

ACACIA'S MUNICIPAL MARKET UPDATE



APRIL 11, 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

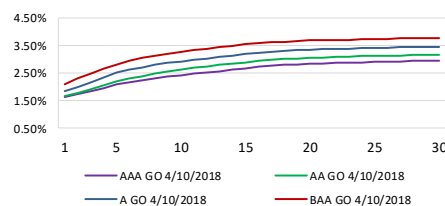
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose 3 basis points to 2.44%, while the 30-year AAA MMD rose 2 basis points to 2.96%.
- The municipal bond volume for the week of April 9th is approximately \$5 billion of long-term bonds, consisting of \$4.2 billion in negotiated deals and \$800 million in competitive sales.
 - The current new issue supply is down approximately 27.3% from the supply level this time last year.
- Municipal bond funds saw outflows of \$247.1 million in the week ended April 4th, following inflows of \$36.8 million in the week prior.
- Last week's Employment Report for the month of March came in well below the consensus of 175,000 at 103,000.
- Last week the Fed Chair, Jerome Powell, spoke at the Economic Club of Chicago. Powell stated that inflation is continuing to stabilize and may continue to move up in the next few months.
- The FOMC minutes for the March meeting were released this week and detailed expectations for two more interest rate hikes this year.

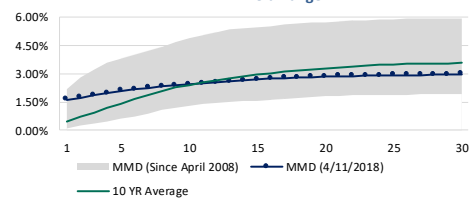
MUNICIPAL MARKET TRENDS

| Term | Tax-Exempt | | | | Taxable | | | Swap Rates | | | |
|-------|------------|-------|-------|-------|---------|--------|-------|------------|--------|--------|-------------|
| | AAA | AA | A | BAA | Term | UST | AAA | Term | LIBOR | SIFMA | SIFMA/LIBOR |
| 1 Yr | 1.63% | 1.66% | 1.84% | 2.11% | 1 Yr | 2.058% | 2.20% | 1 Mo/1 Wk | 1.894% | 1.600% | 84.460% |
| 2 Yr | 1.73% | 1.78% | 2.00% | 2.30% | 2 Yr | 2.307% | 2.45% | 3 Mo | 2.339% | - | - |
| 3 Yr | 1.85% | 1.92% | 2.17% | 2.49% | 3 Yr | 2.446% | 2.56% | 6 Mo | 2.468% | - | - |
| 4 Yr | 1.97% | 2.06% | 2.34% | 2.66% | 5 Yr | 2.613% | 2.95% | 1 Yr | 2.466% | 1.622% | 65.749% |
| 5 Yr | 2.09% | 2.20% | 2.52% | 2.83% | 7 Yr | 2.724% | 3.14% | 5 Yr | 2.755% | 1.996% | 72.440% |
| 10 Yr | 2.43% | 2.04% | 2.93% | 3.28% | 10 Yr | 2.781% | 3.36% | 10 Yr | 2.823% | 2.172% | 76.945% |
| 30 Yr | 2.96% | 3.18% | 3.47% | 3.79% | 30 Yr | 2.995% | 3.69% | 30 Yr | 2.867% | 2.406% | 83.897% |

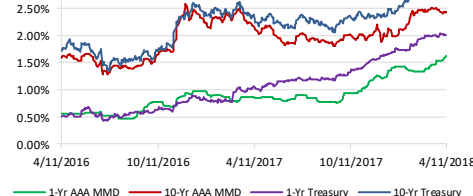
MMD Yield Curves



MMD Yield Range



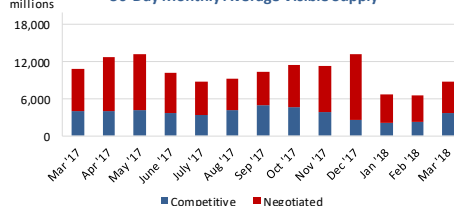
AAA MMD vs UST



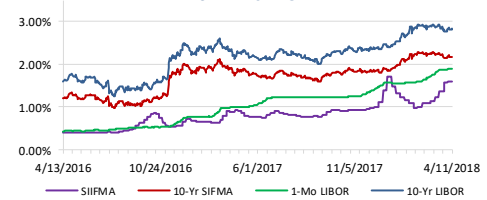
Ratio of AAA MMD vs UST



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.