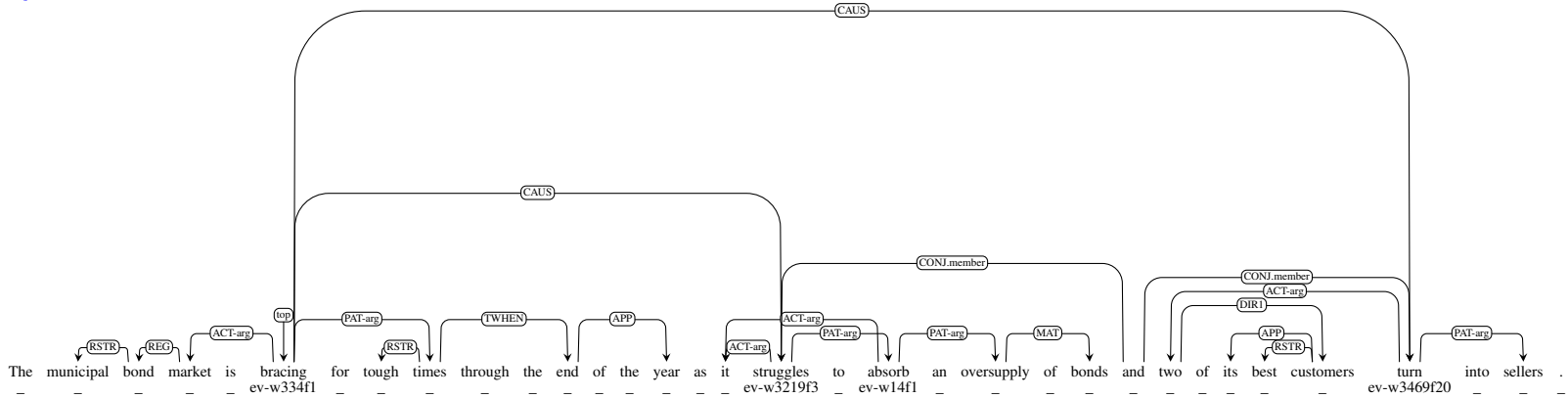
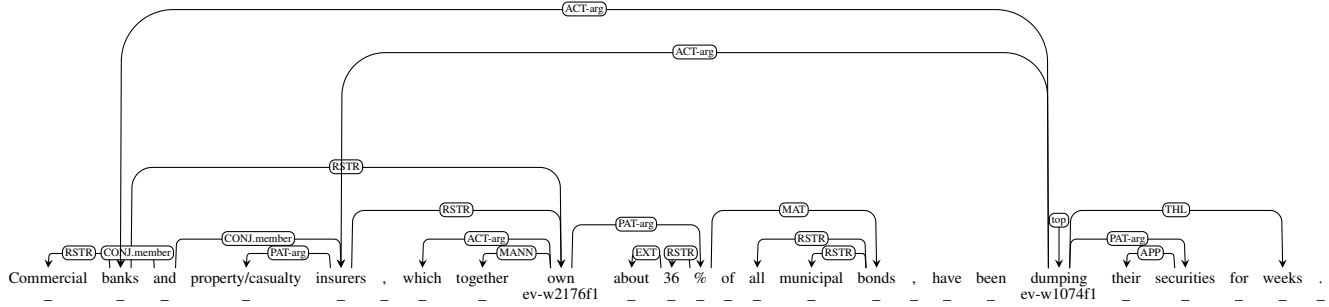


