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## [Bonds for Florida High-Speed Rail Pop in Market 'Starved' for High-Yield Munis.](#)

- **Florida rail firm tapped muni, corporate bond market last week**
- **Muni high-yield fund flows helped drive demand for the issue**

Municipal bonds issued last week for Florida's private rail operator, Brightline, climbed in the secondary market as investors clamored for new high-yield securities.

Prices on large block trades for the BBB- rated securities issued with a 5.5% coupon rose as high as 105.4 cents on the dollar Tuesday, up from 102.3 cents when they were priced last week. Eager investors drove risk premiums, or the spread over top-rated debt, on the bonds tighter to about 75 basis points from 120 basis points.

Brightline's Florida route where trains can reach speeds as fast as 125 miles per hour, is the first new US private passenger railroad in the US in more than a century. The railroad issued about \$3.2 billion of municipal bonds as part of a debt restructuring and recapitalization last week. With backing from Fortress Investment Group, Brightline is also building a new, faster train line connecting Las Vegas to Southern California.

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### **Bloomberg Markets**

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