

Bond Case Briefs

Municipal Finance Law Since 1971

Muni Inflows Are Highest Since January as Buyers Ignore Fed.

Investors added the most money to municipal-bond mutual funds since January in the past week, a sign that they're not fretting about the Federal Reserve raising interest rates for the first time in almost a decade.

Individuals poured \$742 million into tax-exempt funds in the week through Wednesday, Lipper US Fund Flows data show, marking the 10th straight week of inflows. Those investing in long-term and intermediate-term securities received cash, as did high-yield funds.



Benchmark 30-year munis yield 3 percent, the lowest level since April, data compiled by Bloomberg show. Investors are betting that if the Fed tightens monetary policy at its Dec. 15-16 meeting, the longest-maturing tax-exempt debt will fare the best.

Munis have returned 3.2 percent this year, compared with 1 percent for Treasuries and no gain for investment-grade corporate securities, Bank of America Merrill Lynch data show.

Bloomberg Business

by Brian Chappatta

December 10, 2015 — 3:00 PM PST Updated on December 11, 2015 — 6:17 AM PST