

THE BOND BUYER

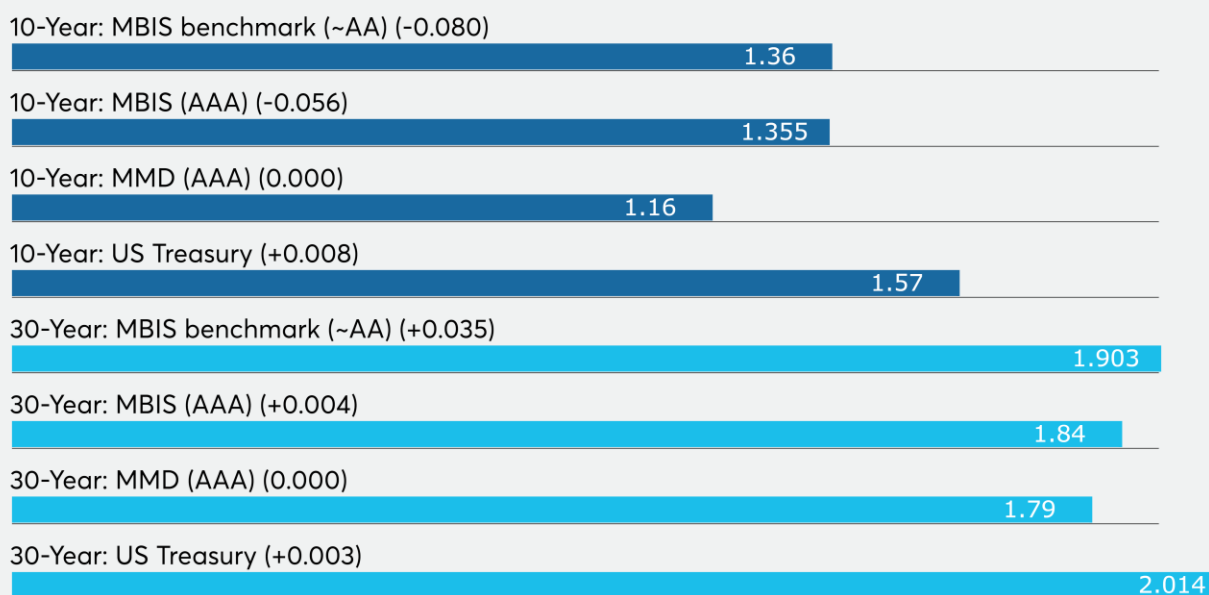
Massachusetts seizes opportunity of historically low muni yields

By

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MBIS indices are updated hourly on the Bond Buyer Data Workstation

With demand still as strong as ever and yields at or near record lows, issuers are experiencing extremely friendly market conditions.

Primary market

Massachusetts (/ /AA+) sold \$650 million of general obligation bonds in three separate sales on Wednesday.

Bank of America Securities won \$350 million of GOs with a true interest cost of 2.7593%.

B of A Securities also won \$200 million of GO bonds with a TIC of 2.3236%.

JPM won \$100 million of GO bonds with a TIC of 1.0797%.

“I am pleased with our successful bond sales this morning,” said State Treasurer Deborah Goldberg. “We received very aggressive bids reflecting the low supply of muni bonds in this market and were able to capitalize on the new record low yield for the 30-year GO bonds set yesterday. Our team was also fortunate that the interest rates remained steady through our sale.”

Three series of bonds were sold at various maturities along the yield curve. The commonwealth received over eight bids on each series. BofA Securities purchased Series B and C for a total par amount of \$585 million, upsized from the original \$550 million.

Series A had an average maturity of 7.5 years with a TIC of 1.08%. Series B had an average maturity of 17 years and the winning bid consisted of coupons ranging from 2.0 to 4.0% with a TIC of 2.32%. Series C, the longest series, had an average maturity of 28.6 years with coupons ranging from 2.75 to 3.00% and a TIC of 2.76%.

Barclays priced New Jersey Educational Facilities Authority's (/BBB+/ /) \$177.060 million of revenue green bonds for the Stevens Institute of Technology.

Morgan Stanley priced Ohio's (Aa2/AA/AA/) \$128.515 million of capital facilities lease appropriation taxable bonds on Wednesday.

Barclays is expected to price the largest deal of the week — District of Columbia's (Aa1/AAA/AA+/) \$961.460 million of income tax secured revenue and revenue refunding bonds on Thursday.

Jefferies is scheduled to price a total of \$695.335 million for the Texas Transportation Commission (A3/A/A/NR) for the central Texas turnpike system on Thursday. It is expected to come in three tranches: \$277.174 million of first-tier revenue refunding taxable bonds, scheduled to mature serially from 2023 through 2030 and include a term bond in 2040; \$225 million of first-tier revenue refunding PUT taxable term bond in 2042; and \$193.160 million of first-tier revenue refunding tax-exempt bond, scheduled to mature serially from 2040 through 2041.

Secondary market

Munis were mixed on Tuesday on the MBIS benchmark scale, with yields rising no more than one basis points in the 10-year maturity and falling by less than a basis point in the 30-year maturity. High-grades were also mixed with yields on MBIS AAA scale increasing by six basis points in the 10-year maturity and decreasing by one basis point in the 30-year maturity.