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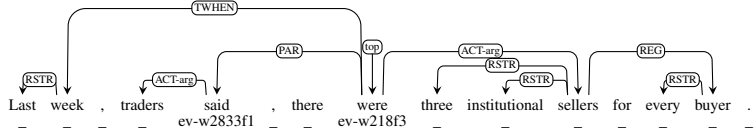
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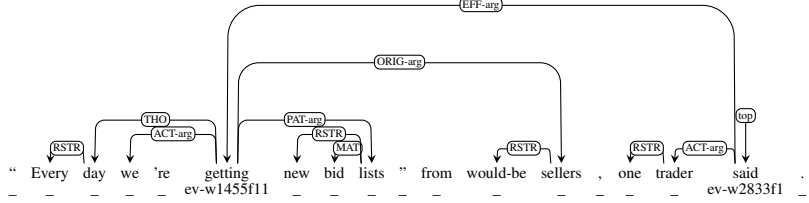
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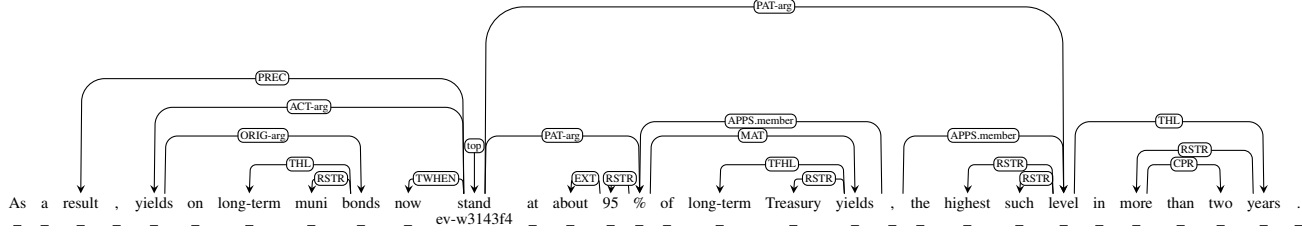
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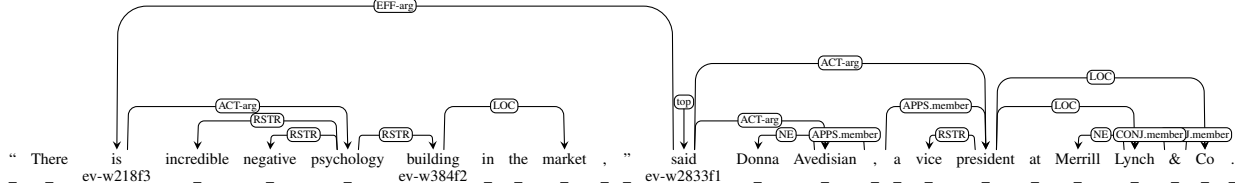
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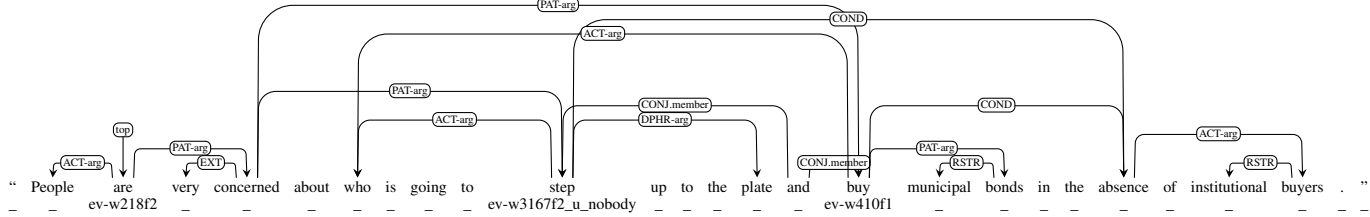
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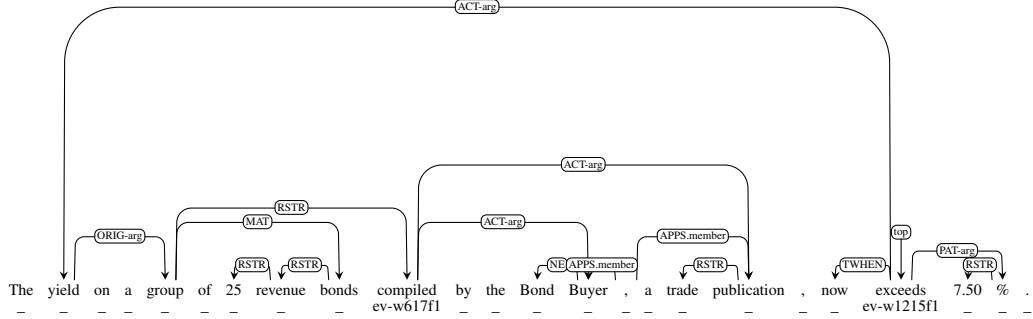
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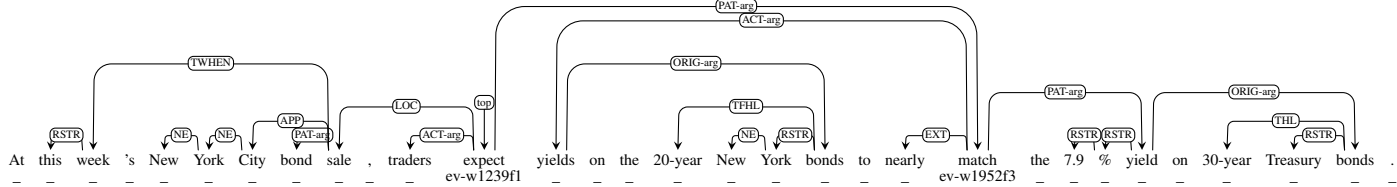
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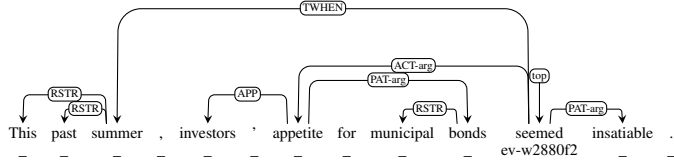
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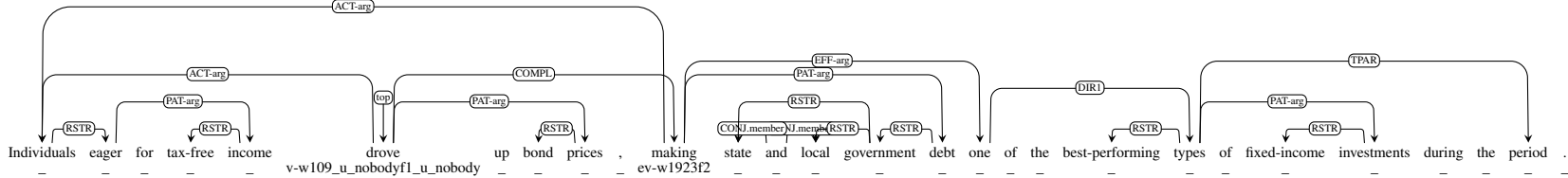
[20671010]



[20671014]



[20671015]



[20671016]

But while analysts say that municipal bonds still offer good value, you would n't know it by the way institutional investors are rushing to dump their holdings.

[20671017]

Bond market analysts say the institutional selling was triggered by several factors.

[20671018]

Big banks such as Chemical Bank and Chase Manhattan, which have been taking heavy charges to expand their Third World loan-loss reserves, are n't looking for tax-exempt income.

[20671019]

"We do n't need the shelter of tax-free bonds," said a spokeswoman at Chemical.

[20671020]

In recent weeks, traders said Chemical has sold more than \$ 1 billion of tax-free bonds.

[20671021]

The spokeswoman confirmed that the bank has significantly reduced its muni holdings, but could n't immediately confirm the amount.

[20671022]

Insurance companies are rushing to sell before the end of the year, when some of their tax benefits associated with municipal bonds will be phased out.

[20671023]

There is speculation that property/casualty firms will sell even more munis as they scramble to raise cash to pay claims related to Hurricane Hugo and the Northern California earthquake.

[20671024]

Fundamental factors are at work as well.

[20671025]

Muni bond holders are worried about the impact of a slowing economy on tax revenue, at a time when many state and local governments already face budget deficits and huge spending needs.

[20671028]

Some of the recent selling could actually be considered a positive sign.

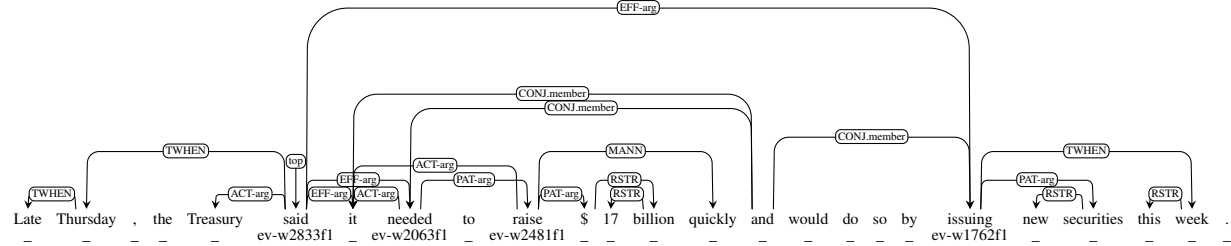
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Mutual funds, for example, are said to be selling existing municipal bonds to raise cash to buy new issues.

