

ACACIA'S MUNICIPAL MARKET UPDATE



DECEMBER 5, 2017

CELEBRATING
10
Years

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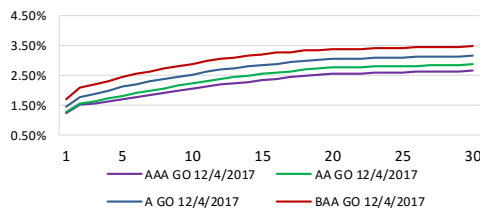
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell 7 basis points to 2.05%, while the 30-year AAA MMD benchmark fell 13 basis points to 2.66%.
- The municipal bond volume for the week of December 4th is approximately \$18.3 billion of long-term bonds, consisting of \$16.6 billion in negotiated deals and \$1.7 billion in competitive sales. This is the largest weekly supply of the year.
- Municipal bond funds saw inflows of \$100.434 million in the week ended November 30th, following inflows of \$659.237 million in the week prior.
- Last week the Senate voted and passed their tax bill over the weekend. The bill bans advance refundings, but allows private activity bonds. While the House's bill restricts both advance refundings and private activity bonds.
- This week we are expecting the Trade Balance, ADP Employment Change, Nonfarm Productivity, and the November Employment Report.

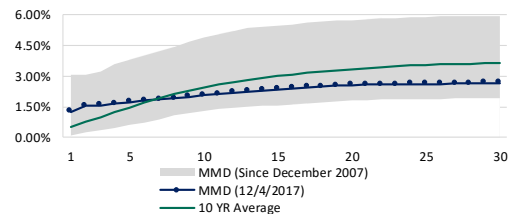
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.25%	1.27%	1.45%	1.72%	1 Yr	1.661%	1.70%	1 Mo/1 Wk	1.379%	0.970%	70.341%
2 Yr	1.53%	1.57%	1.79%	2.09%	2 Yr	1.826%	1.89%	3 Mo	1.495%	-	-
3 Yr	1.56%	1.63%	1.88%	2.20%	3 Yr	1.942%	2.02%	6 Mo	1.674%	-	-
4 Yr	1.64%	1.73%	2.01%	2.33%	5 Yr	2.163%	2.44%	1 Yr	1.812%	1.183%	65.287%
5 Yr	1.72%	1.83%	2.13%	2.44%	7 Yr	2.300%	2.63%	5 Yr	2.223%	1.628%	73.234%
10 Yr	2.05%	2.04%	2.54%	2.89%	10 Yr	2.379%	2.90%	10 Yr	2.403%	1.866%	77.653%
30 Yr	2.66%	2.87%	3.16%	3.48%	30 Yr	2.761%	3.44%	30 Yr	2.569%	2.166%	84.313%

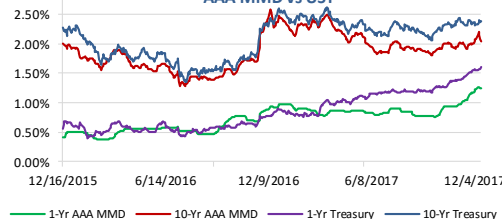
MMD Yield Curves



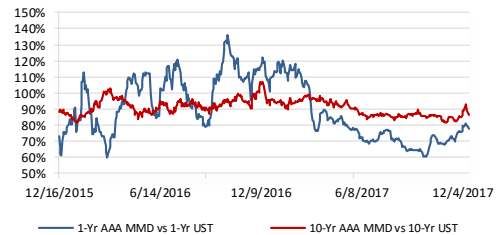
MMD Yield Range



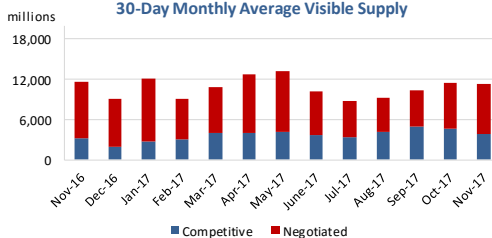
AAA MMD vs UST



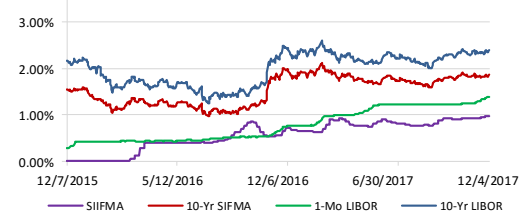
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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