

# THE BOND BUYER

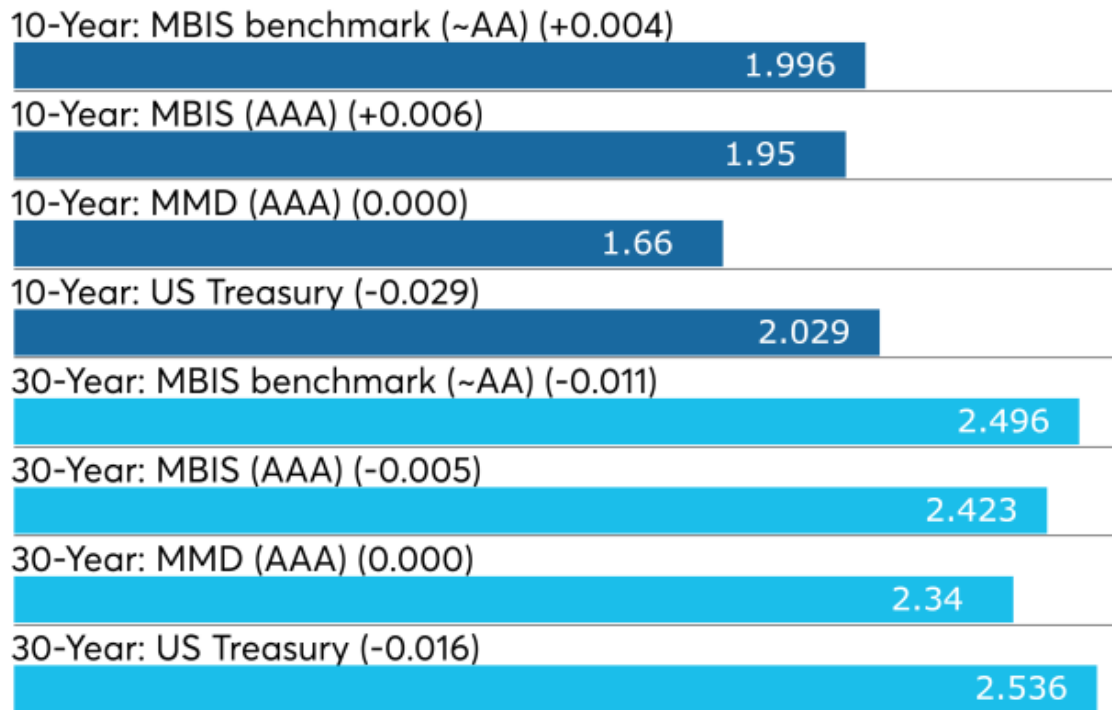
## Georgia sells \$940M of municipal bonds as FOMC leaves rates unchanged

By

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MBIS indices are updated hourly on the Bond Buyer Data Workstation

Buyers of municipal bonds saw the Peach State hit to market with a bevy of bond sales while the Keystone State offered up some turnpike securities ahead of the Federal Reserve's decision to keep interest rates steady.

### Primary market

Georgia sold \$941.32 million of unlimited tax general obligation bonds in four sales on Wednesday.

Morgan Stanley won the \$345.2 million of Series 2019A Tranche 1 GOs and Series 2019C refunding GOs with a true interest cost of 1.4902%.

Wells Fargo Securities won the \$317.57 million of Series 2019A Tranche 2 GOs with a TIC of 2.6923%. Wells Fargo also won the \$141.07 million of Series 2019B taxable GOs with a TIC of 2.9999%.

JPMorgan Securities won the \$137.48 million of Series 2019B taxable GOs with a TIC of 2.1953%.

Last June, the state competitively sold four offerings of GOs totaling \$1.23 billion. From the Series 2018A Tranche 2 bonds that were won by Citigroup in 2018, the 5s of 2029 that were priced at 121.348 to yield 2.56% last traded on March 20 at 124.607 to yield 2.07%. From the Series 2018B Tranche 2 bonds that were won by JPMorgan in 2018, the 3.5s of 2029 that were priced at 100.501 to yield 3.44% last traded on March 6 at 102.4 to yield 3.20%.

Citigroup priced the Pennsylvania Turnpike Commission's (A3/NR/A-/A+) \$724.07 million of Series 2019A turnpike subordinate revenue bonds. Assured Guaranty Municipal insured the \$131.315 million 2049 maturity.

On Thursday, the Dormitory Authority of the State of New York plans to competitively sell \$1.633 billion of state personal income tax general purpose revenue bonds. DASNY's offerings consist of \$419.31 million of Series 2019A Bidding Group 2 tax-exempts, \$414.14 million of Series 2019A Bidding Group 4 tax-exempts, \$394.34 million of Series 2019A Bidding Group 1 tax-exempts, \$393.435 million of Series 2019A Bidding Group 3 tax-exempts and \$11.975 million of Series 2019B taxables. Public Resources Advisory Group is the financial advisor.

