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Muni Buyers Pounce on Profusion of Bond Sales Ahead of Fed Cut.

- **Fed is expected to lower interest rates later this week**
- **Muni sales topped $14 billion in the week ended Friday**

Municipal bond buyers scooped up an abundance of debt sales last week, eager to lock in higher yields before the Federal Reserve is widely expected to lower interest rates for the first time in more than four years.

States and local governments sold more than $14 billion of debt in the week ended Friday, one of the largest weekly amounts of the year and 79% more than the five-year weekly average, according to data compiled by Bloomberg. Borrowers are rushing to market ahead of potential volatility before the US presidential election in November. Long-term municipal bond issuance is up more than one-third over 2023's pace.

"These next couple of weeks are basically the last chance to stock up on decent yields," said Dora Lee, research director at Belle Haven Investments. She said that recent transactions, including one by New York City, garnered healthy demand from investors.

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