

ACACIA'S MUNICIPAL MARKET UPDATE



DECEMBER 19, 2017

CELEBRATING
10
Years

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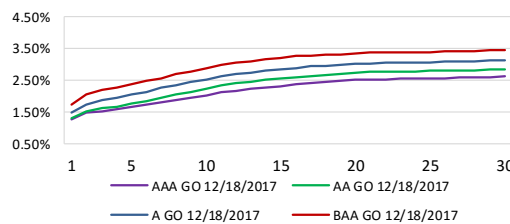
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose 2 basis points to 2.03%, while the 30-year AAA MMD benchmark fell 2 basis points to 2.62%.
- The municipal bond volume for the week of December 18th is approximately \$11.14 billion of long-term bonds, consisting of \$10.98 billion in negotiated deals and \$163 million in competitive sales.
- Municipal bond funds saw inflows of \$216.923 million in the week ended December 13th, following outflows of \$807.203 million in the week prior.
- The final tax bill was revealed last weekend, which maintains the issuance of private activity bonds and tax-exempt stadium bonds, although it does not allow advance refundings after December 31st of this year. The final tax bill is currently being voted on and then expected to be sent to the President to sign off by the end of this week.

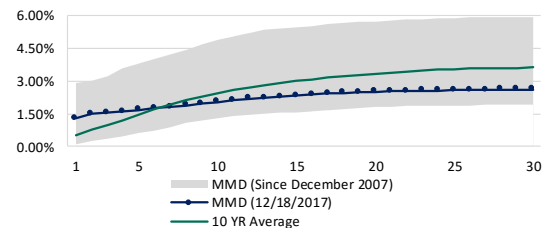
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.28%	1.31%	1.49%	1.76%	1 Yr	1.701%	1.78%	1 Mo/1 Wk	1.495%	1.110%	74.247%
2 Yr	1.48%	1.54%	1.76%	2.06%	2 Yr	1.848%	1.93%	3 Mo	1.613%	-	-
3 Yr	1.54%	1.62%	1.87%	2.19%	3 Yr	1.970%	2.06%	6 Mo	1.774%	-	-
4 Yr	1.59%	1.68%	1.96%	2.28%	5 Yr	2.201%	2.47%	1 Yr	1.883%	1.230%	65.321%
5 Yr	1.67%	1.77%	2.07%	2.38%	7 Yr	2.343%	2.68%	5 Yr	2.244%	1.641%	73.128%
10 Yr	2.03%	2.04%	2.53%	2.88%	10 Yr	2.434%	2.98%	10 Yr	2.411%	1.856%	76.981%
30 Yr	2.62%	2.85%	3.13%	3.45%	30 Yr	2.790%	3.42%	30 Yr	2.575%	2.156%	83.728%

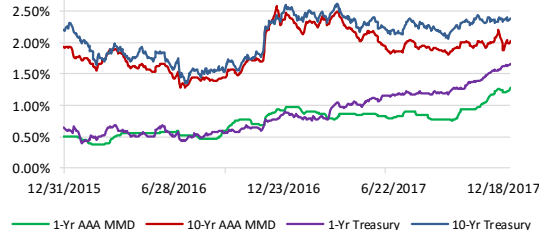
MMD Yield Curves



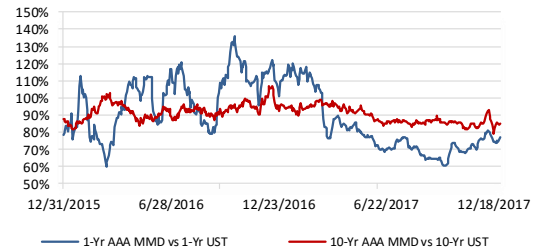
MMD Yield Range



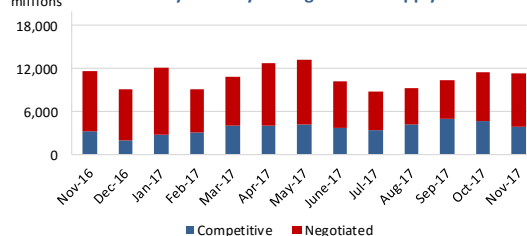
AAA MMD vs UST



Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR