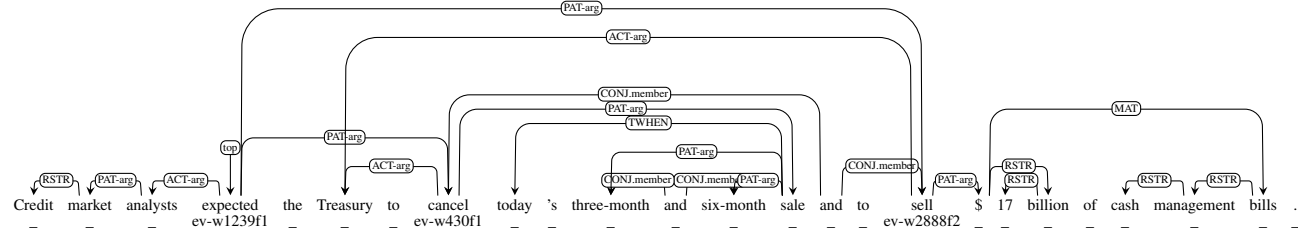
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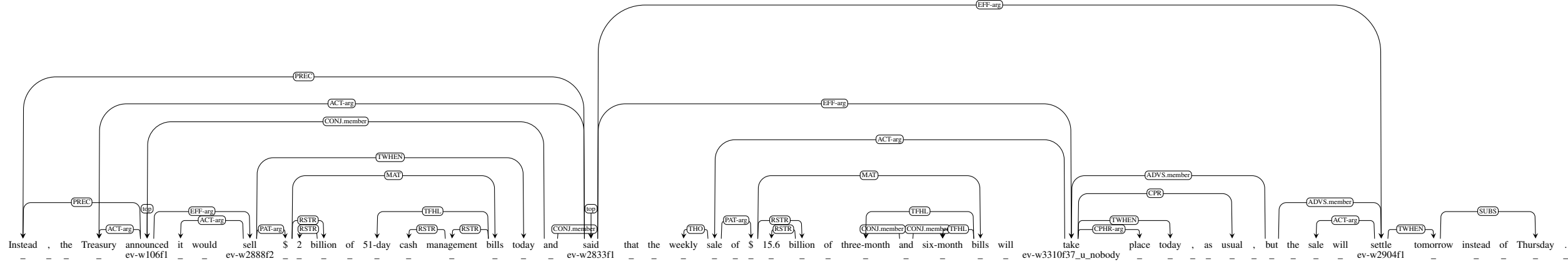
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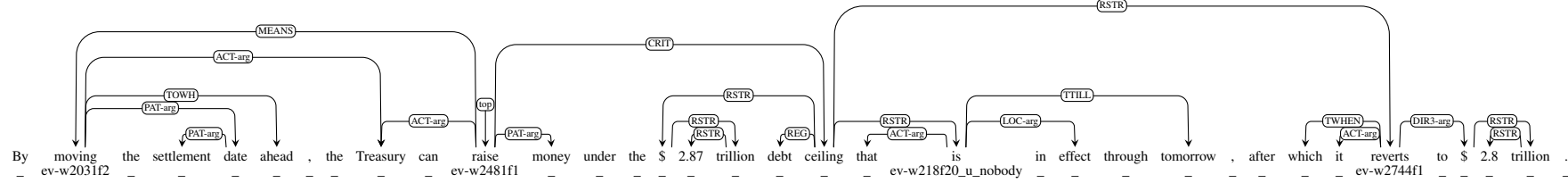
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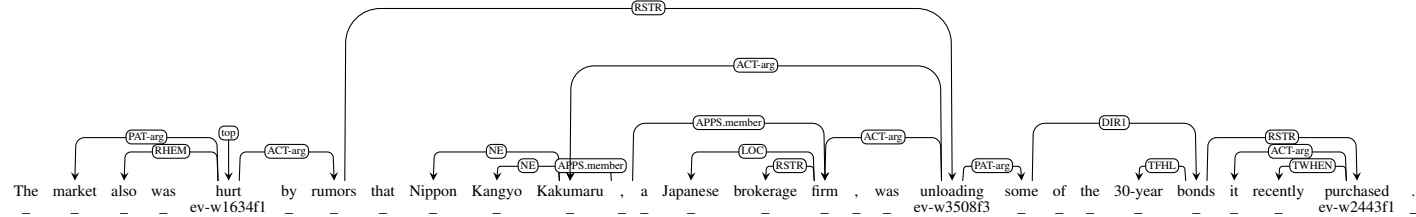
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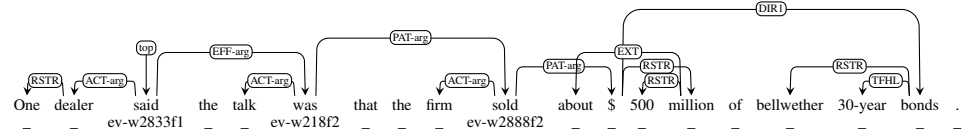
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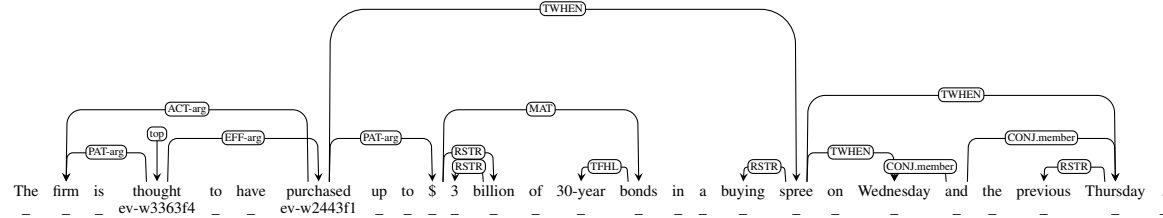
