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Munis Post Rare 0.0% Return in March as Fed Keeps Waiting to Cut.

- **Local debt underperformed Treasuries, corporate bonds**
- **Fed expects to begin lowering rates ‘at some point this year’**

With the bond market still struggling to recover from some of the worst losses in decades, tax-exempt debt delivered what counts these days as good news: In March, investors didn’t lose so much as a penny.

In turns out, they didn’t make anything either: The municipal bond market returned exactly 0.00%.

Investors will be closely watching economic data for clues as to when the Federal Reserve may begin cutting rates, which will help determine if the muni market’s flat returns extend into this month. An uptick in tax-exempt issuance to refinance old Build America Bonds could improve muni performance.

Continue reading.

Bloomberg Markets

By Nic Querolo and Skylar Woodhouse

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