

# **Bond Case Briefs**

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## **Brightline Rail's Rough Stretch Sinks Muni Transit Debt Broadly.**

### **Takeaways by Bloomberg AI**

- The struggles of Florida's Brightline private railroad are affecting the municipal-bond market, with junk-rated transportation debt having its worst performance in a decade.
- According to Miguel Laranjeiro, investment director at Aberdeen Investments, "How Brightline moves is how the transportation high-yield sector moves," and the company's issues have put pressure on the transportation sector of high yield.
- Dan Solender, director of tax-free fixed income for Lord, Abbett & Co, said that after initial worries that Brightline's woes could spread to the rest of the high-yield market, he is seeing more people park money in lower-rated securities.

The struggles of Florida's Brightline private railroad are rippling through the municipal-bond market, sending junk-rated transportation debt to its worst performance in a decade.

Taxable and tax-exempt bonds of the money-losing rail company, which runs from Miami to Orlando, shed \$870 million in market value last month after it delayed an interest payment on about \$1.2 billion of debt. Ridership and revenue in Florida are trailing projections, and S&P Global Ratings and Fitch Ratings have cut its senior municipal bonds deeper into junk.

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### **Bloomberg Markets**

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August 13, 2025