



NEW YORK CITY COMPTROLLER  
**SCOTT M. STRINGER**

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# Short-Term Municipal Market

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# Short-Term Municipal Market Overview

Significant supply retraction after Great Recession

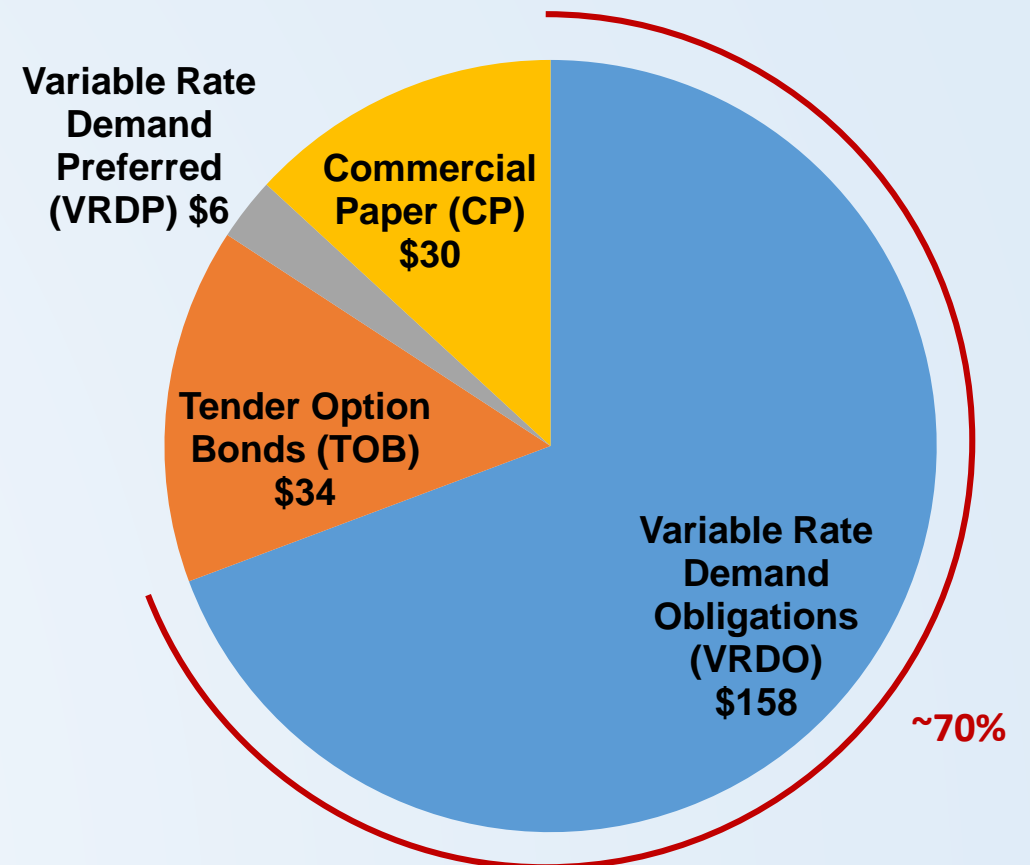
2009	2017
\$504B	\$217B

Short-term tax-exempt rates declined to near zero, but have been increasing recently

