

Bond Case Briefs

Municipal Finance Law Since 1971

How The Wall Street Journal Analyzed Trading and Profit in the Municipal-Bond Market.

The Journal looked at municipal-bond trades from April 2013 through December 2017

To analyze trading in newly issued municipal bonds, the Journal obtained the following data sets:

Trading data from the Municipal Securities Rulemaking Board

This data set includes all municipal-bond trades from April 2013 through December 2017. There were about 28.5 million trades during the period of the analysis.

Each trade record includes:

- The bond's Cusip (Committee on Uniform Security Identification Procedures), a nine-character alphanumeric code used to identify securities including stocks and bonds.
- A description of the bond that typically includes the name of the issuer
- The interest rate paid on the bond, known as the coupon.
- The maturity date, which is the date on which the issuer will repay the face value of the bond to holders.
- The type of trade, denoted by one of three letters. (S = Sale to a customer by a dealer. D = Trade between two dealers. P = Purchase from a customer by a dealer.)
- The face value, also known as par value, of the traded bond.
- The price of the trade.
- The yield to maturity, or annual interest earnings, that the bond buyer would receive, expressed as a percentage and calculated based on the price of the trade and the interest rate and maturity date of the bond.

[Continue reading.](#)

The Wall Street Journal

By Tom McGinty

Sept. 12, 2019 11:30 am ET