

Municipal Market Holds Steady as Economic Crosscurrents Intensify

- Macro-economic uncertainty persists, yet municipals remained stable.
 Economic turbulence continued with labor market stress, weak
 consumer sentiment, and a government shutdown that could end this
 week. The Fed has signaled a December rate cut is uncertain, though
 softening data may revive expectations.
- The municipal bond "moment" we highlighted in October is still intact. Attractive municipal yields remain available, and investor demand is strong. More than \$12.5 billion has flowed into municipal mutual funds since late summer, including \$1.3 billion last week. With supply expected to tighten after mid-November, individual investors may find it increasingly challenging to secure bonds.
- Trade policy uncertainty continues to weigh on the broader economy.
 The ISM manufacturing index fell again in October, and the Trade Policy Uncertainty Index remains elevated, reflecting persistent concerns that could influence investor behavior heading into year-end.
- New York City voters **elected Zohran Mamdani as mayor**, signaling a potential ideological shift toward progressive policies focused on affordability and equity. His administration will face immediate challenges balancing fiscal stability with rapid technological change.

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