Market grew to \$229B by January 2018

## Short-Term Municipal Market Supply

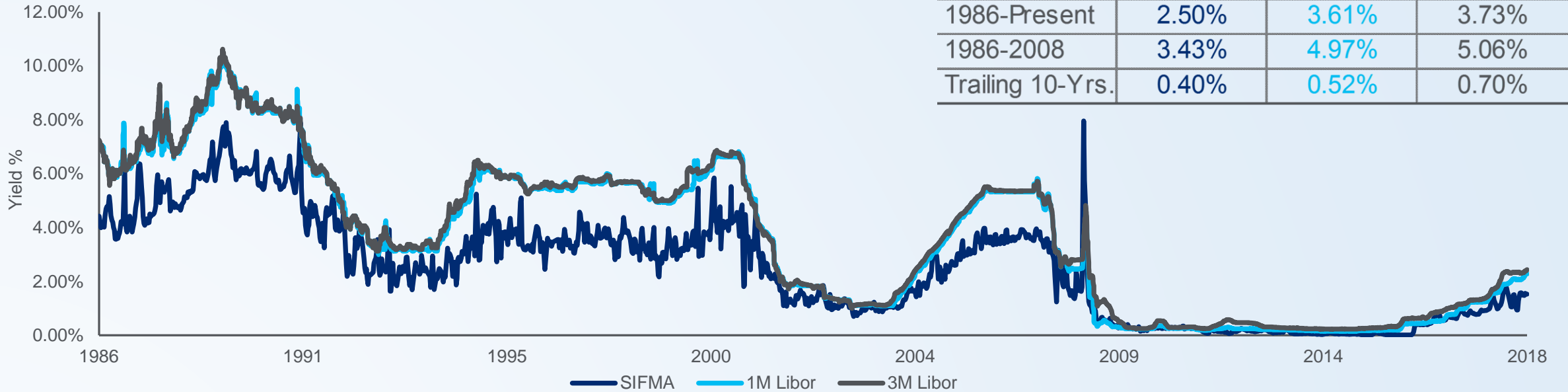
\$ Billions, as of Jan 2018



# Variable Rates in Historical Context

Trailing 3-Years

## SIFMA and LIBOR Yields



Since 2008, SIFMA has been lower than its current rate 99.8% of the time and 1-month LIBOR has been lower than its current rate 100% of the time

Since 1986, SIFMA has been lower than its current rate 38% of the time and 1-month LIBOR has been lower than its current rate 40% of the time

