

ACACIA'S MUNICIPAL MARKET UPDATE



OCTOBER 31, 2017

CELEBRATING
10
Years

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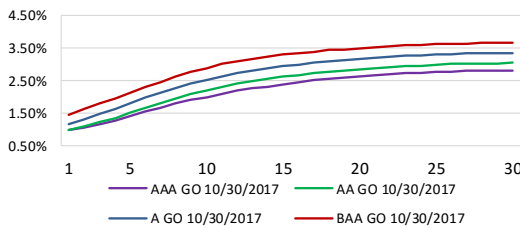
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose 6 basis point to 2.01%, while the 30-year AAA MMD benchmark rose nine basis points to 2.83%.
- The municipal bond volume for the week of October 30th, is approximately \$6.7 billion of long-term bonds, consisting of \$4.6 billion in negotiated deals and \$2.1 billion in competitive sales.
- Municipal bond funds saw inflows of \$262.006 million in the week ended October 25th, following inflows of \$536.158 million in the week prior.
- It is anticipated that the new proposed tax-reform bill and the President's decision on the new Fed Chair will be released this week.
- In addition, the market will be focused on the Fed meeting scheduled for this Tuesday and Wednesday.

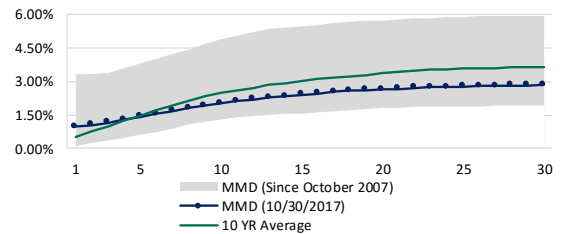
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	0.98%	1.01%	1.19%	1.46%	1 Yr	1.418%	1.48%	1 Mo/1 Wk	1.242%	0.920%	73.506%
2 Yr	1.06%	1.11%	1.33%	1.63%	2 Yr	1.584%	1.67%	3 Mo	1.380%	-	-
3 Yr	1.16%	1.23%	1.48%	1.80%	3 Yr	1.709%	1.81%	6 Mo	1.573%	-	-
4 Yr	1.27%	1.36%	1.64%	1.96%	5 Yr	2.005%	2.26%	1 Yr	1.632%	1.075%	67.857%
5 Yr	1.42%	1.53%	1.83%	2.14%	7 Yr	2.221%	2.57%	5 Yr	2.089%	1.557%	74.465%
10 Yr	2.01%	2.04%	2.54%	2.89%	10 Yr	2.370%	2.92%	10 Yr	2.367%	1.862%	78.682%
30 Yr	2.83%	3.05%	3.36%	3.68%	30 Yr	2.872%	3.50%	30 Yr	2.618%	2.243%	85.736%

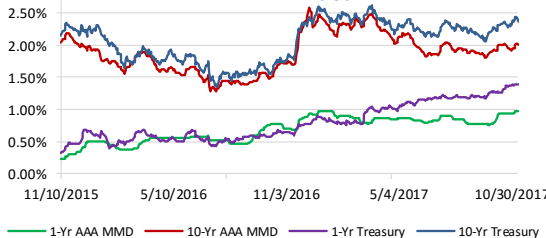
MMD Yield Curves



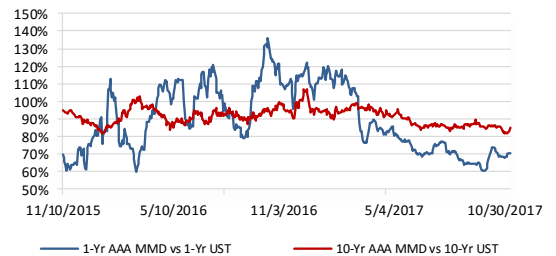
MMD Yield Range



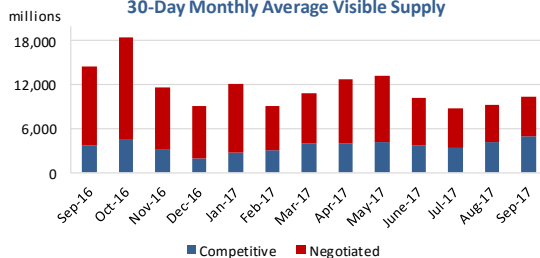
AAA MMD vs UST



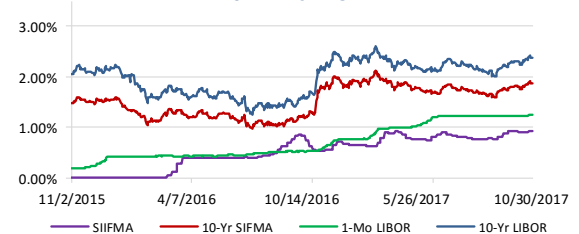
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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