

ACACIA'S MUNICIPAL MARKET UPDATE



JANUARY 30, 2018

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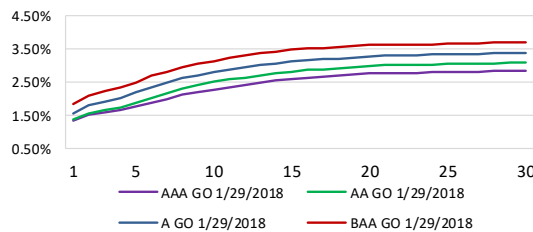
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose 15 basis points to 2.29%, while the 30-year AAA MMD benchmark rose 12 basis points to 2.86%.
- The municipal bond volume for the week of January 29th is approximately \$5.25 billion of long-term bonds, consisting of \$5.08 billion in negotiated deals and \$164 million in competitive sales.
- Municipal bond funds saw inflows of \$781.160 million in the week ended January 24th, following inflows of \$1.18 billion in the week prior. Fund inflows for the 2017 year finished at \$19.4 billion.
- The 2017 fourth quarter GDP rose 2.6%, while consumer spending rose 3.8%.
- This week we are expecting the January Employment Report and the first FOMC meeting of 2018.

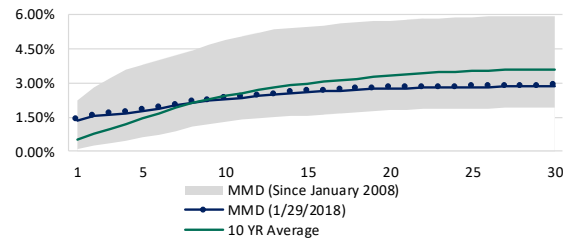
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.36%	1.39%	1.57%	1.84%	1 Yr	1.773%	1.87%	1 Mo/1 Wk	1.573%	1.160%	73.744%
2 Yr	1.53%	1.58%	1.80%	2.10%	2 Yr	2.118%	2.22%	3 Mo	1.772%	-	-
3 Yr	1.61%	1.67%	1.92%	2.24%	3 Yr	2.253%	2.38%	6 Mo	1.967%	-	-
4 Yr	1.68%	1.76%	2.04%	2.36%	5 Yr	2.495%	2.79%	1 Yr	2.085%	1.422%	68.201%
5 Yr	1.77%	1.88%	2.19%	2.50%	7 Yr	2.635%	3.05%	5 Yr	2.570%	1.880%	73.152%
10 Yr	2.29%	2.04%	2.80%	3.15%	10 Yr	2.709%	3.29%	10 Yr	2.732%	2.142%	78.404%
30 Yr	2.86%	3.10%	3.39%	3.71%	30 Yr	2.969%	3.61%	30 Yr	2.828%	2.395%	84.689%

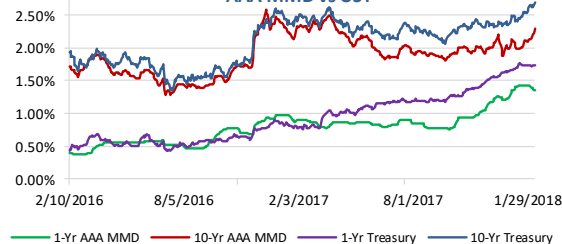
MMD Yield Curves



MMD Yield Range



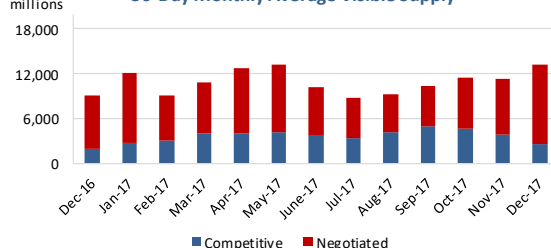
AAA MMD vs UST



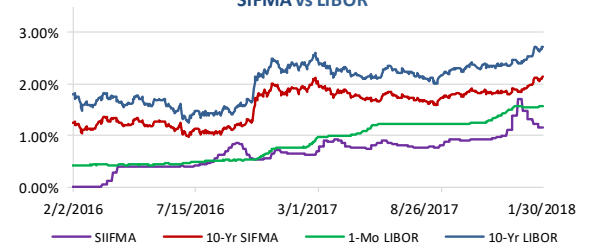
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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