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Raymond James Hires Citi Bankers for New Public-Finance Office in Seattle.

Midsize investment bank sees opportunity in muni bonds and public-power financing

Raymond James Financial Inc. said Monday it's hiring 10 ex-Citigroup Inc. bankers as the bank broadens its reach in the public-finance business from middle-market deals to larger deals.

The bankers will also help Raymond James (RJF) set up a new public-finance office in Seattle, form a dedicated public-power practice, widen its presence in the Western U.S. and staff up its housing-finance group.

"We have people in the marketplace who need public-finance products...and the Citi bankers will provide a nearly perfect overlay to what we already had," Gavin Murrey, executive vice president and head of public finance at Raymond James, said in an interview.

Raymond James stock fell 0.8% on Monday as the broad market dropped. The stock has risen by 6.9% so far in 2024, compared with a 7.3% increase by the S&P 500.

Murrey said the Citi bankers will advance efforts at Raymond James to operate "one of the highest regarded public-finance platforms" in the U.S.

The bank is seeing demand for muni bonds and other public-finance products both from its wealth-management business and its roughly 4,000 to 5,000 accounts with middle-market businesses, Murrey said.

The bank has already hired about 51 people since late 2021 for its public-finance practice, with about 145 salespeople working to provide products to bankers, money managers and issuers.

"The broader the distribution, the more appealing it is for the issuer," Murrey said.

Raymond James is making the move after Citi announced in an internal memo in December that it was shutting down its municipal-underwriting and market-making activities in a decision it described as difficult.

"While we are very proud of the impact they have had over the years, the economics of these activities are no longer viable given our commitment to increase the firm's overall returns," Citi said.

Citi is in the midst of a wide-ranging reorganization under Chief Executive Jane Fraser.

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For its part, Raymond James has 180 people at 39 locations in one of the largest public-finance practices in the U.S., which has expanded into 10 more states and six countries since 2018.

The 10 hires from Citi include seven managing directors such as Ben Selberg, who is managing

director and head of public power, energy and renewables for Raymond James in Seattle, as well as Brian Olin, managing director, also in Seattle.

Chris Mukai is managing director and co-head of the western region public-finance team, based in Los Angeles.

In Chicago, Raymond James named Susan Jun as managing director of its national housing group.

While Citi's municipal bond unit mostly focused on larger deals, Raymond James has a more diversified practice ranging from smaller-market deals up to bigger issuances.

Raymond James doesn't break out its public-finance business revenue, which is included in its overall capital markets operation.

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