Municipal Bond Investor Playbook for Rest of the First Quarter, 2024

Tom Kozlik

- This is what we like about municipal bonds in Feb. 2024. We like the better-than-expected macroeconomic backdrop to begin 2024. Municipal yields remain appealing. Credit is normalizing, making an argument for individual credit analysis to distinguish between the stable and improving situations and all the others. This normalizing process is why you may be reading headlines about budget shortfalls and revenues missing expectations.
- The way that we are reading what has occurred in recent weeks is that the FOMC's moves higher are likely complete. The path downward is coming, but the timing of the downward trajectory is less certain.
- Municipal bond yields have dropped from their October 2023 summit, but yields are not only high relative to where they were to end 2021, they are still generationally attractive.
- Investors deposited $1.5 billion for the week ending Wed. Jan. 31st into municipal bond mutual funds per Lipper data. This was the fourth consecutive week of positive flows into municipal mutual funds to begin 2024.

Read the full article

Read more Municipal Commentary

©2026 Hilltop Securities Inc. \ All rights reserved \ MEMBER: NYSE/FINRA/SIPC