

ACACIA'S MUNICIPAL MARKET UPDATE



NOVEMBER 7, 2017

CELEBRATING
10
Years

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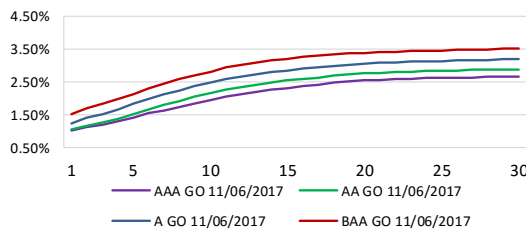
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell 5 basis points to 1.96%, while the 30-year AAA MMD benchmark fell 15 basis points to 2.68%.
- The municipal bond volume for the week of November 6th, is approximately \$8.99 billion of long-term bonds, consisting of \$6.62 billion in negotiated deals and \$2.37 billion in competitive sales.
- Municipal bond funds saw outflows of \$654.999 million in the week ended November 1st, following inflows of \$262.006 million in the week prior.
- Last week, The President announced the new Fed Chair would be Jerome Powell.
- Also last week, a proposed tax reform plan was released, which would impact the issuance of Private Activity Bonds, Advance Refundings, Tax Credits, and Stadium Bonds.

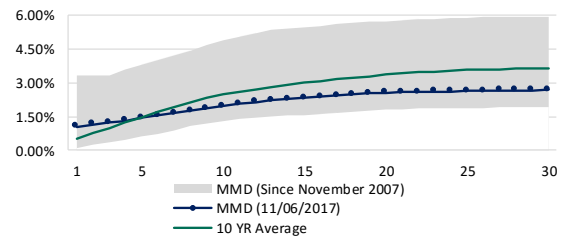
MUNICIPAL MARKET TRENDS

| Term | Tax-Exempt | | | | Taxable | | | Swap Rates | | | |
|-------|------------|-------|-------|-------|---------|--------|-------|------------|--------|--------|-------------|
| | AAA | AA | A | BAA | Term | UST | AAA | Term | LIBOR | SIFMA | SIFMA/LIBOR |
| 1 Yr | 1.04% | 1.07% | 1.25% | 1.52% | 1 Yr | 1.490% | 1.55% | 1 Mo/1 Wk | 1.244% | 0.920% | 73.955% |
| 2 Yr | 1.14% | 1.19% | 1.41% | 1.71% | 2 Yr | 1.621% | 1.71% | 3 Mo | 1.397% | - | - |
| 3 Yr | 1.22% | 1.29% | 1.54% | 1.86% | 3 Yr | 1.726% | 1.84% | 6 Mo | 1.594% | - | - |
| 4 Yr | 1.31% | 1.40% | 1.68% | 2.00% | 5 Yr | 1.982% | 2.25% | 1 Yr | 1.671% | 1.100% | 65.829% |
| 5 Yr | 1.43% | 1.54% | 1.84% | 2.15% | 7 Yr | 2.168% | 2.51% | 5 Yr | 2.064% | 1.536% | 74.419% |
| 10 Yr | 1.96% | 2.04% | 2.48% | 2.83% | 10 Yr | 2.311% | 2.85% | 10 Yr | 2.295% | 1.821% | 79.346% |
| 30 Yr | 2.68% | 2.90% | 3.20% | 3.52% | 30 Yr | 2.778% | 3.42% | 30 Yr | 2.521% | 2.172% | 86.156% |

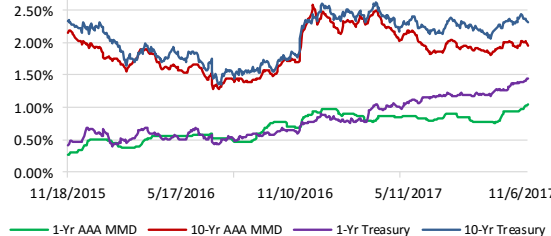
MMD Yield Curves



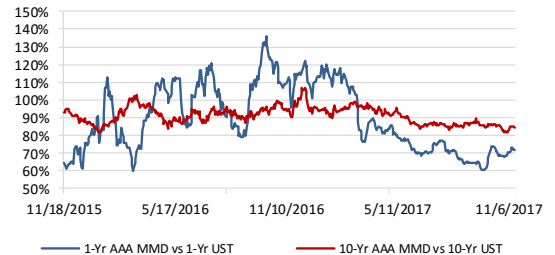
MMD Yield Range



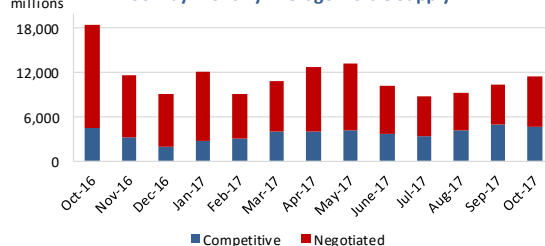
AAA MMD vs UST



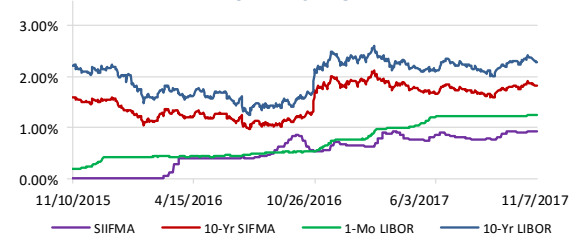
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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