

# ACACIA'S MUNICIPAL MARKET UPDATE



FEBRUARY 21, 2018

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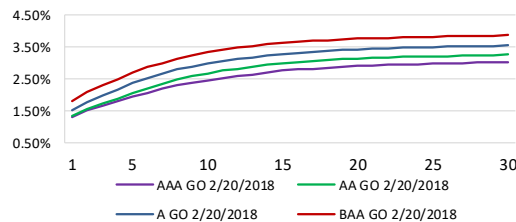
## MARKET COMMENTARY

- From Monday to Tuesday, the 10-year AAA MMD benchmark rose 4 basis points to 2.47%, while the 30-year AAA MMD benchmark rose 6 basis points to 3.03%.
- The municipal bond volume for the week of February 20<sup>th</sup> is approximately \$5.8 billion of long-term bonds, consisting of \$4.7 billion in negotiated deals and \$1.1 billion in competitive sales.
  - The current new issue supply is down approximately 45.2% from the supply level this time last year.
- Municipal bond funds saw outflows of \$443.4 million in the week ended February 14<sup>th</sup>, following inflows of \$674.9 million in the week prior. Fund inflows for the 2017 year finished at \$19.4 billion.
- In the month of January, home sales dropped 3.2%, the Consumer Price Index rose 0.5%, and the Producer Price Index rose 0.4%.

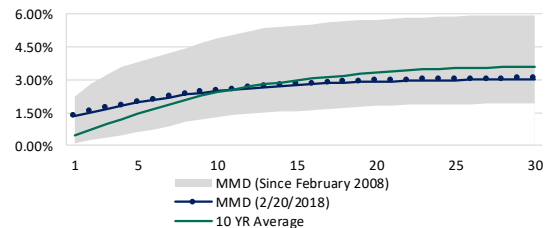
## MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.33%	1.36%	1.54%	1.81%	1 Yr	1.995%	2.09%	1 Mo/1 Wk	1.596%	1.000%	62.657%
2 Yr	1.52%	1.57%	1.79%	2.09%	2 Yr	2.258%	2.33%	3 Mo	1.892%	-	-
3 Yr	1.67%	1.74%	1.99%	2.31%	3 Yr	2.411%	2.52%	6 Mo	2.119%	-	-
4 Yr	1.81%	1.90%	2.18%	2.50%	5 Yr	2.645%	2.95%	1 Yr	2.276%	1.501%	65.949%
5 Yr	1.97%	2.08%	2.40%	2.71%	7 Yr	2.812%	3.22%	5 Yr	2.760%	2.002%	72.536%
10 Yr	2.47%	2.04%	2.98%	3.33%	10 Yr	2.886%	3.45%	10 Yr	2.906%	2.262%	77.839%
30 Yr	3.03%	3.26%	3.55%	3.87%	30 Yr	3.160%	3.85%	30 Yr	2.990%	2.539%	84.916%

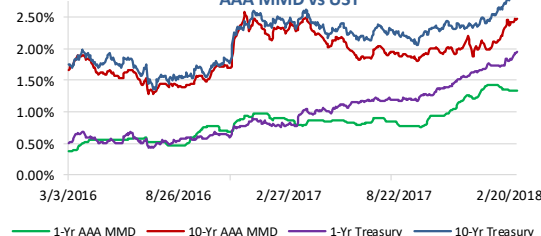
MMD Yield Curves



MMD Yield Range



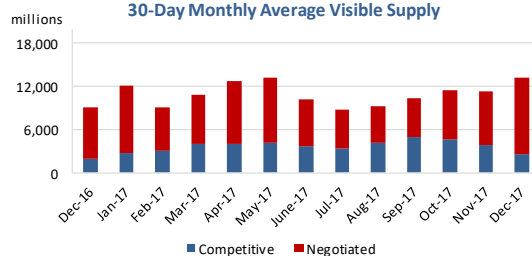
AAA MMD vs UST



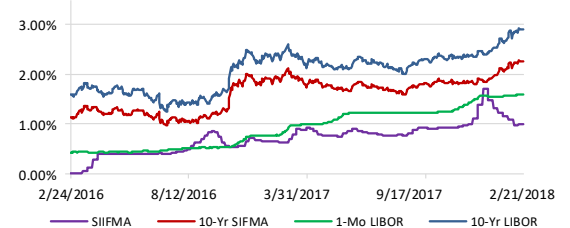
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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