

# ACACIA'S MUNICIPAL MARKET UPDATE



DECEMBER 12, 2017

CELEBRATING  
10  
Years

## Office Locations

6000 Midlantic Drive,  
Suite 410 North  
Mt. Laurel, NJ 08054  
T: 856-234-2266

26 Park Street,  
Suite 2010  
Montclair, NJ 07042  
T: 973-509-3990

1441 Broadway, 5th Floor,  
Suite 5017  
New York, NY 10018  
T: 212-432-4020

221 North LaSalle Street,  
Suite 1500  
Chicago, IL 60601  
T: 312-269-0041

66 East Lynn Street  
Columbus, OH 43215  
T: 614-464-2300

255 E. Fireweed Lane,  
Suite 102  
Anchorage, AK 99503  
T: 907-272-4488

111 Anza Boulevard,  
Suite 107  
Burlingame, CA 94010  
T: 650-342-2266

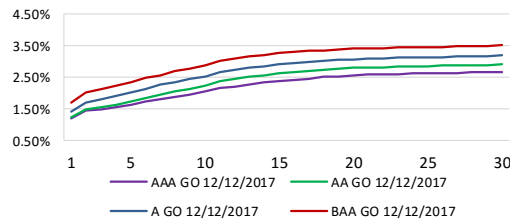
## MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark remained unchanged at 2.05%, while the 30-year AAA MMD benchmark fell 2 basis points to 2.64%.
- The municipal bond volume for the week of December 12<sup>th</sup> is approximately \$22.88 billion of long-term bonds, consisting of \$19.54 billion in negotiated deals and \$3.34 billion in competitive sales.
- Municipal bond funds saw outflows of \$807.203 million in the week ended December 6<sup>th</sup>, following inflows of \$100.434 million in the week prior.
- The final FOMC meeting of this year will be held Tuesday and Wednesday of this week. Market indicators are currently showing a 98% chance of the Fed raising rates.
- This week we are expecting economic releases such as the Consumer Price Index, Retail Sales, and Industrial Production.

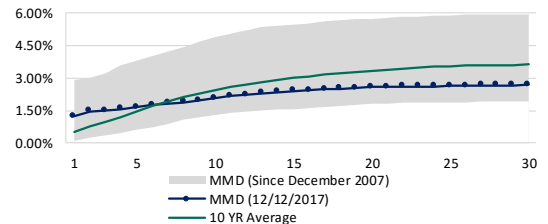
## MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.22%	1.24%	1.42%	1.69%	1 Yr	1.681%	1.76%	1 Mo/1 Wk	1.460%	1.000%	68.493%
2 Yr	1.46%	1.50%	1.72%	2.02%	2 Yr	1.827%	1.93%	3 Mo	1.563%	-	-
3 Yr	1.50%	1.55%	1.80%	2.12%	3 Yr	1.953%	2.07%	6 Mo	1.735%	-	-
4 Yr	1.57%	1.63%	1.91%	2.23%	5 Yr	2.172%	2.50%	1 Yr	1.846%	1.205%	65.276%
5 Yr	1.65%	1.73%	2.03%	2.34%	7 Yr	2.315%	2.68%	5 Yr	2.234%	1.643%	73.545%
10 Yr	2.05%	2.04%	2.54%	2.89%	10 Yr	2.401%	2.95%	10 Yr	2.408%	1.883%	78.198%
30 Yr	2.68%	2.91%	3.19%	3.51%	30 Yr	2.776%	3.45%	30 Yr	2.581%	2.185%	84.657%

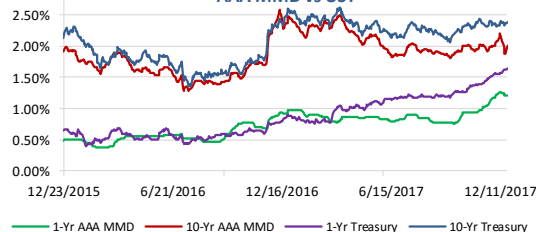
MMD Yield Curves



MMD Yield Range



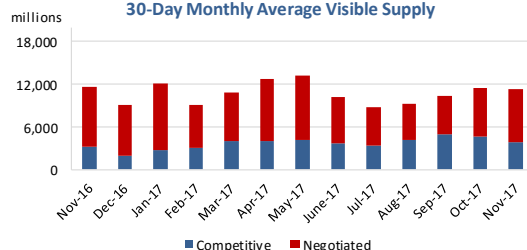
AAA MMD vs UST



Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR

