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[Muni Bonds Rally by Most in a Year as Markets Welcome Ceasefire.](#)

State and local government bonds surged by the most in a year after the ceasefire to the US war against Iran unleashed relief rallies across global financial markets.

The advance sent benchmark 10-year yields down by 9 basis points to 2.9% as of 3 p.m. New York time. That's the biggest drop since last April, when President Donald Trump's decision to pause his tariffs pulled markets back from a meltdown and set off similar rebounds.

The advance only erased some of the losses that piled after the US bombardment sent oil prices surging, threatening to fan already elevated inflation. That drove traders to largely abandon once-widespread expectations that the Federal Reserve would resume cutting interest rates later this year, with such a reduction still seen as an outside change.

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