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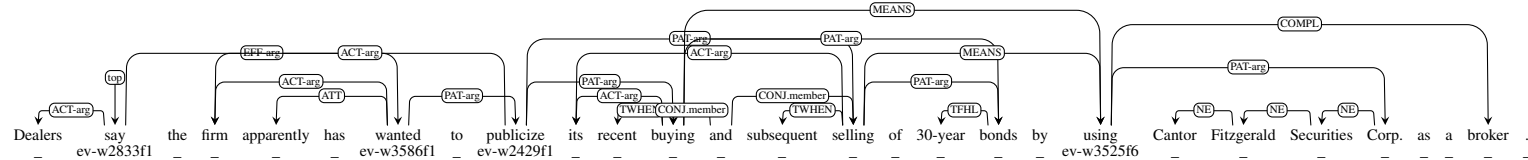
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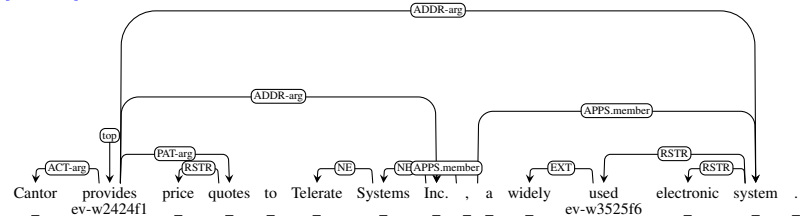
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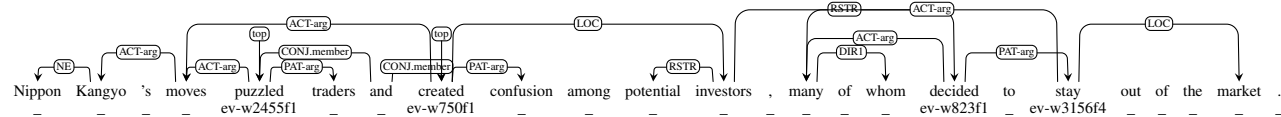
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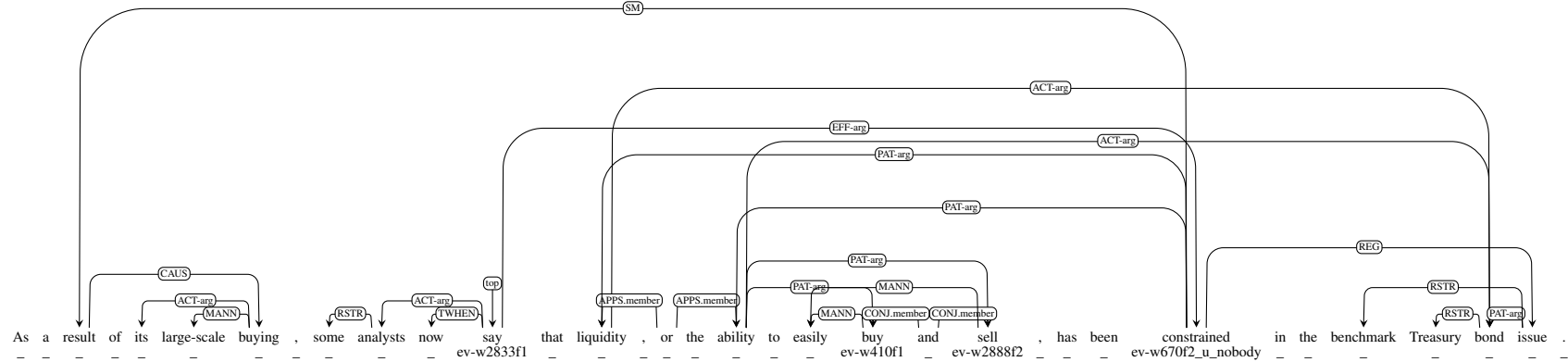
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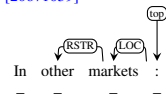
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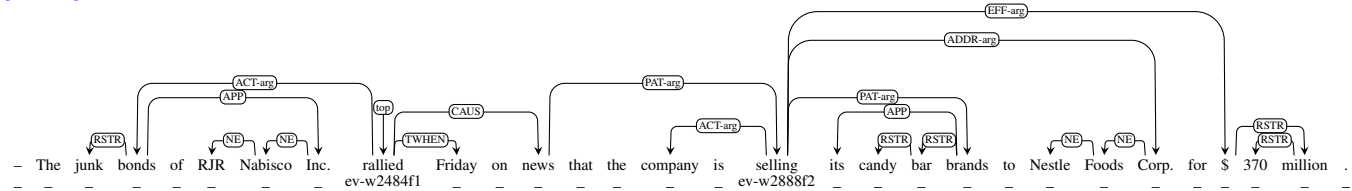
