

# ACACIA'S MUNICIPAL MARKET UPDATE



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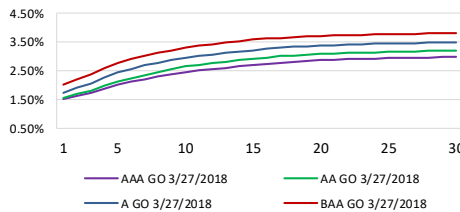
## MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell 3 basis points to 2.47% and the 30-year AAA MMD also fell 3 basis points to 3.00%.
- The municipal bond volume for the week of March 26<sup>th</sup> is approximately \$5.1 billion of long-term bonds, consisting of \$4.4 billion in negotiated deals and \$700 million in competitive sales.
  - The current new issue supply is down approximately 30% from the supply level this time last year.
- Municipal bond funds saw inflows of \$445.5 million in the week ended March 21<sup>st</sup>, following inflows of \$339.1 million in the week prior.
- As expected, during the second FOMC meeting of the year, the Fed decided to raise the target range for the federal funds rate to 1.50-1.75 (25 basis point increase). The Fed cited the continuous strengthening of the labor market and the unemployment rate staying low as incentive for the increase.
- This week we are expecting economic releases such as the Consumer Confidence Report and the PCE Price Index.

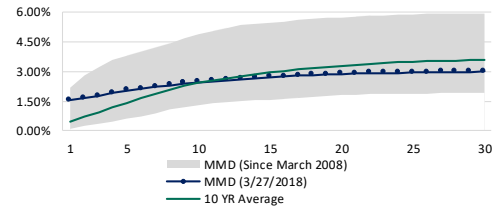
## MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.54%	1.57%	1.75%	2.02%	1 Yr	2.098%	2.16%	1 Mo/1 Wk	1.877%	1.360%	72.456%
2 Yr	1.65%	1.70%	1.92%	2.22%	2 Yr	2.256%	2.41%	3 Mo	2.295%	-	-
3 Yr	1.76%	1.83%	2.08%	2.40%	3 Yr	2.372%	2.46%	6 Mo	2.454%	-	-
4 Yr	1.90%	1.99%	2.27%	2.59%	5 Yr	2.554%	2.88%	1 Yr	2.401%	1.579%	65.764%
5 Yr	2.04%	2.15%	2.47%	2.78%	7 Yr	2.675%	3.11%	5 Yr	2.696%	1.969%	73.034%
10 Yr	2.46%	2.04%	2.96%	3.31%	10 Yr	2.746%	3.35%	10 Yr	2.780%	2.159%	77.662%
30 Yr	2.99%	3.21%	3.50%	3.82%	30 Yr	3.002%	3.70%	30 Yr	2.843%	2.406%	84.629%

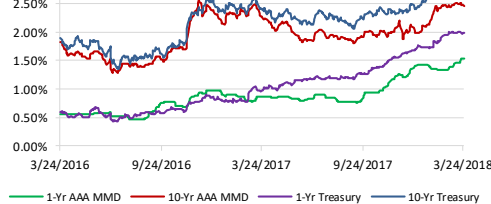
MMD Yield Curves



MMD Yield Range



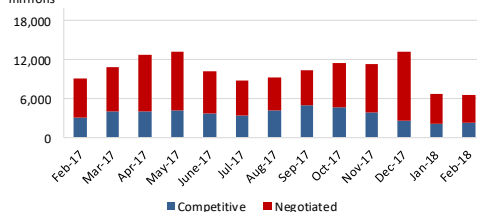
AAA MMD vs UST



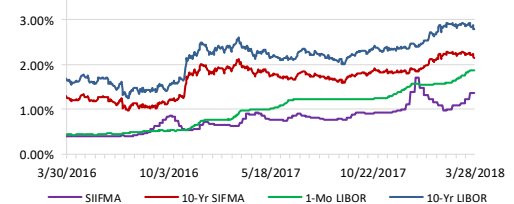
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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