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Muni Sales Set to Surge Most Since 2017, Extending Supply Boom.

U.S. state and local governments are poised to sell bonds at the fastest pace in almost two years as they take advantage of lower interest rates and strong investor demand.

Municipal bond issuers are expected to sell $21.4 billion in debt over the next month. This is the highest visible supply since December 2017, when governments rushed deals to market to get ahead of federal tax law changes effective at the start of 2018.

Typically, the 30-day supply metric represents about half of what actually is issued, as deals can be priced with less than a month’s notice. Visible supply has averaged about $10.6 billion in 2019, according to data compiled by Bloomberg.

The upcoming supply will add to the $289 billion in long-term bonds state and local governments have already sold this year, an 11% increase over the same period in 2018. This week is slated to be the busiest since December 2017, driven by refinancings.

Bloomberg Markets

By Danielle Moran

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