Bond Case Briefs

Municipal Finance Law Since 1971

Municipal Bonds: This Is No Time for Market Timing

Municipal-bond investors who "wait for the turn" in interest rates may be missing out on the opportunity for strong forward returns when that reversal actually happens.

There were no headlines about important developments in the municipal bond market on the front page of the October 27, 2022, edition of The Wall Street Journal. However, something significant did occur on that day: it marked the local peak in municipal bond yields. But this inflection point could not be found in financial news headlines because no one knew at the time—such developments are only clearly glimpsed in the rearview mirror. It would be almost impossible to call the peak in interest rates with any real confidence until weeks or even a month after the fact.

However, there are a few things that we do know now. In the month following the peak in rates in October 2022, the turn (i.e., the reversal to a decline in rates) happened very quickly. From the end of the October to the end of November, municipal yields fell across the curve by roughly 50 to 60 basis points.

Continue reading.

Lord Abbett

By Nicholas Bragdon – Associate Investment Strategist

November 6, 2023

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com