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Munis Rise as Bonds Rally on Job Data Cementing Rate-Cut Bets.

Takeaways by Bloomberg AI

- Municipal bonds rallied after weaker-than-expected job growth raised expectations that the Federal Reserve will start lowering interest rates this month to support the economy.
- Yields on top-rated state and local government debt fell alongside those on Treasuries, with rates on 10-year benchmark tax-exempt bonds dropping to 3.05%, the lowest since April.
- Investors now see a quarter-point rate cut at the Fed’s Sept. 16-17 policy gathering as a sure thing and anticipate a total of three such cuts this year, according to futures contracts.

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