

ACACIA'S MUNICIPAL MARKET UPDATE



OCTOBER 2, 2018

Office Locations

6000 Midlantic Drive,
Suite 410 North
Mt. Laurel, NJ 08054
T: 856-234-2266

26 Park Street,
Suite 2010
Montclair, NJ 07042
T: 973-509-3990

1441 Broadway, 5th Floor,
Suite 5017
New York, NY 10018
T: 212-432-4020

221 North LaSalle Street,
Suite 1500
Chicago, IL 60601
T: 312-269-0041

66 East Lynn Street
Columbus, OH 43215
T: 614-464-2300

255 E. Fireweed Lane,
Suite 102
Anchorage, AK 99503
T: 907-272-4488

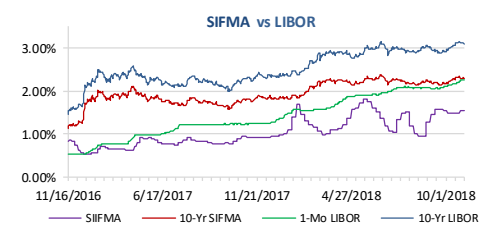
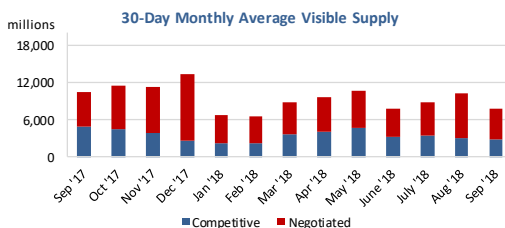
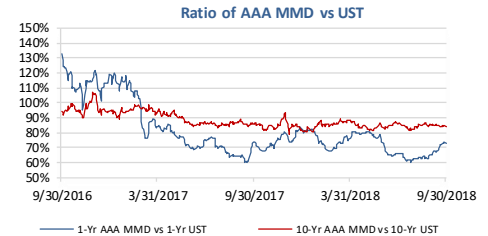
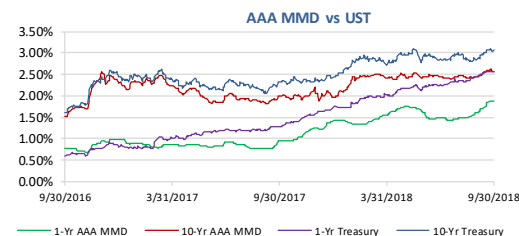
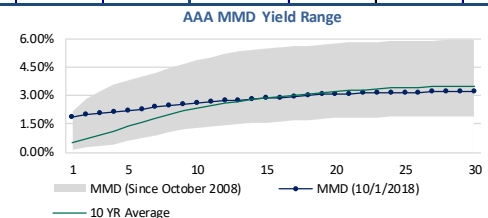
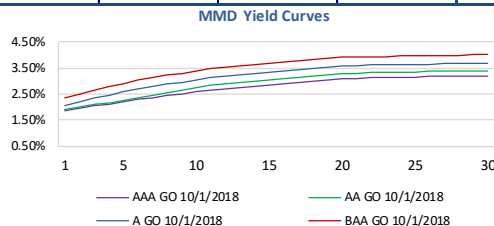
111 Anza Boulevard,
Suite 107
Burlingame, CA 94010
T: 650-342-2266

MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD and the 30-year AAA MMD benchmark decreased 3 basis points to 2.58% and 3.21%, respectively.
- The municipal bond volume for the week of October 1st is approximately \$8.7 billion of long-term bonds, consisting of \$5.2 billion in negotiated deals and \$3.5 billion in competitive sales.
 - The current new issue supply is down approximately 14.6% from the supply level this time last year.
- Municipal bond funds saw outflows of \$384.8 million in the week ended September 26th, following inflows of \$140.8 million in the week prior.
- Last week at the September FOMC meeting, the Fed raised rates by 25 basis points to a target range of 2.00-2.25%. This is the third rate increase of the year.
- The Core PCE Price Index, which is used to measure inflation, was released last week for the month of August and detailed no change from the month prior.
- This week's economic indicators consist of the PMI Manufacturing Index, ISM Manufacturing Index, and Construction Spending.

MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.89%	1.90%	2.08%	2.35%	1 Yr	2.573%	2.69%	1 Mo/1 Wk	2.265%	1.560%	66.787%
2 Yr	1.97%	2.00%	2.22%	2.52%	2 Yr	2.811%	2.94%	3 Mo	2.398%	-	-
3 Yr	2.04%	2.09%	2.34%	2.66%	3 Yr	2.878%	3.02%	6 Mo	2.606%	-	-
4 Yr	2.12%	2.18%	2.46%	2.78%	5 Yr	2.943%	3.26%	1 Yr	2.783%	1.788%	64.550%
5 Yr	2.21%	2.28%	2.59%	2.91%	7 Yr	3.010%	3.47%	5 Yr	3.056%	2.132%	70.187%
10 Yr	2.58%	2.04%	3.05%	3.40%	10 Yr	3.056%	3.68%	10 Yr	3.108%	2.298%	74.405%
30 Yr	3.21%	3.41%	3.70%	4.02%	30 Yr	3.207%	4.09%	30 Yr	3.125%	2.554%	82.206%



The information contained herein is provided for illustrative purposes only by unaffiliated third parties and has not been independently verified. It is a summary of key information and may not be complete. As a result, Acacia does not warrant the accuracy or completeness of such information. Past performance is not indicative or a guarantee of future results.