

# ACACIA'S MUNICIPAL MARKET UPDATE



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## 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

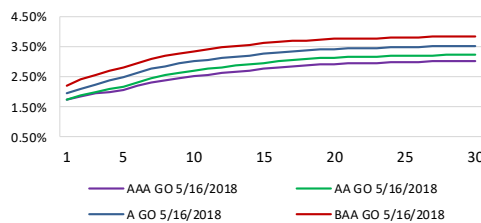
## MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose 2 basis points to 2.45%, while the 30-year AAA MMD fell 1 basis point to 2.96%.
- The municipal bond volume for the week of May 14<sup>th</sup> is approximately \$10.2 billion of long-term bonds, consisting of \$6.3 billion in negotiated deals and \$3.9 billion in competitive sales.
  - The current new issue supply is down approximately 23% from the supply level this time last year.
- Municipal bond funds saw inflows of \$167.3 million in the week ended May 9<sup>th</sup>, following outflows of \$344.7 million in the week prior.
- The yield curve is currently as its flattest point since 2007.
- This week's economic indicators consist of retail sales, industrial production, and housing starts. For the month of April, retail sales grew 0.3%, industrial production rose 0.7%, and housing starts fell 3.7%.

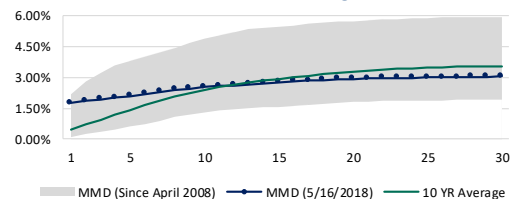
## MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.74%	1.76%	1.94%	2.21%	1 Yr	2.277%	2.41%	1 Mo/1 Wk	1.939%	1.380%	71.171%
2 Yr	1.85%	1.89%	2.11%	2.41%	2 Yr	2.585%	2.75%	3 Mo	2.321%	-	-
3 Yr	1.94%	2.00%	2.25%	2.57%	3 Yr	2.762%	2.94%	6 Mo	2.493%	-	-
4 Yr	2.01%	2.09%	2.37%	2.69%	5 Yr	2.939%	3.27%	1 Yr	2.577%	1.656%	64.261%
5 Yr	2.08%	2.17%	2.49%	2.80%	7 Yr	3.061%	3.47%	5 Yr	3.034%	2.167%	71.424%
10 Yr	2.52%	2.04%	3.01%	3.36%	10 Yr	3.096%	3.69%	10 Yr	3.131%	2.386%	76.206%
30 Yr	3.04%	3.25%	3.54%	3.86%	30 Yr	3.217%	3.92%	30 Yr	3.142%	2.612%	83.132%

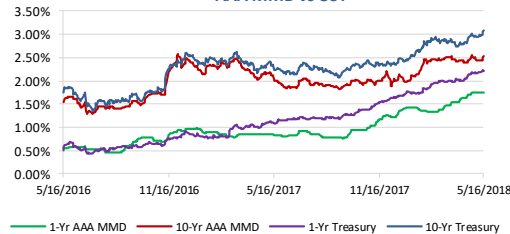
MMD Yield Curves



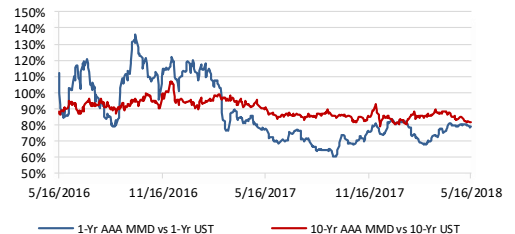
AAA MMD Yield Range



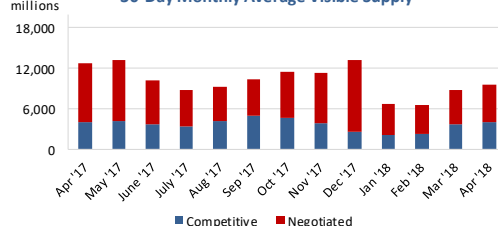
AAA MMD vs UST



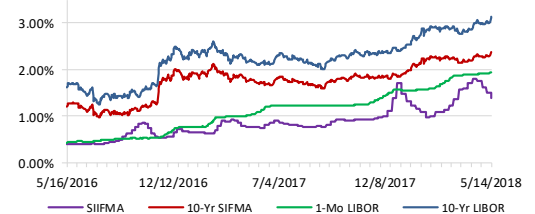
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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