

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **Sky-High Muni Trading Seen Cooling as Fed's Rate Path Eyed.**

- **Trading volume hit highest since 2008 on rate hikes, outflows**
- **Barclays, Parametric and Neuberger Berman expect lower volume**

Municipal bond market analysts expect trading volume in the market to ease in 2023 after more than \$3.5 trillion in securities traded hands last year — the biggest surge since the global financial crisis — spurred on by rate hikes and persistent mutual fund outflows.

Average daily trading volume jumped by more than 50% to \$14 billion in 2022 compared with volumes a year earlier, according to Municipal Securities Rulemaking Board data analyzed by Bloomberg.

Meanwhile, daily trading volume in the secondary market surpassed \$20 billion par seven times last year, a level never breached in 2021, according to MSRB data. The Federal Reserve's interest rate hikes also brought volatility to the muni market, said Kimberly Olsan, senior vice president of municipal bond trading at FHN.

[Continue reading.](#)

### **Bloomberg Markets**

By Shruti Singh

January 11, 2023