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MSRB Publishes 2020 Fact Book of Municipal Securities Data.

Washington, DC – The Municipal Securities Rulemaking Board (MSRB) today published its annual Fact Book, the definitive compilation of the most recent five years of statistics on municipal market trading, interest rate resets and disclosures. The data in the 2020 Fact Book can be further analyzed to identify market trends.

The MSRB collects real-time municipal securities trade data, as well as primary market and secondary market disclosures. In addition to making the data and disclosures available for free on its Electronic Municipal Market Access (EMMA®) website and compiling quarterly and annual statistics, the MSRB conducts independent research and analysis to support understanding of market trends. Recent MSRB market analyses tease out noticeable trends in buying patterns over the past decade and document the historic volatility and recovery of the municipal market in 2020.

"The data in our annual Fact Book arm municipal market participants, policymakers, regulators, academics and others with information to understand long-term and emerging trends in our market," said MSRB Director of Research Marcelo Vieira. "For example, the MSRB's most recent research paper explored trading activity trends over the past decade. Declining numbers of small trades coupled with an increase in large trades possibly point to the growing use of separately managed accounts (SMAs), mutual funds and exchange traded funds (ETFs)."

Highlights in the report include a decrease in trades of $100,000 or less, typically associated with individual investors, which were down 3.9% in 2020 compared to 2019, while institutional trades—trades of over $1 million—increased 5.3%. There was a notable spike in the average daily number of trades and par amount traded during March and April 2020, the result of the market volatility associated with the COVID-19 pandemic.

The MSRB also found a significant increase in transactions and par amount traded of taxable municipal securities in 2020 compared to 2019. Trades of taxable securities were up 9.8% to 676,248 trades and accounted for nearly 8.0% of all municipal securities trades in 2020. Par amount of taxable securities traded increased 52.9% to $441.9 billion, accounting for 14.1% of total par amount traded.

"The increase in taxable trades and par amount traded accompanied a spike in taxable issuance in 2020," continued Vieira. "As noted in our review of the municipal bond market in 2020, taxable issuance in 2020 was more than double that in 2019, driven in part by issuers taking advantage of the low interest rate environment to refund outstanding tax-exempt debt with taxable debt."

Continuing disclosures submitted to the MSRB increased to 156,847 in 2020, up 4.2% from the 150,585 submissions in 2019. Event-based disclosures, which increased 15.2% to 59,521 in 2020, were the main drivers of the increase in total disclosures.

The 2020 Fact Book includes monthly, quarterly and yearly aggregate market information from 2016 to 2020, and covers different types of municipal issues, trades and interest rate resets.

Download the 2020 Fact Book.

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