

# Bond Case Briefs

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## Munis Tumble Under Republican Regime.

Municipal bonds have taken a [significant hit](#) after Donald Trump's election as president, following a sharp selloff in U.S. Treasuries amid concerns over potential deficit-expanding policies and inflationary effects.

Benchmark municipal yields spiked, echoing the Treasury market's movements as investors reacted to the likelihood of Trump's economic plans impacting inflation. Many state and local governments had already rushed to issue bonds before the election, leading to high issuance in October, but new sales were sparse this week.

Despite the volatility, analysts like Lyle Fitterer of Baird predict bond issuance will recover in time, driven by the U.S.'s substantial infrastructure needs. A Republican victory also stirs concerns that tax cuts could reduce demand for tax-exempt municipal bonds, with JPMorgan analysts highlighting the risk to the tax-exemption status itself.

*Finsum: It's also worth noting how inflation is going to potentially affect these assets, because there is strong chance inflation will increase under the new regime.*

**Nasdaq**

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