

# **Bond Case Briefs**

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## **Moving to Texas Is All the Rage, Even in the Muni-Bond Market.**

- **Credit spreads on Texas bonds have widened on supply surge**
- **Texas issuers have sold the most amount of debt so far in 2023**

It seems like everything is cheaper in Texas these days as the state lures residents and companies with a lower cost of living. Even municipal debt investors are now getting a bargain after a bond boom overwhelmed demand.

Texas governments and school districts are in the midst of a borrowing spree as the population swells. That caused bond yields to climb, giving investors a chance to buy pristine credits that are yielding 40 or even 50 basis points higher than the AAA benchmark.

Those rates have climbed so high that it makes sense for investors in a bevy of other states to buy Texas bonds. Meanwhile, the credits offer a safe haven: The state is one of a dozen that's rated AAA, higher than the federal government. Texas is considered the eighth-largest economy in the world.

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### **Bloomberg Markets**

By Amanda Albright and Skylar Woodhouse

August 22, 2023