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New York Dominates Next Week's Municipal Bond Deals.

NEW YORK (Reuters) – New York will bring the biggest U.S. municipal bond deal to market amid an overall weak supply load next week, issuing nearly \$1.2 billion of future sales and income tax-backed debt to help finance capital projects in the Big Apple.

The New York City Transitional Finance Authority is set to issue \$850 million of negotiated future tax-secured subordinate bonds and another \$301 million of competitive taxable future tax-secured subordinate bonds in a three-part series. J.P. Morgan will act as the deal's underwriter.

The bonds earned a AAA rating from S&P Global Ratings and an A-one rating from Moody's Investors Service.

The strong ratings are due in part to New York City's diverse and resilient economy, favorable bond provisions and a large population that supports the future sales and income taxes the bonds are secured by, S&P said.

In another major New York-focused deal next week, the Dormitory Authority of the State of New York is set to issue \$559.04 million in taxable Montefiore Obligated Group Revenue Bonds Series 2018A and 2018B. The bonds, from the Montefiore Medical Center, will be used for refinancing of certain existing debt and reimbursement purposes.

Outside of a handful of large deals, which also includes the Idaho Health Facilities Authority's sale of \$314.9 million of revenue bonds, the municipal market is poised to suffer through a sleepy week ahead.

Next week will bring \$5.31 billion in bond debt issuance, with \$4.23 billion in tax exempt and \$1.08 billion in taxables, and a sharp drop-off from the current week's \$9.22 billion of scheduled deals.

Meanwhile, U.S. municipal bond funds have reported an inflow surge compared to last week. Those funds saw \$1.3 billion of net inflows in the week ended July 18, the most in more than a year, and a surge from the \$651 million recorded the previous week, according to data released by mutual fund tracker Lipper on Thursday.

The four-week moving average remained positive at \$535.4 million, said Lipper, a unit of Thomson Reuters. High-yield muni bond funds reported inflows of \$313.8 million, down from \$313.9 million in the previous week.

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JULY 20, 2018

