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Municipal Bond Issuers Halt Billions of Sales in Market Rout.

- **About $7 billion in planned sales were canceled or delayed**
- **The municipal market suffered its worst sell-off on record**

The worst municipal-bond market sell-off on record drove state and local governments to cancel or delay $7 billion of debt sales as yields soared and underwriters balked at bidding in auctions.

School districts in Nevada, Pennsylvania and Texas, as well as state agencies in Rhode Island, New York and Virginia, were among those that shelved offerings planned for this week, according to data compiled by Bloomberg.

The retreat came as municipal-bond prices tumbled sharply, driving up yields on even the safest 30-year securities by nearly a full percentage point, as panic about the spreading coronavirus rippled through Wall Street. The riskiest debt was hit particularly hard as investors pulled a record $1.7 billion from high-yield municipal funds in the week through Wednesday, according to Refinitiv Lipper US Fund Flows.

Municipal-bond sales — particularly those for lower rated borrowers — shift to a different day on occasion as banks seek more time to drum up bidders. But they're rarely postponed en masse due to broader market moves.

Amid the sell-off that followed the 2016 presidential election, some state and local governments pressed pause on many sales after a sharp up-tick in rates. At the time, New York City shelved a $1 billion sale of tobacco-settlement backed bonds and Los Angeles International Airport postponed a $436 million issue for capital projects.

Some of the largest sales postponed or moved to day-to-day status this week were $505 million in debt from the Virginia Public Building Authority, $450 million from the Ohio Water Development Authority and $340 million in pension bonds planned by Ontario, California.

Two governments in Arkansas, one in Georgia and one in New Mexico rejected bids sent in by underwriters for their sales and others received much less interest than normal, according to data compiled by Bloomberg.

Johnson City Central School District in New York had just one bidder, TD Securities, on their $10 million sale on Thursday, while in 2018 the district had five banks vying for its debt. At least one issuer, Merrimack County, New Hampshire, didn't receive any takers on its $17 million short-term note sale, data collected by Bloomberg shows.

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