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The Muni-Bond Market's Best Days May Be Over for Rest of 2019.

- **Supply boost, low interest rates weigh on market: Barclays**
- **'Who wants to be aggressive at current rates?' analyst says**

The best days for the municipal-bond market in 2019 are probably behind it.

A surprise boost in state and local government debt sales this month, low interest rates and investors' desire to lock in the market's biggest returns since 2014 suggest that tax-exempt bonds may lag Treasuries for the remainder of the year, according to Barclays Plc strategists led by Mikhail Foux.

With interest rates not far from a more than half century low, states and cities are seizing on the moment to borrow, creating headwinds for a market that had benefited from a slowdown in new debt sales since late 2017. States and local governments have sold $19 billion of fixed-rated bonds so far this month and plan to issue another $17 billion over the next 30 days, according to data compiled by Bloomberg.

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Bloomberg Markets

By Martin Z Braun

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