

# ACACIA'S MUNICIPAL MARKET UPDATE



MARCH 7, 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

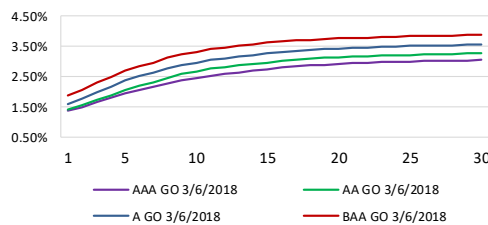
## MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose 2 basis points to 2.47%, and the 30-year AAA MMD rose 2 basis points to 3.05%.
- The municipal bond volume for the week of March 5<sup>th</sup> is approximately \$7.5 billion of long-term bonds, consisting of \$5.2 billion in negotiated deals and \$2.3 billion in competitive sales.
  - The current new issue supply is down approximately 34.3% from the supply level this time last year.
- Municipal bond funds saw outflows of \$590.9 million in the week ended February 28<sup>th</sup>, following inflows of \$347.4 million in the week prior.
- This week we are expecting economic releases such as International Trade and the Employment report for February.
- President Trump recently announced a new tariff on imported steel and aluminum, which has caused uncertainty in the Treasury markets.

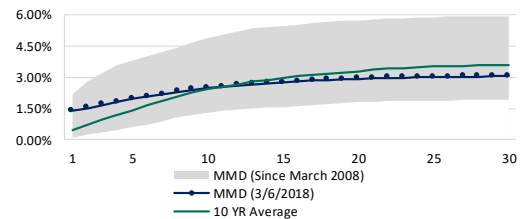
## MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Term	Taxable		Swap Rates			
	AAA	AA	A	BAA		UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.39%	1.42%	1.60%	1.87%	1 Yr	2.038%	2.14%	1 Mo/1 Wk	1.711%	1.090%	63.705%
2 Yr	1.51%	1.56%	1.78%	2.08%	2 Yr	2.238%	2.35%	3 Mo	2.047%	-	-
3 Yr	1.66%	1.73%	1.98%	2.30%	3 Yr	2.402%	2.56%	6 Mo	2.241%	-	-
4 Yr	1.81%	1.89%	2.17%	2.49%	5 Yr	2.630%	2.98%	1 Yr	2.314%	1.528%	66.033%
5 Yr	1.96%	2.06%	2.38%	2.69%	7 Yr	2.787%	3.21%	5 Yr	2.742%	1.990%	72.575%
10 Yr	2.47%	2.04%	2.97%	3.32%	10 Yr	2.863%	3.46%	10 Yr	2.880%	2.236%	77.639%
30 Yr	3.05%	3.27%	3.56%	3.88%	30 Yr	3.136%	3.83%	30 Yr	2.957%	2.505%	84.714%

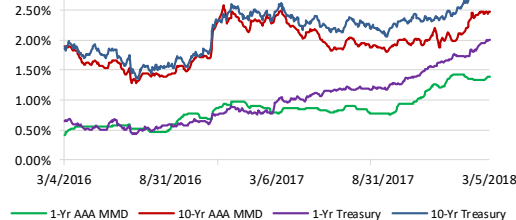
MMD Yield Curves



MMD Yield Range



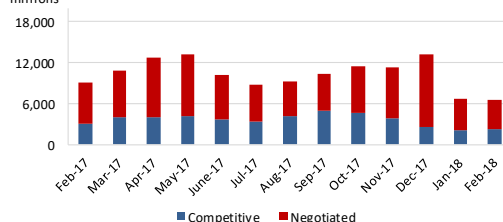
AAA MMD vs UST



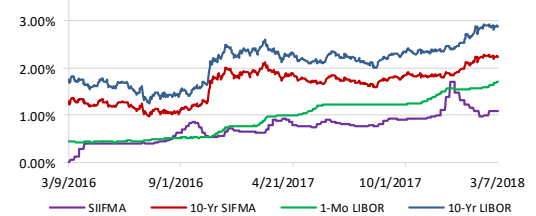
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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.