Bond Case Briefs

Municipal Finance Law Since 1971

Munis Set to Outperform Fixed Income in Summer Redemption Season.

Investors are gearing up for a favorable time of year in the municipal-bond market as state and local government debt is poised to outperform other areas of fixed income over the next few months.

In the summer, new bond sales tend to slow down while money flowing back to investors increases — creating a supply and demand mismatch that boosts prices. The 10-year monthly average returns in May, June and July are positive, according to data compiled by Bloomberg.

“We continue to see a constructive environment for purchasing muni bonds despite a bearish Treasury market,” analysts at Bank of America Corp. said in a Friday research note. “Outperformance of munis vs Treasuries should continue during the May-August time frame.”

Continue reading.

Bloomberg Markets

By Aashna Shah

May 9, 2025