On Refinitiv Municipal Market Data's AAA benchmark scale, the yield on both the 10-year GO and 30-year GO were unchanged from 1.16% and 1.79%, respectfully. The 30-year set a record low on Tuesday.

The 10-year muni-to-Treasury ratio was calculated at 73.9% while the 30-year muni-to-Treasury ratio stood at 88.8%, according to MMD.

All three major indexes were in the green and treasury yields were mostly higher.

The Dow Jones Industrial Average was up about 0.54%, the S&P 500 index was higher by 0.66% and the Nasdaq gained roughly 1.04%.

The 3-month Treasury was yielding 1.585%, the Treasury two-year was yielding 1.428%, the five-year was yielding 1.411%, the 10-year was yielding 1.570% and the 30-year was yielding 2.014%.

Municipal bond yields

Index	10-year	20-year	30-year
Bloomberg	1.182%	1.654%	1.838%
IHS Markit	1.150%	1.590%	1.790%
MMD	1.160%	N.A.	1.790%
BondWave	1.343%	1.735%	1.871%
MBIS	1.354%	1.798%	1.909%

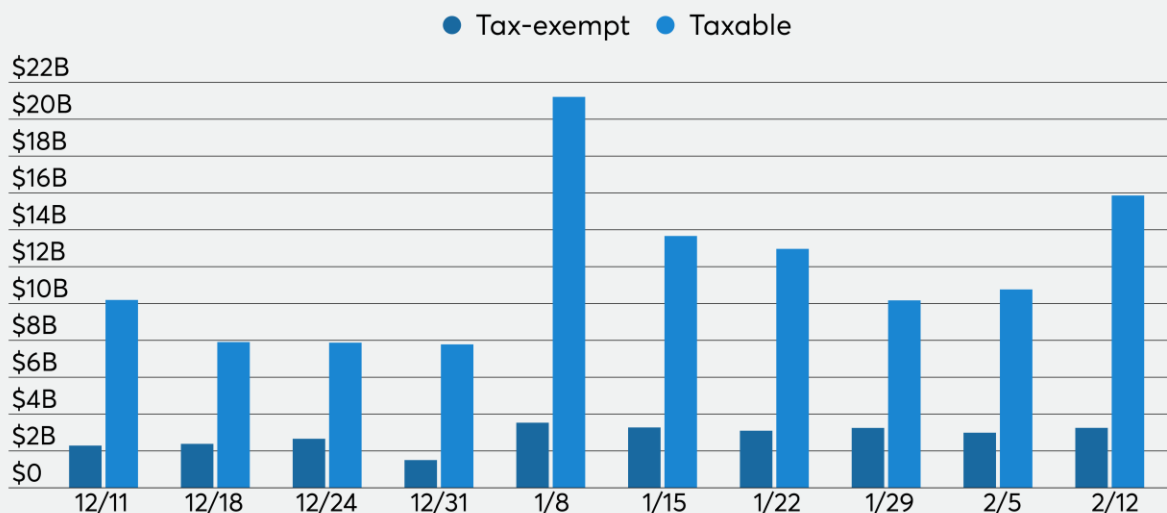
Source: 2/18 close MSRB, Refinitiv; MMD AAA, BVAL AAA callable, IHS AAA, BondWave AA, MBIS benchmark

ICI: Muni funds see \$3.2B inflow

Long-term municipal bond funds and exchange-traded funds saw a combined inflow of \$3.253 billion in the week ended Feb. 12, the Investment Company

Institute reported on Wednesday.

Muni bond funds see inflows



Source: Investment Company Institute

It was the 58th straight week of inflows into the tax-exempt mutual funds reported by ICI. The previous week, ended Feb. 5, saw \$2.989 billion of inflows into the funds.

Long-term muni funds alone had an inflow of \$2.887 billion after an inflow of \$2.724 billion in the previous week; ETF muni funds alone saw an inflow of \$366 million after an inflow of \$265 million in the prior week.

Taxable bond funds saw combined inflows of \$15.860 billion in the latest reporting week after revised inflows of \$10.681 billion in the previous week.

ICI said the total combined estimated inflows from all long-term mutual funds and ETFs were \$27.656 billion after inflows of \$27.814 billion in the prior week.

Previous session's activity

The MSRB reported 31,912 trades Tuesday on volume of \$8.15 billion. The 30-day average trade summary showed on a par amount basis of \$12.07 million that customers bought \$6.13 million, customers sold \$3.91 million and interdealer trades totaled \$2.02 million.

Texas, New York and California were most traded, with the Lone Star State taking 14.49% of the market, the Empire State taking 12.078% and the Golden State taking 11.745%.

The most actively traded security was the Puerto Rico Sales Tax Financing Corp., restructured COFINA A-1, zeros of 2051, which traded 45 times on volume of \$68.369 million.

Data appearing in this article from **Municipal Bond Information Services**, including the **MBIS municipal bond index**, is available on **The Bond Buyer Data Workstation**.

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