

## Infrastructure Gap Barely Dented by Record 2020 Bond Sales, Expect Lower 2021 Issuance

- We may see a record amount of municipal bond issuance by the end of 2020. Even on the low end, it could reach \$450 billion, which was the estimate we published on Dec. 18, 2019.
- A severe infrastructure gap remains in the United States. We do not think this gap is going to influence issuers to sell more debt in 2021 compared to 2020.
- We expect overall municipal bond issuance will be down in 2021. Issuance is likely to fall to about \$375 billion according to our analysis.
- Key reasons we are forecasting a year-over-year decrease: 1) issuance was accelerated into 2020, and 2) new money issuance going to fall because of revenue uncertainty and concerns about the strength of balance sheets.

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