

ACACIA'S MUNICIPAL MARKET UPDATE



OCTOBER 10, 2017

CELEBRATING
10
Years

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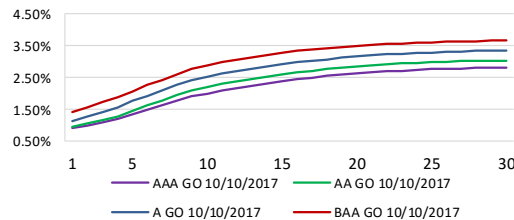
MARKET COMMENTARY

- From Monday to Tuesday, the 10-year AAA MMD benchmark remained unchanged at 2.01%, while the 30-year AAA MMD benchmark fell two basis points to 2.82%.
- The municipal bond volume for the week of October 10th, is approximately \$7.2 billion of long-term bonds, consisting of \$5.1 billion in negotiated deals and \$2.1 billion in competitive sales.
- Municipal bond funds saw outflows for the first time since August of \$140.336 million in the week ended October 4th, following inflows of \$378.211 million in the week prior.
- In September, employment decreased for the first time in seven years due to the Hurricanes Harvey and Irma.
- The FOMC will be monitoring the CPI release this Friday, as a this will weigh heavily on the possible rate increase this December.

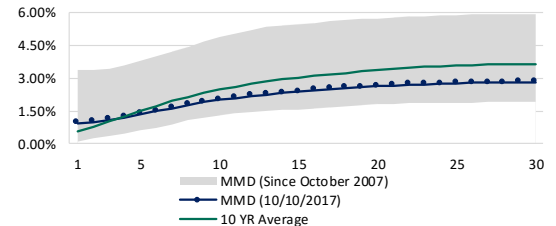
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	0.94%	0.97%	1.15%	1.42%	1 Yr	1.361%	1.43%	1 Mo/1 Wk	1.237%	0.920%	75.929%
2 Yr	1.00%	1.05%	1.27%	1.57%	2 Yr	1.508%	1.64%	3 Mo	1.356%	-	-
3 Yr	1.09%	1.16%	1.41%	1.73%	3 Yr	1.630%	1.80%	6 Mo	1.525%	-	-
4 Yr	1.20%	1.29%	1.57%	1.89%	5 Yr	1.950%	2.30%	1 Yr	1.602%	1.086%	67.783%
5 Yr	1.36%	1.47%	1.77%	2.08%	7 Yr	2.178%	2.60%	5 Yr	2.028%	1.512%	74.415%
10 Yr	2.01%	2.04%	2.54%	2.89%	10 Yr	2.352%	2.95%	10 Yr	2.304%	1.813%	78.702%
30 Yr	2.82%	3.04%	3.35%	3.67%	30 Yr	2.890%	3.54%	30 Yr	2.560%	2.194%	85.776%

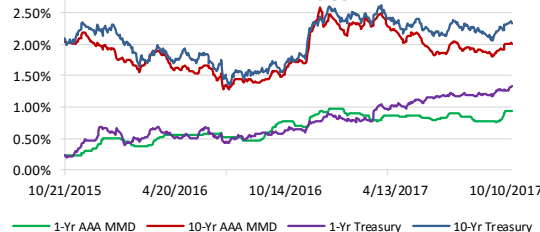
MMD Yield Curves



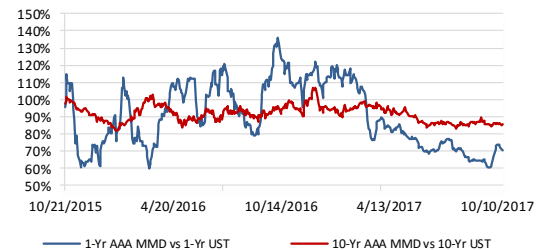
MMD Yield Range



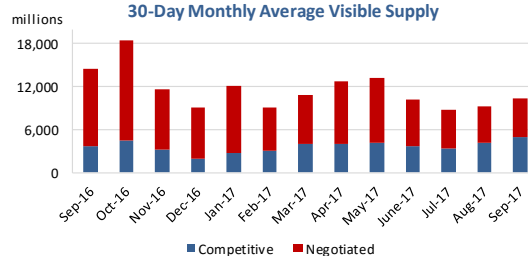
AAA MMD vs UST



Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR

