# Bond Case Briefs

*Municipal Finance Law Since 1971*

---

## The Fed Waits as Municipal Bonds Regain Their Defensive Role.

**Summary**

- The Federal Reserve left its target rate unchanged, but continued economic strength and persistent inflation could keep a December increase in play.
- Municipal bonds provided protection during last week's technology selloff, while strong demand, attractive tax-exempt yields, and generally stable credit continue to support the market.

**A Flight to Safety Returned Before This Week's Fed Decision**

The Federal Open Market Committee left its target interest rate unchanged today, as expected. Attention now turns to the statement, any dissenting votes, and what Chair Kevin Warsh says, or does not say, about December. Chair Warsh has limited the forward guidance markets once relied upon, leaving investors to draw more of their own conclusions from the economic data and the Fed's actions. A quarter-point increase at the Dec. 9 meeting remains possible if growth stays firm and inflation fails to ease. As of early Wednesday afternoon, federal funds futures placed the probability of a December increase near 86%.

Continue reading.

**advisorhub.com**

by Tom Kozlik, HilltopSecurities

November 2, 2026

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com