

# ACACIA'S MUNICIPAL MARKET UPDATE



OCTOBER 17, 2017

CELEBRATING  
10  
Years

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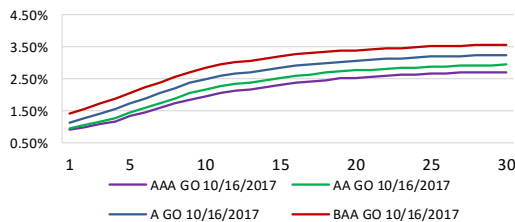
## MARKET COMMENTARY

- From Tuesday to Monday, the 10-year AAA MMD benchmark fell 5 basis points to 1.96%, while the 30-year AAA MMD benchmark fell ten basis points to 2.72%.
- The municipal bond volume for the week of October 16<sup>th</sup>, is approximately \$9.9 billion of long-term bonds, consisting of \$4.3 billion in negotiated deals and \$5.6 billion in competitive sales.
- Municipal bond funds saw inflows of \$43.576 million in the week ended October 11<sup>th</sup>, following outflows of \$140.336 million in the week prior.
- While inflation remains low as described in last week's FOMC minutes, policymakers continue to foresee a December rate increase.
- This week the market is anticipating important economic releases such as Housing Starts, Industrial Production and Jobless Claims, as well as public appearances by numerous Fed officials.

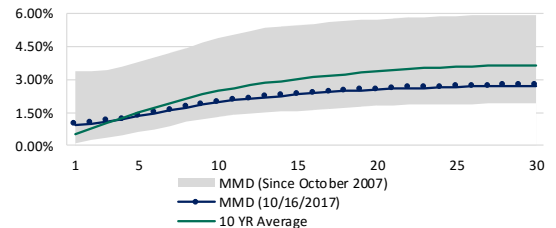
## MUNICIPAL MARKET TRENDS

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	1.403%	1.48%	1 Mo/1 Wk	1.237%	0.910%	73.565%
2 Yr	1.00%	1.05%	1.27%	1.57%	2 Yr	1.538%	1.63%	3 Mo	1.353%	-	-
3 Yr	1.09%	1.16%	1.41%	1.73%	3 Yr	1.681%	1.79%	6 Mo	1.534%	-	-
4 Yr	1.19%	1.28%	1.56%	1.88%	5 Yr	1.950%	2.24%	1 Yr	1.616%	1.094%	67.698%
5 Yr	1.34%	1.45%	1.75%	2.06%	7 Yr	2.149%	2.52%	5 Yr	2.033%	1.511%	74.324%
10 Yr	1.96%	2.04%	2.49%	2.84%	10 Yr	2.303%	2.83%	10 Yr	2.275%	1.793%	78.813%
30 Yr	2.72%	2.94%	3.25%	3.57%	30 Yr	2.823%	3.43%	30 Yr	2.509%	2.147%	85.572%

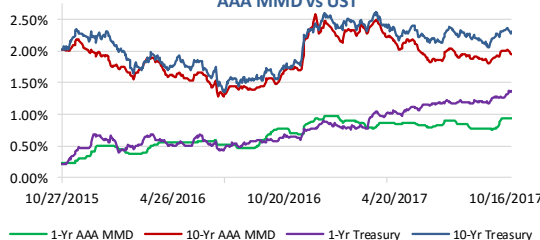
MMD Yield Curves



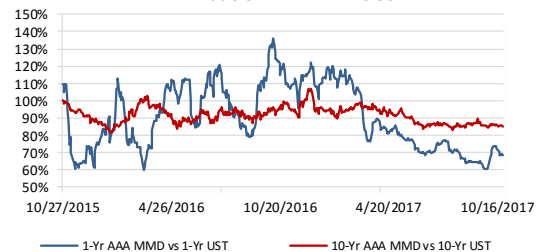
MMD Yield Range



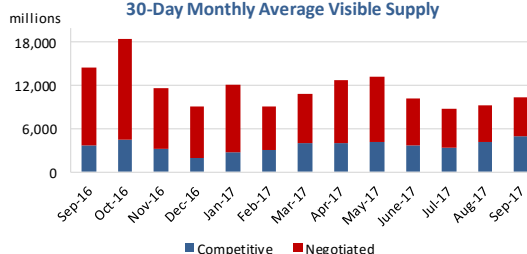
AAA MMD vs UST



Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR

