

ACACIA'S MUNICIPAL MARKET UPDATE



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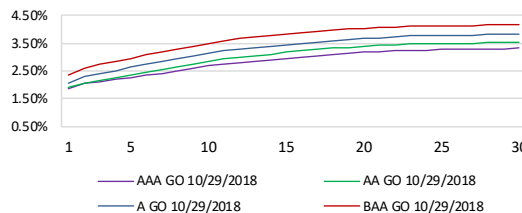
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell 5 basis points to 2.68%, while the 30-year AAA MMD benchmark fell 7 basis points to 3.32%.
- The municipal bond volume for the week of October 29th is approximately \$7.6 billion of long-term bonds, consisting of \$6.9 billion in negotiated deals and \$700 million in competitive sales.
 - The current new issue supply is down approximately 14.4% from the supply level this time last year.
- Municipal bond funds saw outflows of \$494.9 million in the week ended October 24th, following outflows of \$642 million in the week prior.
- The GDP Price Index, an indicator of inflation was released last week for the third quarter of 2018 and came in at 1.7% which was lower than the expected 2.0%.
- This week's economic indicators consist of Personal Income and Outlays, Consumer Confidence, Productivity and Cost, Employment Report and Factory Orders.

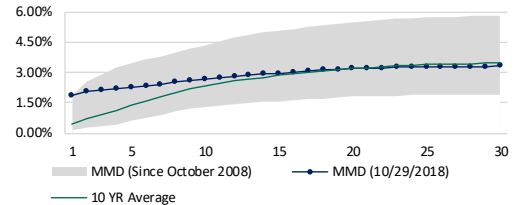
MUNICIPAL MARKET TRENDS

Tax-Exempt					Taxable			Swap Rates			
Term	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.89%	1.90%	2.08%	2.35%	1 Yr	2.639%	2.80%	1 Mo/1 Wk	2.297%	1.600%	69.656%
2 Yr	2.04%	2.07%	2.29%	2.59%	2 Yr	2.835%	2.99%	3 Mo	2.520%	-	-
3 Yr	2.11%	2.16%	2.41%	2.73%	3 Yr	2.889%	3.05%	6 Mo	2.777%	-	-
4 Yr	2.19%	2.25%	2.53%	2.85%	5 Yr	2.936%	3.28%	1 Yr	2.883%	1.857%	64.412%
5 Yr	2.27%	2.34%	2.65%	2.97%	7 Yr	3.022%	3.47%	5 Yr	3.096%	2.169%	70.058%
10 Yr	2.68%	2.85%	3.15%	3.51%	10 Yr	3.102%	3.72%	10 Yr	3.178%	2.382%	74.953%
30 Yr	3.32%	3.54%	3.83%	4.18%	30 Yr	3.351%	4.18%	30 Yr	3.246%	2.686%	82.748%

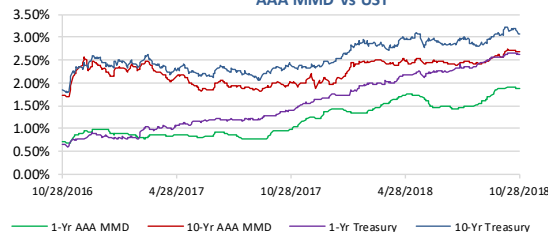
MMD Yield Curves



AAA MMD Yield Range



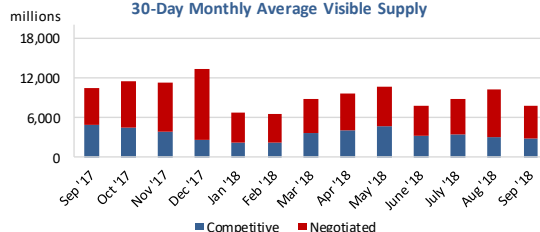
AAA MMD vs UST



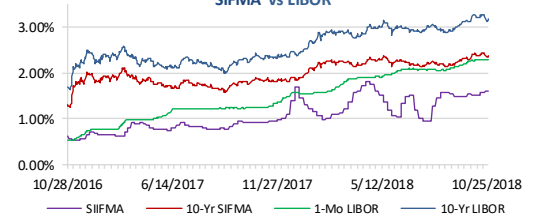
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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