The Time is Now

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- "The time has come for policy to adjust," said Fed Chair Jerome Powell while in Jackson Hole, WY last week. This is the clearest indicator to date that the U.S. Federal Reserve is near to calling for an end to its historic fight against inflation and is ready to begin to loosen monetary policy.
- The time is now for investors to seriously consider how this messaging from the Fed Chair will accelerate the allocation and reallocation of investment dollars.
- Tax-exempt municipal bonds could still be the investment landscape's best kept secret. Although yields have continued to drop since the beginning of the summer, they are not as appealing as they once were this year, yet they remain near generationally attractive levels.
- Flows into municipal mutual funds continue to trickle-in but are still not close to the average amount we saw in 2021. The most important take-away here is municipal fund flows have been positive for eight straight weeks.

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