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Munis Suffer Worst Week Since March 2020 as Supply Wave Weighs.

- **Ten-year muni yields surged 34 basis points this week**
- **Borrowers have sold over $180 billion of bonds this year**

The $4 trillion municipal bond market is wrapping up its worst week since early 2020 as an onslaught of issuance weighs on the debt of US states and cities.

Yields on 10-year state and local-government debt have jumped 34 basis points this week, to 2.99% on Friday, for the steepest weekly climb since March 2020, when the onset of the pandemic roiled financial markets, according to data compiled by Bloomberg.

The trigger, investors say, has been a burst of supply. Borrowers have issued more than $180 billion in long-term municipal bonds this year, making the first five months of 2024 the busiest start to a year in more than a decade by volume, data compiled by Bloomberg show. Issuers trying to get ahead of the November US presidential election and potential changes in tax policy are driving the sales.

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