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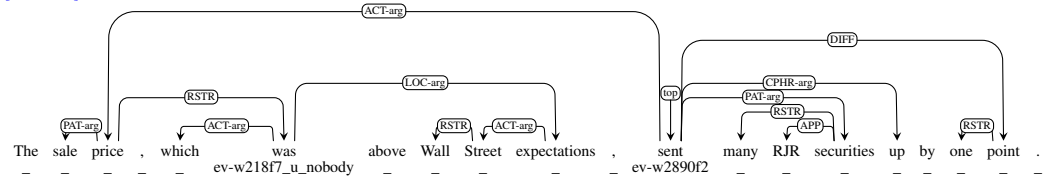
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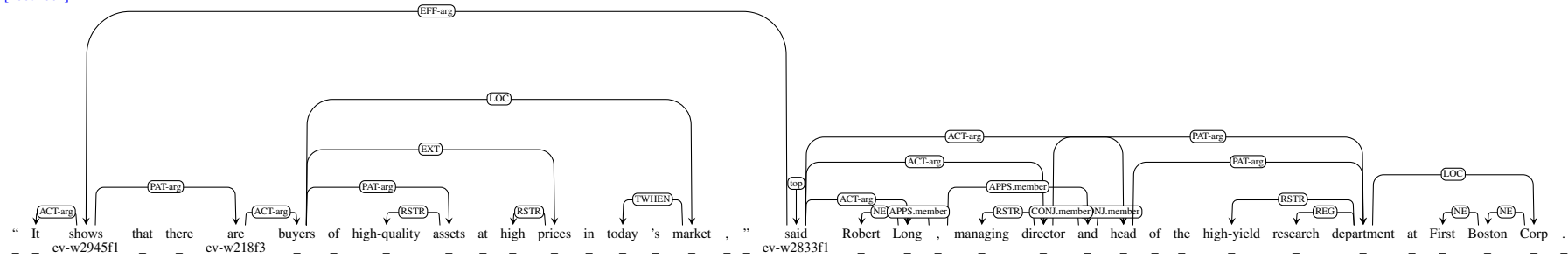
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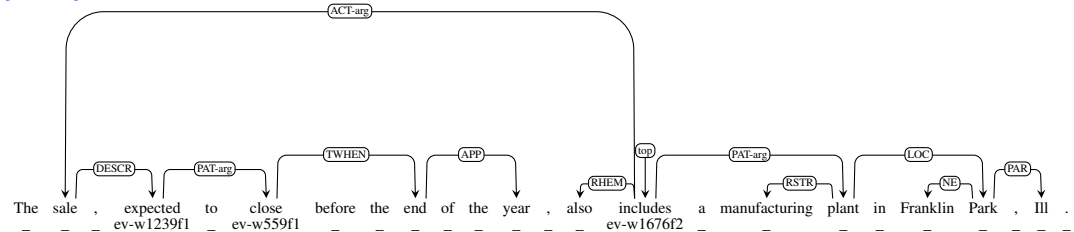
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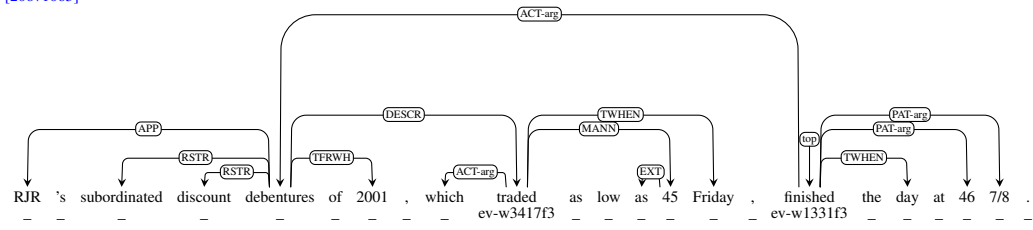
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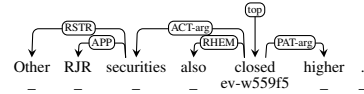
