

# ACACIA'S MUNICIPAL MARKET UPDATE



NOVEMBER 28, 2017

CELEBRATING  
10  
Years

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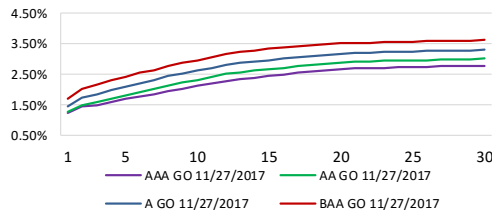
## MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose 11 basis points to 2.12%, while the 30-year AAA MMD benchmark rose 9 basis points to 2.79%.
- The municipal bond volume for the week of November 27<sup>th</sup> is approximately \$11.73 billion of long-term bonds, consisting of \$10.03 billion in negotiated deals and \$1.71 billion in competitive sales. Due to the implications of tax reform, we are expecting higher than normal volume throughout the end of the year.
- Municipal bond funds saw inflows of \$659 million in the week ended November 22<sup>nd</sup>, following inflows of \$418 million in the week prior.
- Singe-family home sales have increased by 6.2%, which brings sales to the highest level since October 2007.
- This week we are also expecting the releases of 3<sup>rd</sup> quarter GDP, the Beige Book, and Personal Income and Spending.

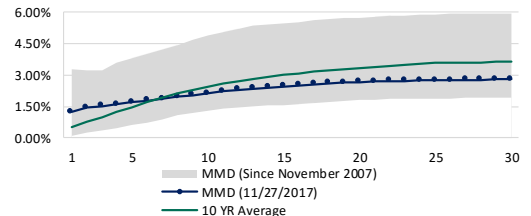
## MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.24%	1.27%	1.45%	1.72%	1 Yr	1.592%	1.66%	1 Mo/1 Wk	1.347%	0.960%	72.643%
2 Yr	1.45%	1.51%	1.73%	2.03%	2 Yr	1.754%	1.84%	3 Mo	1.477%	-	-
3 Yr	1.51%	1.59%	1.84%	2.16%	3 Yr	1.848%	1.95%	6 Mo	1.658%	-	-
4 Yr	1.60%	1.70%	1.98%	2.30%	5 Yr	2.068%	2.34%	1 Yr	1.752%	1.144%	65.240%
5 Yr	1.69%	1.81%	2.11%	2.42%	7 Yr	2.230%	2.54%	5 Yr	2.125%	1.568%	73.719%
10 Yr	2.12%	2.04%	2.62%	2.97%	10 Yr	2.338%	2.86%	10 Yr	2.324%	1.815%	78.124%
30 Yr	2.79%	3.01%	3.30%	3.62%	30 Yr	2.768%	3.37%	30 Yr	2.527%	2.141%	84.742%

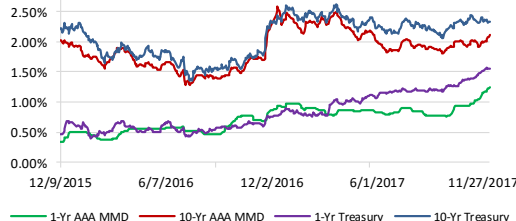
MMD Yield Curves



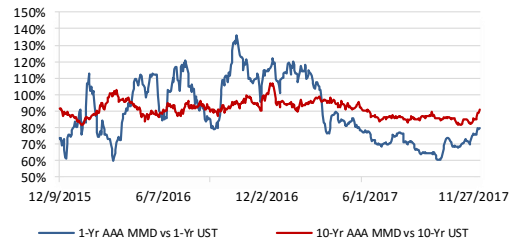
MMD Yield Range



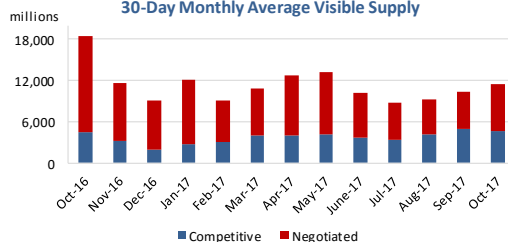
AAA MMD vs UST



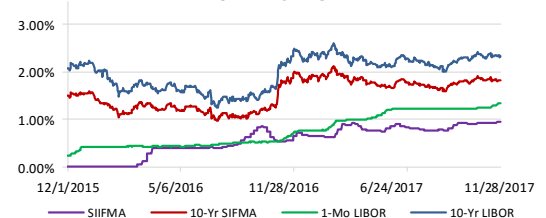
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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