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High-Yield Munis Post Worst Month Since 2023 After Tariff Rout.

High-yield municipal bonds posted their worst month since September 2023 as the securities struggle to recoup losses from the tariff-fueled selloff earlier this month.

The riskiest segment of the market underperformed investment-grade securities for the first time since December, posting a 1.8% loss in April, according to Bloomberg indexes. The tariff-fueled selloff hit high-yield particularly hard and in one week they recorded a 5% loss, the worst week since the pandemic.

After President Donald Trump announced his sweeping tariffs on April 2, panicked investors sold bonds as part of a broader shift to raise cash. Munis, alongside other asset classes, have been performing better since then, though the securities have been slow to recover.

Continue reading.

Bloomberg Markets

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