

ACACIA'S MUNICIPAL MARKET UPDATE



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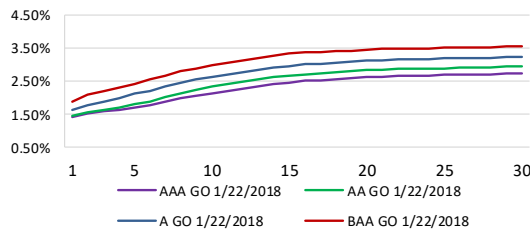
MARKET COMMENTARY

- From Tuesday to Monday, the 10-year AAA MMD benchmark rose 4 basis points to 2.14%, while the 30-year AAA MMD benchmark rose 5 basis points to 2.74%.
- The municipal bond volume for the week of January 22nd is approximately \$7.17 billion of long-term bonds, consisting of \$5.56 billion in negotiated deals and \$1.61 billion in competitive sales.
- Municipal bond funds saw inflows of \$1.18 billion in the week ended January 17th, following inflows of \$1.06 billion in the week prior. Fund inflows for the 2017 year finished at \$19.4 billion.
- This week we are expecting economic indicators such as Existing Home Sales, International Trade in Goods, and the 2017 4th quarter GDP, which is estimated to come in at 2.9% annualized.
- Jobless claims reported for the January 13 week fell to 220,000, which is the lowest screening in 45 years.

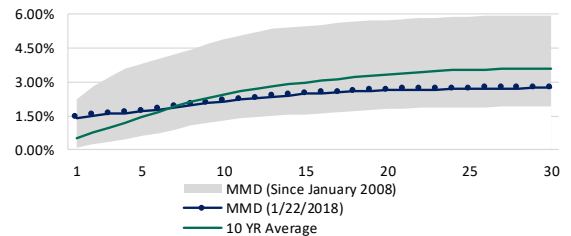
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.41%	1.44%	1.62%	1.89%	1 Yr	1.753%	1.87%	1 Mo/1 Wk	1.560%	1.230%	78.846%
2 Yr	1.52%	1.57%	1.79%	2.09%	2 Yr	2.040%	2.17%	3 Mo	1.741%	-	-
3 Yr	1.59%	1.65%	1.90%	2.22%	3 Yr	2.177%	2.33%	6 Mo	1.926%	-	-
4 Yr	1.63%	1.71%	1.99%	2.31%	5 Yr	2.417%	2.75%	1 Yr	2.031%	1.411%	69.473%
5 Yr	1.71%	1.81%	2.12%	2.43%	7 Yr	2.544%	3.01%	5 Yr	2.486%	1.836%	73.854%
10 Yr	2.14%	2.04%	2.63%	2.98%	10 Yr	2.619%	3.29%	10 Yr	2.650%	2.082%	78.566%
30 Yr	2.74%	2.95%	3.24%	3.56%	30 Yr	2.899%	3.60%	30 Yr	2.765%	2.344%	84.774%

MMD Yield Curves



MMD Yield Range



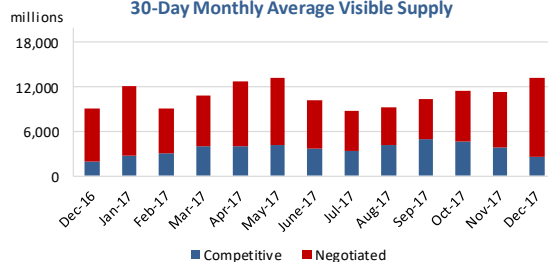
AAA MMD vs UST



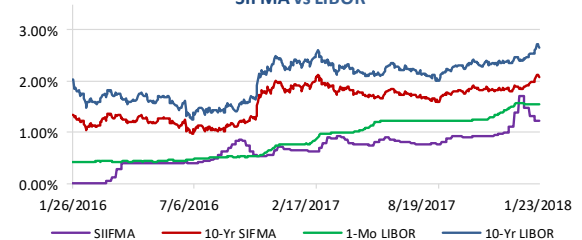
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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