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[Muni Bond Boom Fuels Growth in Electronic Trading.](#)

Strong retail demand for municipal bonds and expectations for a steady flow of new issues in 2025 are helping drive long-overdue technology upgrades in one of America's most important markets.

After years of limited growth, electronic trading volumes have started to climb in the municipal bond market. E-trading accounted for just over 18% of notional volume traded in 2024 (YTD October), up from 16% in 2022 and an estimated 12-15% in 2019.

Dealers expect this momentum to continue. The majority of the 35 municipal bond dealers participating in an October 2024 study from Coalition Greenwich expect e-trading levels to rise in the coming year, with two-thirds predicting an increase of 5% or more. Nearly 70% of that same group agreed that e-trading allows them to scale their business more efficiently.

"Thanks in large part to technology enhancements and the growth in electronic trading, nearly half of sell-side municipal bond traders say market liquidity improved in 2024," says Kevin McPartland, Head of Research at Coalition Greenwich Market Structure & Technology and author of [Muni Bond Market Structure 2025: The Dealer View](#).

Dealers Focus on E-Trading and Automation

The rapid evolution in market structure has been fueled by a boom in municipal bond activity, with new issuance up 40% YTD October in 2024 and average daily trading volumes topping \$13 billion, well above pre-pandemic levels. Amid this growth, municipal bond dealers are investing in technology to handle growing volumes and to compete for trading share by enhancing client service. Nearly half of study respondents said automating parts of the trading process was their top technology priority heading into 2025.

"Municipal bond dealers are fully focused on automation when laying out 2025 technology investment budgets and on e-trading skills when hiring for trading desks," says Kevin McPartland.

Muni Bond Market Structure 2025: The Dealer View includes a detailed examination of the impact of changes in market structure on client needs and sell-side priorities, and insights into where the municipal bond market is headed next.

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12/9/24