

Bond Case Briefs

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Citigroup, UBS Exit Munis After Market's Profits Plummet by 50%.

- **New research shows underwriter profit drop from 2005 to 2023**
- **Underwriters less able to raise investor markups, issuer costs**

Making money in the \$4 trillion municipal bond market is harder than ever after a two-decade long drop in underwriting markups pinched bottom lines, contributing to pullback by major Wall Street firms such as Citigroup Inc. and UBS Group AG.

Profits for municipal underwriters fell by 30% to 50% from 2005 to 2023, according to a [report](#) to be presented next month at the [Brookings Institution's municipal finance conference](#).

Researchers analyzed more than 2 million state and local bonds and markups on 12.4 million new issue trades. They found a wider pool of institutional investors and improvements in disclosure have compressed underwriting spreads, or the profit banks make marketing bonds to buyers. They also found that the squeeze was more acute for national underwriters.

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