Bond Case Briefs

Municipal Finance Law Since 1971

Munis Haven’t Rallied So Much in a Month Since Paul Volcker Ran the Fed.

- **Bloomberg index heads for its best monthly gain since 1986**
- **Falling Treasury yields and lower muni bonds sales fuel rally**

The last time the municipal bond market rallied so much, it was Paul Volcker — and not Jerome Powell — who was winning a war on inflation.

Fueled by growing speculation that the Federal Reserve has tamed inflation enough to start cutting interest rates next year, everything from Bitcoin to tech stocks to Treasuries have rallied sharply this month. For state and local government debt, it has been a particularly heady run: They’ve delivered a return of more than 5% in November, the best month since January 1986.

The swift, surprising surge has been enough to lift returns and erase losses. The Bloomberg muni index is now up nearly 3% for the year, a rebound from a loss of 2.2% at the end of October. Benchmark yields for muni bonds due in 10 years reached below 2.74% Wednesday, the lowest since mid August.

Continue reading.

Bloomberg Markets

By Shruti Singh

November 29, 2023

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com