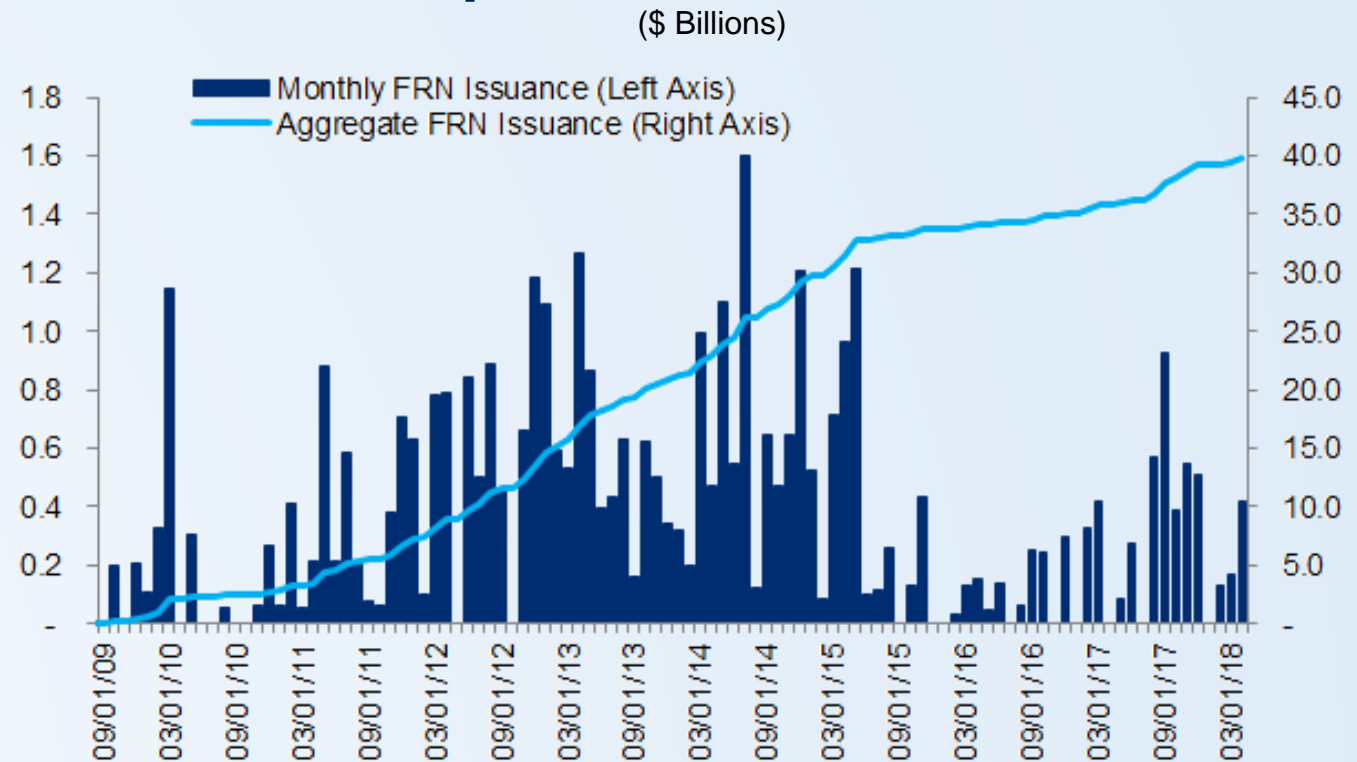


# Municipal Floating Rate Note (FRN) Market

Short-term rate increases and attractive SIFMA ratios have spurred additional SIFMA FRN issuance

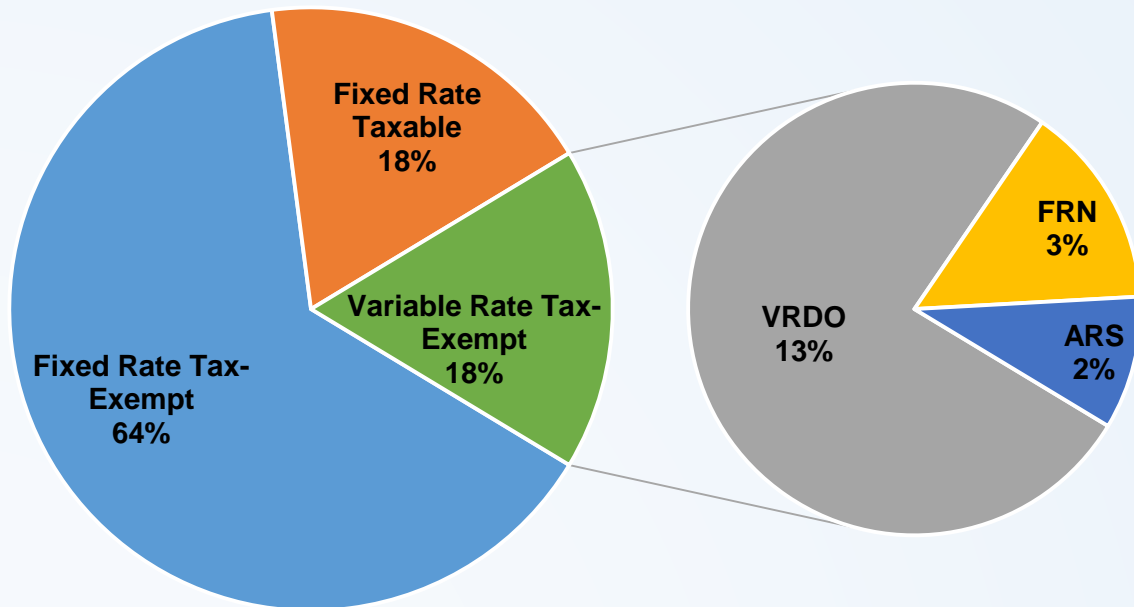
FRN investors include ultra-short and intermediate municipal bond funds who use FRNs as diversification from traditional fixed rate debt

