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The Importance of Monitoring Municipal Bonds.

The municipal bond market may not be as fast-moving as the equity or futures markets, but that doesn't mean that investors should stop monitoring bonds after they are purchased. In addition to the handful of high-profile defaults, investors must be mindful of smaller changes in credit and liquidity risk that can impact how they build and maintain their overall portfolio.

Let's take a look at why it's important to monitor muni bonds and what metrics to watch.

Why Monitor Muni Bonds?

Most investors do their due diligence before buying municipal bonds by assessing the financial health of the issuer and the bond's specific characteristics. However, many investors fail to monitor bonds once they become part of their portfolio, despite potential changes in risk over time. These changes can have a significant impact on their overall portfolio risk.

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