

ACACIA'S MUNICIPAL MARKET UPDATE



MAY 31, 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

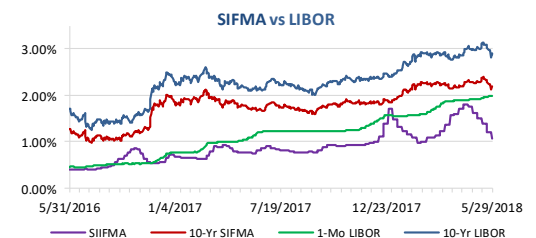
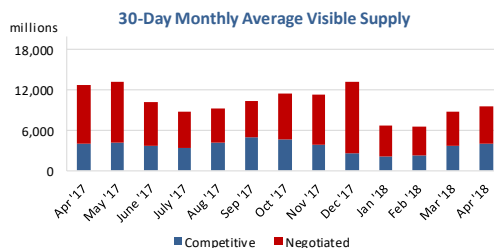
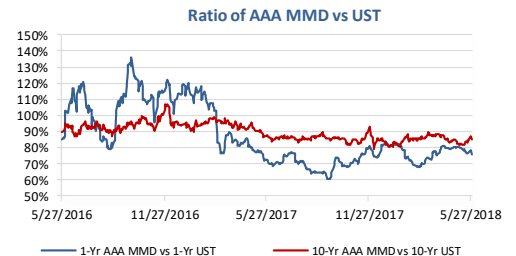
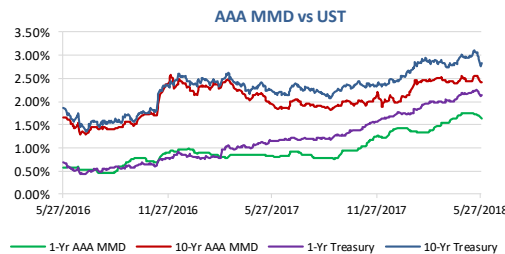
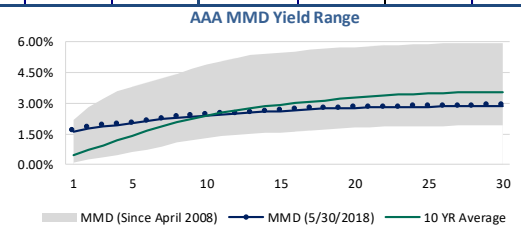
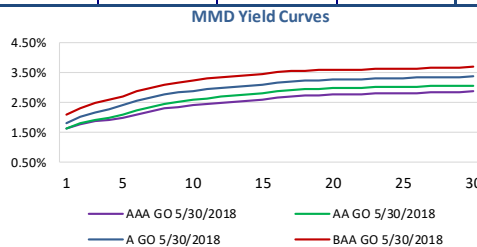
111 Anza Boulevard,
Suite 107
Burlingame, CA 94010
T: 650-342-2266

MARKET COMMENTARY

- From Monday to Tuesday, the 10-year AAA MMD benchmark fell 14 basis points to 2.41%, while the 30-year AAA MMD fell 20 basis points to 2.87%.
- The municipal bond volume for the week of May 29th is approximately \$3.75 billion of long-term bonds, consisting of \$2.8 billion in negotiated deals and \$950 million in competitive sales.
 - The current new issue supply is down approximately 21.5% from the supply level this time last year.
- Municipal bond funds saw inflows of \$232.8 million in the week ended May 23rd, following inflows of \$206.9 million in the week prior.
- Due to turmoil with Italy's finances and the European Union, US treasuries have dropped and are now trading below 3%.
- This week's economic indicators consist of the employment report, jobless claims, and pending home sales.

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%	1.65%	1.83%	2.10%	1 Yr	2.218%	2.34%	1 Mo/1 Wk	1.982%	1.060%	53.481%
2 Yr	1.77%	1.81%	2.03%	2.33%	2 Yr	2.423%	2.57%	3 Mo	2.300%	-	-
3 Yr	1.87%	1.93%	2.18%	2.50%	3 Yr	2.542%	2.71%	6 Mo	2.467%	-	-
4 Yr	1.93%	2.01%	2.29%	2.61%	5 Yr	2.683%	2.99%	1 Yr	2.517%	1.574%	62.535%
5 Yr	2.00%	2.09%	2.41%	2.72%	7 Yr	2.791%	3.21%	5 Yr	2.812%	1.980%	70.413%
10 Yr	2.41%	2.04%	2.90%	3.25%	10 Yr	2.842%	3.44%	10 Yr	2.885%	2.183%	75.667%
30 Yr	2.87%	3.08%	3.37%	3.69%	30 Yr	3.005%	3.71%	30 Yr	2.910%	2.408%	82.749%



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.