The Golden Age of Municipal Bonds is Not Over

Tom Kozlik

- The Golden Age of municipal bonds or public finance is still not complete. However, yields will not always be this appealing and credit will not always be this robust.
- It is important investors take advantage of the still generationally attractive yields and strong credit quality we see in the tax-exempt municipal market now.
- Moody's Public Finance upgrades came in at an almost record number in 2023. This illustrates how strong public finance credit quality is right now, still.
- There are sectors to monitor. Digging into the data we see that downgrades outpaced upgrades in the healthcare and higher education sectors.
- Municipal supply continues to come in heavier than in 2023 and flows into municipal mutual funds have been more positive than last year so far.
- Lawmakers avoided a partial federal government shutdown after passing a spending package that fully funds the federal government through September 2024.

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