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## **WSJ: The Demand for Bonds Is Insatiable. Even Risky Borrowers Are Reaping the Benefits.**

**Hard-to-shake optimism and a scarcity of long-dated debt have helped drive spreads to historic lows**

### **Quick Summary:**

Investor demand for U.S. corporate, state and city bonds has driven spreads to multiyear lows despite market concerns.

A new AI borrowing frenzy and lingering fears about potential defaults haven't deterred investors hungry for bonds from U.S. companies, states and cities.

The extra yield—or spread—that investors demand to hold highly rated corporate bonds instead of ultrasafe U.S. Treasuries hit a 27-year low in late January. Spreads on speculative-grade corporate bonds dropped to an 18-year low. In the \$4 trillion municipal bond market, the spread between interest rates on triple-A and triple-B bonds is at one of its lowest points in two years.

Those tight spreads are the latest sign of how bonds remain stubbornly resistant to concerns rattling other markets.

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### **The Wall Street Journal**

By Heather Gillers and Sam Goldfarb

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