## Tax-Exempt FRNs Sold to the Public



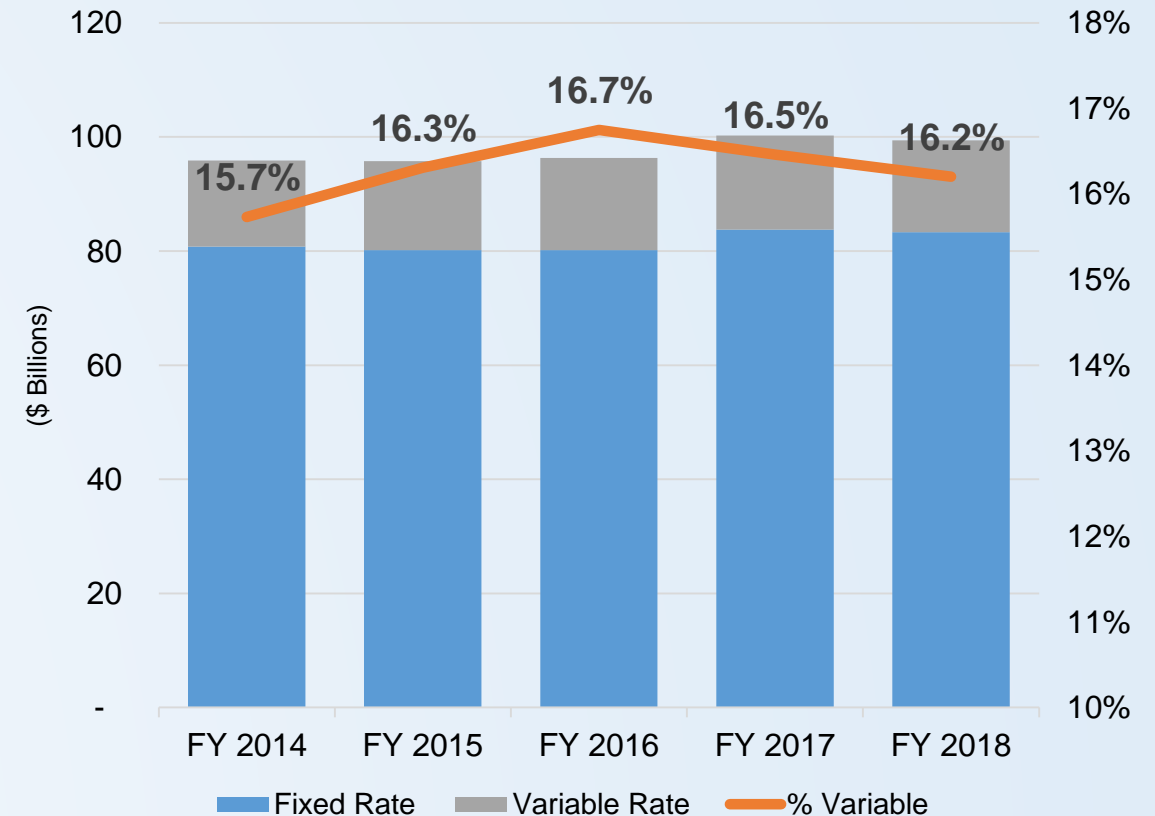
# NYC and Related Issuers' Debt Outstanding

## NYC GO Debt Outstanding



Approximately \$37 billion of GO bonds outstanding as of 9/30/2018; \$6.7 billion variable rate tax-exempt GO bonds outstanding

