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## [Munis Present \\$1.6 Billion Opportunity for E-Trading, BofA Says.](#)

- **Only 14% of muni turnover is handled electronically, bank says**
- **It's about 60% for Treasuries, almost 40% for US IG bonds**

The municipal-bond market has been one of the slowest areas of the fixed-income universe to shift to electronic trading. But as Bank of America Corp. sees it, there's plenty of scope for that to change.

Electronic platforms have the potential to triple the share of turnover they handle in US state and city debt — from an estimated 14% now — reaping \$1.6 billion in annual revenue, analysts at Bank of America said in a report this month that assessed the prospects of e-trading in various bond categories.

### **Trading Velocity Increases Post-Electronification**

#### **Bank of America sees at least a three-fold increase upon hitting inflection**

There are [substantial hurdles](#) to electronification in the \$4 trillion muni market, which encompasses about 50,000 borrowing entities nationwide. There are also roughly a million outstanding muni securities, compared with 40,000 for US corporate bonds, according to the bank. There are substantial hurdles to electronification in the \$4 trillion muni market, which encompasses about 50,000 borrowing entities nationwide. There are also roughly a million outstanding muni securities, compared with 40,000 for US corporate bonds, according to the bank.

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