

# ACACIA'S MUNICIPAL MARKET UPDATE



FEBRUARY 28, 2018

## 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

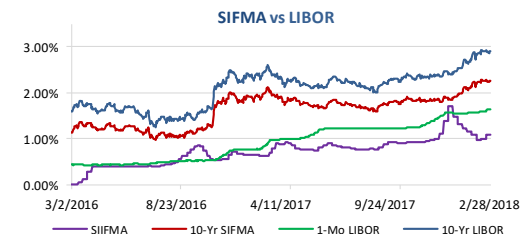
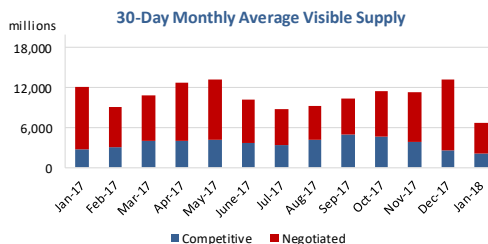
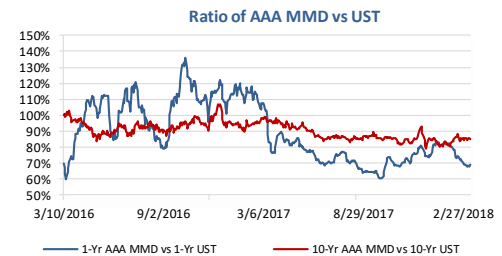
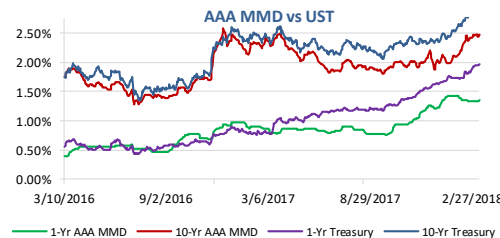
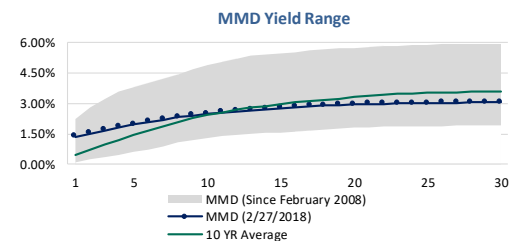
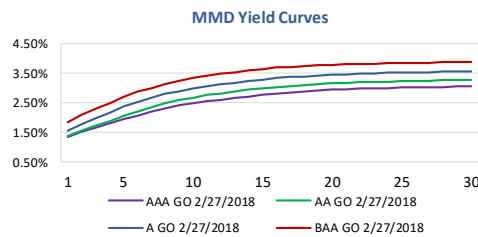
111 Anza Boulevard,  
Suite 107  
Burlingame, CA 94010  
T: 650-342-2266

## MARKET COMMENTARY

- From Tuesday to Monday, the 10-year AAA MMD benchmark fell 2 basis points to 2.45%, while the 30-year AAA MMD benchmark remained unchanged at 3.03%.
- The municipal bond volume for the week of February 26<sup>th</sup> is approximately \$4.76 billion of long-term bonds, consisting of \$3.12 billion in negotiated deals and \$1.64 billion in competitive sales.
  - The current new issue supply is down approximately 38.8% from the supply level this time last year.
- Municipal bond funds saw inflows of \$347.4 million in the week ended February 21<sup>st</sup>, following outflows of \$443.4 million in the week prior. Fund inflows for the 2017 year finished at \$19.4 billion.
- The new Fed Chair, Jerome Powell, testified before Congress on Tuesday and detailed his expectations for the coming year. Powell stated that he views the U.S. economy as getting stronger following the tax reform bill in the beginning of this year. Based on his testimony, market participants believe we are on track for at least 3 rate hikes this year.

## MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.36%	1.39%	1.57%	1.84%	1 Yr	2.059%	2.12%	1 Mo/1 Wk	1.648%	1.090%	66.141%
2 Yr	1.52%	1.57%	1.79%	2.09%	2 Yr	2.266%	2.37%	3 Mo	1.984%	-	-
3 Yr	1.67%	1.74%	1.99%	2.31%	3 Yr	2.423%	2.54%	6 Mo	2.201%	-	-
4 Yr	1.82%	1.90%	2.18%	2.50%	5 Yr	2.659%	2.96%	1 Yr	2.327%	1.532%	65.836%
5 Yr	1.97%	2.07%	2.39%	2.70%	7 Yr	2.817%	3.24%	5 Yr	2.772%	2.022%	72.944%
10 Yr	2.48%	2.04%	2.98%	3.33%	10 Yr	2.882%	3.49%	10 Yr	2.901%	2.254%	77.697%
30 Yr	3.06%	3.28%	3.57%	3.89%	30 Yr	3.143%	3.87%	30 Yr	2.967%	2.514%	84.732%



The information contained herein is provided for illustrative purposes only by unaffiliated third parties and has not been independently verified. It is a summary of key information and may not be complete. As a result, Acacia does not warrant the accuracy or completeness of such information. Past performance is not indicative or a guarantee of future results.