

Bond Case Briefs

Municipal Finance Law Since 1971

Municipal Bond CEFs Still Providing Good Value And Safety.

Summary

- It has been hard to feel confident in this space in the last couple of months due to both liquidity concerns at the outset and credit concerns more recently.
- The combination of these two risks pushed the ratio of AAA muni yields to Treasuries to highs rarely seen. Typically near 85%, the ratio hit over 200%.
- We have seen rapidly-rising muni cef NAVs. During these periods, waiting for the discount-based timing flag to flip from HOLD to BUY can result in a higher buy price.
- We have updated the buy under and sell over thresholds based on the new NAV yields and all the distribution changes since June 1.

[Continue reading.](#)

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