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Vanguard's Malloy Sees 'Muni Renaissance' Extending Into 2023.

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- **'A lot of bad news is already priced in' to muni market**

Paul Malloy, the head of municipals at Vanguard Group Inc., is seeing signs of a revival in the \$4 trillion market that he expects will stretch into 2023, in part as this year's surge in yields lures investors back to state and city debt.

Yields on benchmark 10-year munis are still more than double their level at the start of the year, even after dropping in recent weeks on signs of ebbing inflation pressure. What's more, pandemic relief aid and swelling tax revenue have helped shore up the finances of US states and local governments.

It's "a really great point to re-enter municipals for the long-run given the increased yields in the marketplace on top of some of the best credit quality that we've had in decades," Malloy, who oversees \$228 billion, said in an interview. "It sets us up for a 2023 that we like to call a muni renaissance."

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