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Muni Investors Risk Dismal Returns in September, Barclays Says.

- **'It is hard to be overly optimistic about municipals': note**
- **New-issue supply expected to total \$30 billion to \$35 billion**

Municipal-bond investors should heed historical trends and steer clear of the market in September if they're unsure of what to buy, according to Mikhail Foux, Clare Pickering and Mayur Patel of Barclays.

"Historically, September and, to a lesser degree, October have not been kind to municipal investors; 2015 is the last time investors were able to realize sizable returns in the autumn," the analysts wrote in a Friday note. Over the past five years, the average return for munis in September and October has been -5.7% and -1.8%, respectively.

Rate volatility will likely persist, making it difficult to be optimistic about municipals this month, according to the note. The analysts recommend that investors "remain relatively light" on the asset class going into October, unless the muni market sell off meaningfully.

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