

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **Munis Trail Treasuries by Most Since 2020 After Issuance Boom.**

### **Takeaways**

- The municipal-bond market is logging its worst performance relative to US government debt since the start of the pandemic, with state and local government debt losing about 1% this year.
- The lackluster performance is due to a mismatch in supply and demand, with municipal borrowing surging and a depletion of federal-stimulus aid.
- Vikram Rai, a portfolio manager at First New York, said “Performance is going to deteriorate even further” and expects supply to remain elevated, reaching as high as \$600 billion by the end of 2025.

The municipal-bond market is logging its worst performance relative to US government debt since the start of the pandemic, as a burst of new bond sales pressures prices.

State and local government debt has lost about 1% this year, trailing the 3% gain on US Treasury securities by roughly 4 percentage points, according to data compiled by Bloomberg.

[Continue reading.](#)

### **Bloomberg Markets**

By Aashna Shah and Elizabeth Rembert

July 25, 2025