Revised Again: Strong GDP Growth Boosts Our 2024 Issuance Forecast to $480 Billion

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- We are raising our 2024 municipal bond issuance forecast to $480 billion from $420 billion due to stronger-than-expected economic growth.
- Key Assumptions: Our second revised forecast of the year is being driven by increased GDP growth expectations (2.6% for 2024, up from 1.9% in January), and we made minimal changes to our interest rate assumptions.
- Monthly issuance averaged $42 billion through August 2024, and we expect the monthly pace to remain just above the 10-year average of $34 billion, with a peak of $55 billion in October.
- No significant political uncertainty is expected from the Nov. 5 elections. We anticipate financial markets will process election results smoothly.
- Preview for 2025: We have not finalized a 2025 issuance forecast yet, but if GDP growth in 2025 is close to or surpasses 2024 and interest rates are lower, U.S. municipal bond issuance could reach the 2020 record of $484 billion, or even set a record in 2025.

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