## **Tuesday's bond sales**

[\*\*Click here for the Georgia \\$317M sale\*\*](#)

[\*\*Click here for the Georgia \\$141M sale\*\*](#)

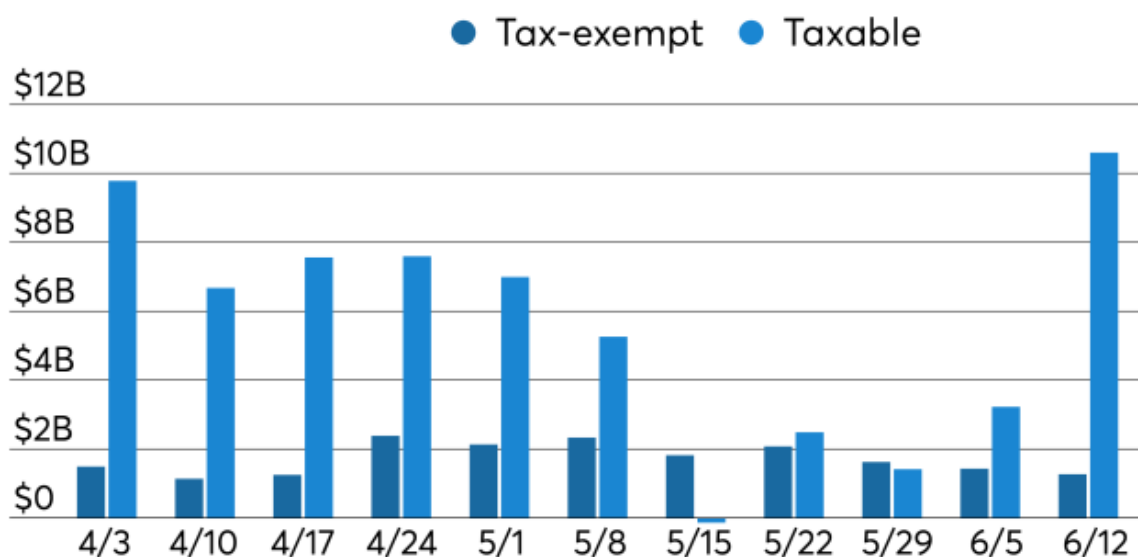
[\*\*Click here for the Pa. Turnpike repricing\*\*](#)

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## **ICI: Muni funds see \$1.3B inflow**

Long-term municipal bond funds and exchange-traded funds took in a combined inflow of \$1.271 billion in the week ended June 12, the Investment Company Institute reported on Wednesday.

# Muni bond funds see inflows



Source: Investment Company Institute

It was the 23rd straight week of inflows into the tax-exempt mutual funds and followed an inflow of \$1.430 billion in the previous week.

Long-term muni funds alone saw an inflow of \$1.263 billion after an inflow of \$1.398 billion in the previous week; ETF muni funds alone saw an inflow of \$167 million after an inflow of \$226 million in the prior week.

Taxable bond funds saw combined inflows of \$10.603 billion in the latest reporting week after inflows of \$3.224 billion in the previous week.

ICI said the total combined estimated inflows from all long-term mutual funds and ETFs were \$15.972 billion after outflows of \$5.362 billion in the prior week.

## Secondary market

The Federal Open Market Committee sent [mixed messages](#), with eight members expecting rates to remain steady all year, eight expecting rates to drop, and one seeing an increase. But in his press conference, Fed Chair Jerome Powell said, “the case for more accommodation has strengthened,” and he downplayed the dot plot as “the likely scenario,” but not a “forecast.”

The statement noted the FOMC would “act as appropriate to sustain the expansion” in the face of increasing “uncertainties.”

Federal Reserve Bank of St. Louis President James Bullard dissented on the vote, urging the panel to cut rates 25 basis points. But, Powell said, overall there was “not much support for cutting rates now.”

Munis were mixed on the [MBIS](#) benchmark scale on Wednesday, with yields rising less than one basis point in the 10-year maturity and falling one basis point in the 30-year maturity. High-grades were mixed, with MBIS’ AAA scale showing yields rising less than one basis point in the 10-year maturity and falling less than a basis point in the 30-year maturity.

On Refinitiv Municipal Market Data’s AAA benchmark, the yield on both the 10-year GO and the 30-year remained unchanged at 1.66% and 2.34%, respectively.

The 10-year muni-to-Treasury ratio was calculated at 81.9% while the 30-year muni-to-Treasury ratio stood at 92.2%, according to MMD.

Treasuries were stronger as stocks traded higher. The Treasury three-month was yielding 2.200%, the two-year was yielding 1.772%, the five-year was yielding 1.780%, the 10-year was yielding 2.029% and the 30-year was yielding 2.536%.

## Municipal bond yields

Index	10-year	20-year	30-year
Bloomberg	1.645%	2.178%	2.411%
BondWave	1.789%	2.315%	2.548%
IHS Markit	1.640%	2.150%	2.340%
MMD	1.66%	NA	2.34%
MBIS	1.992%	2.398%	2.507%

Source: MSRB close for Tuesday, June 18, 2019; Refinitiv for MMD close

### Previous session's activity

The MSRB reported 42,999 trades Tuesday on volume of \$11.57 billion. The 30-

day average trade summary showed on a par amount basis of \$12.58 million that customers bought \$6.21 million, customers sold \$4.24 million and interdealer trades totaled \$2.12 million.

Texas, California and New York were most traded, with the Golden State taking 15.428% of the market, the Empire State taking 14.877% and the Lone Star State taking 10.938%.

The most actively traded security was the California taxable 2.35% notes of 2030, which traded 10 times on volume of \$50 million.

*Gary E. Siegel contributed Federal Reserve coverage to this report.*

Data appearing in this article from **Municipal Bond Information Services**, including the **MBIS municipal bond index**, is available on **The Bond Buyer Data Workstation**. [Click here](#) for a brief tour of the **Workstation**, or contact **Ziad Saba at 212-803-6079** for more information.