

THE BOND BUYER

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Sell Side

Citi Tops Underwriter Rankings; PFM Leads the FA List

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Citi maintained its position as the top muni underwriter in the first quarter, just beating out Bank of America Merrill Lynch, according to data from Thomson Reuters.

First Quarter Rankings

Citi closed the quarter with a par amount of \$12.92 billion in 128 deals, good for 12.5% of the market. BAML earned \$12.90 billion in 117 deals, to garner a 12.4% market share. JPMorgan finished third with \$12.45 billion in 103 deals for 12% market share. Rounding out the top five were Morgan Stanley and Barclays Capital.

JPMorgan saw improvement year over year, after finishing the first quarter of 2014 with \$5.842 billion in 55 deals, for 9.7% of the market.

"We got off to a slow start in 2014, mainly due to the light volumes in the first half," said Jamison Feheley, head of banking, public finance at J.P. Morgan. "However, we had a big fourth quarter last year and that has carried into 2015. That said, we have benefited from increased new issue volume so far this year. Clients are still being cautious with new money projects, but we're seeing refinancing business doing very well. Refundings are the primary reason why we're seeing high volumes, as clients are taking advantage of the lower interest rate environment to achieve savings."

Morgan Stanley moved up two spots from the first quarter of 2014, while Barclays remained in the fifth spot. RBC Capital Markets fell two spots into the sixth spot this quarter. RBC was involved in more deals than any other company on the list, with 206, just edging out Stifel Nicolaus, which worked on 202 deals this quarter.

Rounding out the top ten are Wells Fargo, Raymond James, Stifel and Piper Jaffray. The gap between number one and number ten is quiet large at roughly \$9.39 billion.

PFM Leads Advisors

Public Financial Management ranked first in all financial advisor categories; financial advisor, FA \$10 million and under, FA for negotiated deals, FA for competitive deals and FA number of issues. The Philadelphia based firm finished the first quarter advising on 235 sales with a value

of \$15.28 billion, for a market share of 18.2%.

"It's always gratifying to retain the leadership position PFM has held for many years," said John Bonow, chief executive officer and managing director for the PFM Group. "However, we believe that our ongoing dedication to serving the client's interests with our market and pricing resources is what has enabled PFM to stay here. Governments and non-profits are looking for an advisor they can trust, and we believe they find that at PFM."

Bonow also said that with interest rates remaining low, many of PFM's clients have proactively refinanced outstanding debt for savings and when appropriate they have also financed new capital needs.

"PFM helps our clients analyze the range of project funding alternatives without bias, and the economics of the current bond market are often compelling," said Bonow.

FirstSouthwest finished in second place, advising on 197 sales with a value of \$8.58 billion, a market share of 10.3%. Public Resources Advisory Group advised issuers on 32 sales with a value of \$6.84 billion, which is good for 8.2% of the market. Swap Financial LLC and Piper Jaffray finished the quarter numbers four and five respectively.

Negotiated Underwriting

JPMorgan vaulted up the rankings in negotiated under writing from year to date. After being fifth with only 6.8% market share and \$3.10 billion in par amount in the first quarter of 2014, JPMorgan ranked first in first quartet of this year with \$10.52 billion in par amount, good for 12.8% of the market.

"We are very focused in the negotiated market, but also in the competitive market as well," said Feheley. "The competitive market hasn't grown as much this year given the market volatility so we've seen more issuers taking advantage of the flexibility in the negotiated market."

Citi dropped from first to second, with \$9.91 billion in par amount, for a 12.1% market share. Morgan Stanley also made a significant jump year over year in the negotiated field, jumping from ninth to third. Morgan Stanley finished the quarter with \$8.49 billion in par amount, which is good for 10.4% of the market. BAML and Barclays rounded out the top five.

Competitive Underwriting

BAML earned the top spot for competitive underwriting, with a par amount of \$4.88 billion and a market share of 22.5%, leaving a wide gap between themselves and the rest of the pack.

Citi finished second with \$3.01 billion and 13.9% of the market, Morgan Stanley finished third with \$2.38 billion and 11%, JPMorgan was fourth with \$1.94 billion and 8.9%. Robert W Baird with \$1.92 and 8.8% ranked fifth.

Co-Manager Rankings

Wells Fargo ranked first in the co-manager rankings, in what was a very tight race. Wells finished the first quarter with \$3.966 billion of par amount, followed by BAML with \$3.760 billion, Raymond James with \$3.407 billion, Piper Jaffray with \$3.348 billion and Morgan Stanley with \$3.290 billion. RBC Capital Markets finished the first quarter with 237 deals, 58 deals ahead of No. 2 Raymond James.

Wells Fargo finished 2014 in the top spot for co-managers; jumping from eighth a year earlier.

\$10 Million and Under

Robert W Baird & Co. Inc., ranked first for overall book runners in deals \$10 million and under and competitive deals \$10 million and under, as they owned 9.1% and 13.5% of the market, respectively, and the most deals with 143 and 77.

RBC Capital Markets lead the way for negotiated deals \$10 million and under with 12.2% of the market and 96 deals. Stifel was second with 10.9% and 88 deals.

California Dreaming

Three of the top five issuers in the first quarter of 2015 hail from the state of California. Leading the way is the Regents of the University of California, who had four issues totaling \$2.850 billion. Second was the state of California, which had a single del for \$1.945 billion. The Michigan Finance Authority finished third, with eight issues totaling \$1.725 billion. The Golden State Tobacco Securitization Corp. made its one issue count, as it totaled \$1.692 billion. Rounding out the top five was the Texas Transportation Commission, with four issues totaling \$1.608 billion.



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