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Munis Head for Best October in More Than Four Decades After Rout.

Takeaways by Bloomberg AI

- US state and local government debt is on track to notch its strongest October in more than four decades, as a relief rally follows one of the worst months for the bond market in years.
- Cheaper valuations and elevated yields led to October's rebound, according to experts, with investors putting money back into munis after they sold in September to harvest tax-losses.
- The selloff in September created an opportunity for investors to slash their taxes and seize on high yields through tax-loss harvesting, and higher starting yields give investors more income and provide a greater cushion against further interest-rate volatility.

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Bloomberg Markets

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