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Muni Bonds Enjoy Historic Run Despite Tax Overhaul.

Investors this year have poured the most money into municipal bond funds in at least 13 years

Municipal bonds are enjoying their strongest start to a year since at least 2006, defying expectations that President Trump's sweeping tax overhaul would depress demand in the market.

Investors poured more than $15 billion into municipal-bond funds in the first eight weeks of the year, the most over that period in at least 13 years, according to net inflows tracked by research firm Municipal Market Analytics. Demand stayed strong through the end of February, Investment Company Institute data show.

Many observers had expected Mr. Trump's tax changes in 2017, which cut corporate levies to the lowest point since 1939 and lowered individual taxes for many households, to reduce the market's appeal. Muni bonds are often exempt from federal taxes, making them valuable to people seeking tax-free investment income.

Continue reading.

The Wall Street Journal

By Gunjan Banerji

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