five quarters. Exchange traded funds added \$4.9 billion.

Foreign buyers purchased \$21 billion of munis. Their fourth-quarter holdings were \$106.4 billion, their highest on record.

Thursday, 9 Mar 2017 | 12:29 PM ET

Reuters

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