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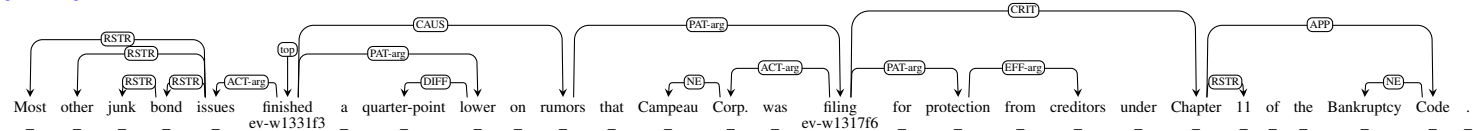
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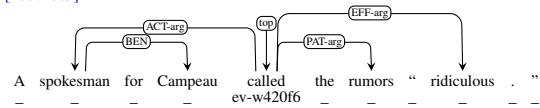
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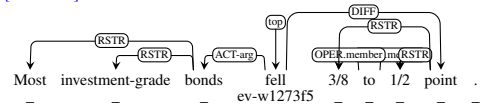
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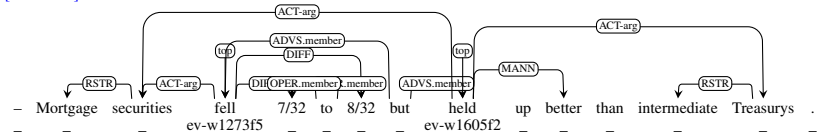
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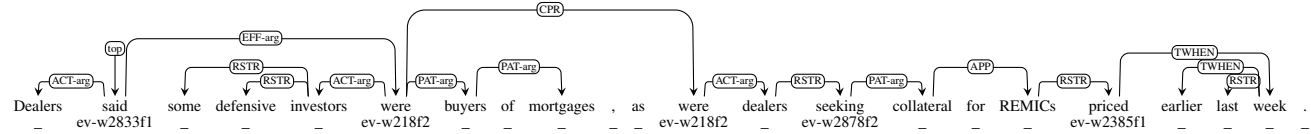
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[20671071]



[20671072]



[20671073]

