

# ACACIA'S MUNICIPAL MARKET UPDATE



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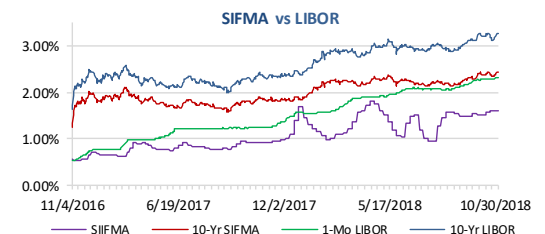
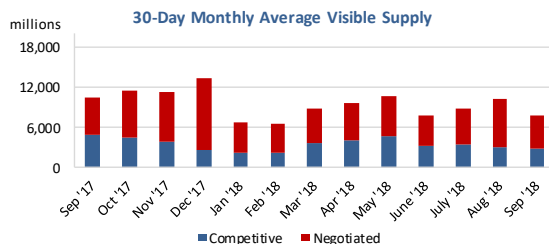
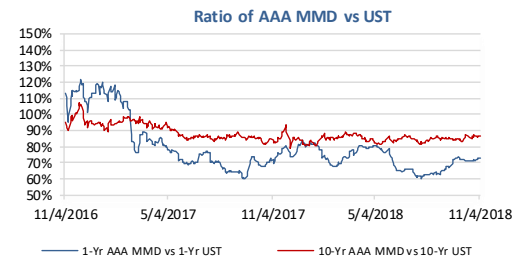
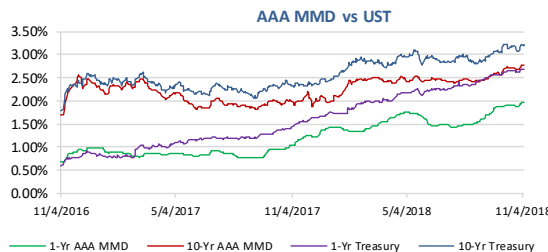
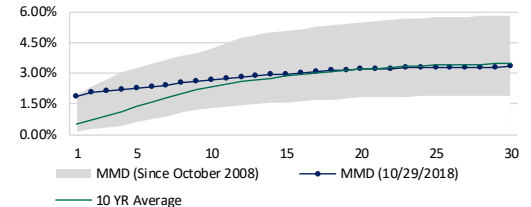
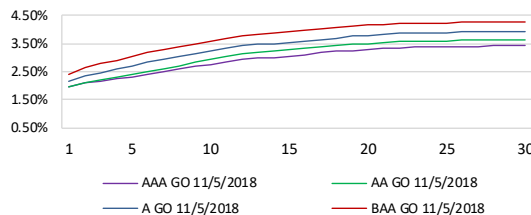
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## MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose 9 basis points to 2.77%, while the 30-year AAA MMD benchmark rose 12 basis points to 3.44%.
- The municipal bond volume for the week of November 5<sup>th</sup> is approximately \$3.3 billion of long-term bonds, consisting of \$2.4 billion in negotiated deals and \$900 million in competitive sales.
  - The current new issue supply is down approximately 14.0% from the supply level this time last year.
- Municipal bond funds saw outflows of \$1.32 billion in the week ended October 31<sup>st</sup>, following outflows of \$494.9 million in the week prior.
- The employment report released last week for the month of October reported stronger than expected Nonfarm payrolls coming in at 250,000 above the 190,000 consensus.
- Economic indicators this week are light due to market focus surrounding the November Fed meeting. Reports to be released this week consist of Consumer Credit, MBA Mortgage Applications, Jobless Claims and the Producer Price Index.

## MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.96%	1.97%	2.15%	2.42%	1 Yr	2.691%	2.84%	1 Mo/1 Wk	2.316%	1.610%	69.516%
2 Yr	2.10%	2.13%	2.35%	2.65%	2 Yr	2.926%	3.08%	3 Mo	2.589%	-	-
3 Yr	2.17%	2.22%	2.47%	2.79%	3 Yr	3.001%	3.16%	6 Mo	2.836%	-	-
4 Yr	2.25%	2.31%	2.59%	2.91%	5 Yr	3.050%	3.38%	1 Yr	2.935%	1.889%	64.361%
5 Yr	2.33%	2.40%	2.71%	3.03%	7 Yr	3.140%	3.60%	5 Yr	3.187%	2.224%	69.783%
10 Yr	2.77%	2.94%	3.24%	3.60%	10 Yr	3.220%	3.85%	10 Yr	3.278%	2.446%	74.619%
30 Yr	3.44%	3.66%	3.95%	4.30%	30 Yr	3.437%	4.30%	30 Yr	3.331%	2.746%	82.438%



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