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United Airlines' \$1 Billion Junk Muni Deal Offers a Bond Bargain.

- **Bonds will finance the infrastructure revamp at Terminal B**
- **Redevelopment project is expected to be completed by 2028**

The municipal-bond market's lagging run is opening up an opportunity for corporate-debt investors eager to secure extra yield.

Junk state and local government bonds have underperformed high-yield corporate debt during the selloff that raced through fixed-income markets over the past several months, pushing their yields up by more.

That's created a gap between debt that United Airlines has sold in the corporate and municipal markets: its muni securities, which are tied to payments it makes on airport leases, are yielding half a percentage point more on a tax-adjusted basis than the airline's other taxable obligations, according to an analysis by Bloomberg Intelligence.

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Bloomberg Markets

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