## Debt Outstanding – General Obligation, Transitional Finance Authority, and New York Municipal Water Finance Authority





# Reduced Interest Expense

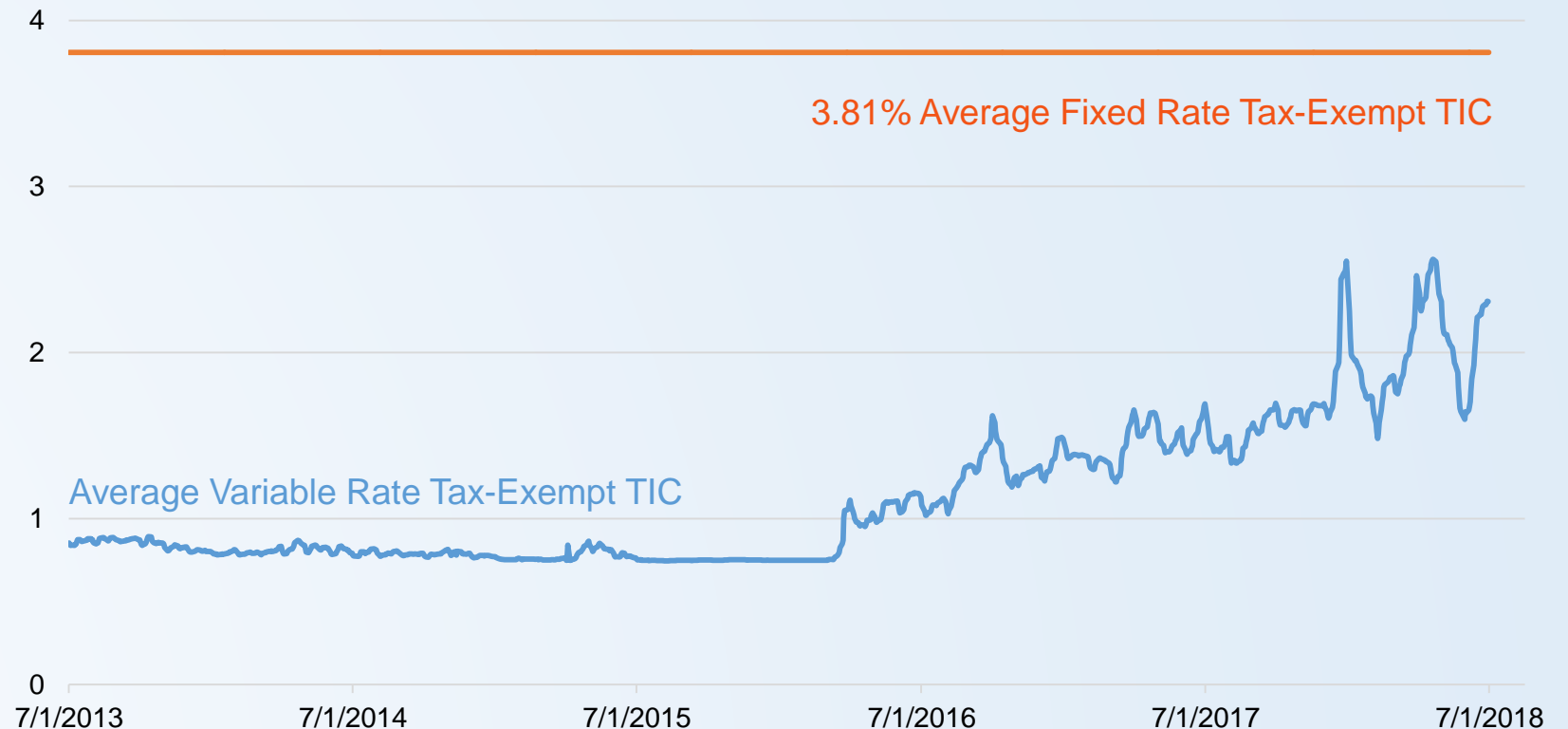
Variable rate has significantly lowered New York City's interest expense over many years of market fluctuations

Typically place variable rate in longest maturities for maximum savings

Over the past five years, the City has issued \$1.8 billion of variable rate bonds and \$5.2 billion of fixed rate new money bonds

Rates were atypically low FY14-FY16

## New York City GO Tax-Exempt Variable Rate vs. Fixed Rate FY2014 – FY2018



# Historical Snapshot of NYC Liquidity RFPs

Year	# Responses	Fees (bps)	Tenor	Largest Single Offer	Total Received
2017	9	27-82.5	2-5 years	\$300,000,000	\$1,245,000,000
2016	9	18-65	2-5 years	\$200,000,000	\$1,232,000,000
2014	12	30-90	1-5 years	\$300,000,000	\$1,700,000,000
2009	3	50-80	3 years	\$100,000,000	\$300,000,000
2008	10	26-60	1-7 years	\$400,000,000	\$1,872,000,000

