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## Goldman Leaps Into Ranks of Top Muni Underwriters With Big Sales.

- **Bank of America holds its lead in municipal-bond business**
- **RBC gains most market share during the first half of 2017**

Goldman Sachs Group Inc. vaulted into the ranks of the biggest U.S. municipal-bond underwriters in the first half of 2017 by managing large sales for New York City's Hudson Yards redevelopment, the city of Chicago and American Dream, a long-stalled shopping and entertainment center in New Jersey's Meadowlands.

The New York-based bank oversaw \$9.8 billion of long-term state and local debt issues in the first half of 2017, rising to seventh biggest muni underwriter from 11th. Goldman hasn't finished in the top 10 in a full year since 2014, according to data compiled by Bloomberg.

Meanwhile, Bank of America Corp. held the lead in state and local government debt underwriting, a title it's kept for five straight years, followed by Citigroup Inc. Bank of America managed \$26.5 billion of municipal bond sales in the first half compared with \$23.9 billion for Citigroup.

RBC Capital Markets boosted its market share in the municipal business by 2.4 percentage points in the first half, the most of any bank, by handling 7.5 percent of new issues, according to data compiled by Bloomberg. The Royal Bank of Canada-unit climbed one spot into fifth place, behind JPMorgan Chase & Co. and Morgan Stanley.

The underwriters are chasing fewer deals as the pace of debt sales slows from last year, in part because interest rates have risen from more than half-century lows. There were about \$187 billion of municipal bonds issued through June 30, a 13.1 percent decline from the same period last year. The number of advance refundings, a popular technique used to refinance debt before it can be paid off, has lagged, according to Bank of America Merrill Lynch.

Last month, Goldman managed a \$1.1 billion sale of unrated municipal bonds for American Dream, a planned 2.9 million square-foot amusement mall about 10 miles (16 kilometers) west of Manhattan. It was the year's biggest offering of unrated municipal securities, which are sold for speculative projects that are often risky enough to be awarded below investment-grade ratings.

In May, Goldman managed the refinancing of \$2.2 billion of debt issued to fund infrastructure at Hudson Yards, a 26-acre residential, office and retail development on Manhattan's far west side.

The prices Wall Street banks charged U.S. cities and states to sell bonds in the first half were little changed. Fees averaged \$5.08 per \$1,000 of long-term bonds compared with \$4.95 in 2016.

### **Bloomberg**

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