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Muni Bond Sales Soar as Issuer Needs Exceed Worry on Fed.

- **Year-to-date sales reach $142.8 billion, highest since 2015**
- **States, cities still see debt costs as relatively attractive**

States and municipalities sold $142.8 billion in long-term municipal bonds during the first four months of 2024, the most in almost a decade, as the need to borrow outweighed concerns over higher interest rates that afflicted investors in the market.

This year's surge follows a 20% decline in issuance in 2022 and a flat 2023, according to data compiled by Bloomberg. The amount of borrowing so far is 33.3% higher than last year and the most for the period since $144.3 billion in 2015.

The sales boom runs counter to munis' performance, with a year-to-date loss of 1.62%, according to Bloomberg indexes. Treasury and other debt markets have dropped as economic data signal sticky inflation likely will push the Federal Reserve to keep borrowing costs at a more than two-decade high.

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Bloomberg Markets

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