

ACACIA'S MUNICIPAL MARKET UPDATE



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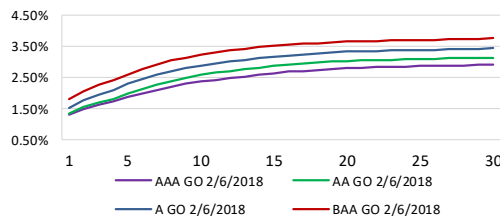
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose 17 basis points to 2.46%, while the 30-year AAA MMD benchmark rose 15 basis points to 3.01%.
- The municipal bond volume for the week of February 5th is approximately \$3.83 billion of long-term bonds, consisting of \$2.598 billion in negotiated deals and \$1.229 billion in competitive sales.
- Municipal bond funds saw inflows of \$170.114 million in the week ended January 31st, following inflows of \$772.983 million in the week prior. Fund inflows for the 2017 year finished at \$19.4 billion.
- Last week was Janet Yellen's final FOMC meeting as the Fed Chair. Following the meeting, rates were left unchanged, but markets participants are now expecting four rate hikes in 2018 instead of three.
- Last week's unemployment report for January detailed a 200,000 increase in nonfarm payrolls, which is 25,000 above the consensus.

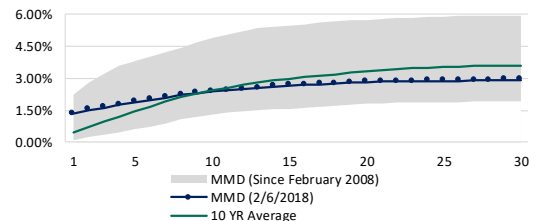
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Term	Taxable		Term	Swap Rates		
	AAA	AA	A	BAA		UST	AAA		LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.33%	1.36%	1.54%	1.81%	1 Yr	1.855%	1.95%	1 Mo/1 Wk	1.580%	1.080%	68.354%
2 Yr	1.51%	1.56%	1.78%	2.08%	2 Yr	2.105%	2.19%	3 Mo	1.793%	-	-
3 Yr	1.63%	1.70%	1.95%	2.27%	3 Yr	2.285%	2.38%	6 Mo	2.001%	-	-
4 Yr	1.74%	1.83%	2.11%	2.43%	5 Yr	2.540%	2.81%	1 Yr	2.109%	1.421%	67.378%
5 Yr	1.87%	1.99%	2.30%	2.61%	7 Yr	2.710%	3.10%	5 Yr	2.616%	1.909%	72.974%
10 Yr	2.37%	2.04%	2.88%	3.23%	10 Yr	2.802%	3.35%	10 Yr	2.809%	2.192%	78.035%
30 Yr	2.92%	3.15%	3.44%	3.76%	30 Yr	3.066%	3.73%	30 Yr	2.907%	2.469%	84.933%

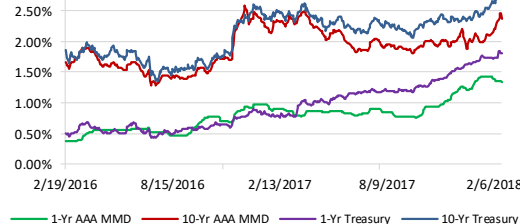
MMD Yield Curves



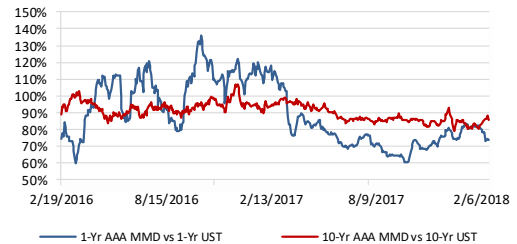
MMD Yield Range



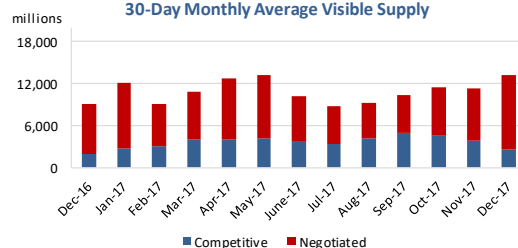
AAA MMD vs UST



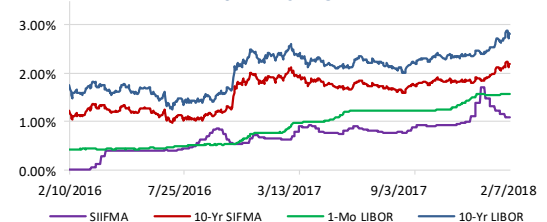
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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