

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

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## **The Municipal Bond Opportunity in Three Charts.**

### **Three key trends that signal a positive backdrop for municipal bonds.**

Municipal bond market volatility has been high this year. Headwinds, such as rising interest rates, slowing U.S. economic growth, and the uncertainty over the persistence of inflation, weighed on investors' concerns, prompting historically large outflows from municipal bond (muni) funds. But these key trends may suggest a more positive outlook for municipal bonds lies ahead:

- 1) Resilient municipal bond credit strength and negligible defaults
- 2) State government issuers in a position of historic fiscal strength
- 3) Low new issue supply combining with improving demand

Let's examine each of these trends, illustrated by a telling visual.

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### **Lord Abbett**

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