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Muni-Bond Market Faces September Slump as Supply Outpaces Demand.

- **CreditSights sees \$22.8 billion muni bond redemptions in month**
- **Fed rate cut could alter September muni losing streak**

September is already shaping up to be a tough month for investors in the municipal debt market, with a supply-demand mismatch threatening to squeeze performance.

The total amount of redemptions to be paid out by local governments this month totals \$22.8 billion, less than half of what was paid out in August and roughly 21% less than 2024's monthly average, according to data from CreditSights Inc. That drop is set to reduce the baked-in demand that has supported the market for much of the summer.

At the same time, roughly \$19.3 billion of new issuance is expected over the next 30 days — the most since June — according to data compiled by Bloomberg.

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