

ACACIA'S MUNICIPAL MARKET UPDATE



MAY 9, 2017

CELEBRATING
10
Years

Office Locations

601 Route 73 North,
Suite 206
Marlton, NJ 08053
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

Visit us at www.acaciafin.com

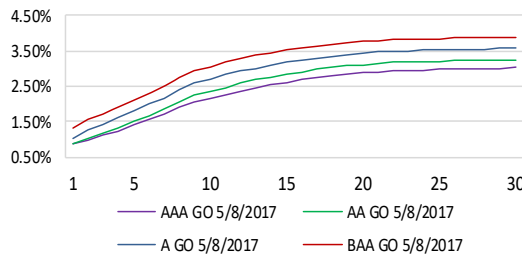
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell one basis point to 2.17%, while the 30-year AAA MMD benchmark fell two basis points to 3.03%.
- The municipal bond volume for the week of May 8th is approximately \$9.36 billion of long-term bonds, consisting of \$7.82 billion in negotiated deals and \$1.54 billion in competitive sales.
- For the fourth straight week, Municipal bond funds saw inflows of \$127.783 million for the week ended May 3rd, following inflows of \$144.519 million the week prior.
- The Federal Reserve chose to hold interest rates steady following the conclusion of its two-day meeting last Wednesday. Despite the Federal Reserve holding interest rates steady, markets have begun preparing for a potential interest rate increase following the Federal Reserve's June 13-14th meeting.

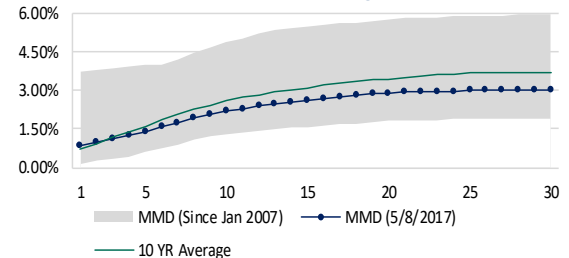
MUNICIPAL MARKET TRENDS

Tax-Exempt					Taxable			Swap Rates			
Term	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	0.86%	0.88%	1.05%	1.32%	1 Yr	1.109%	1.270%	1 Mo/1 Wk	0.994%	0.850%	90.452%
2 Yr	0.99%	1.04%	1.26%	1.56%	2 Yr	1.330%	1.530%	3 Mo	1.185%	-	-
3 Yr	1.11%	1.17%	1.42%	1.74%	3 Yr	1.530%	1.770%	6 Mo	1.437%	-	-
4 Yr	1.25%	1.33%	1.61%	1.93%	5 Yr	1.911%	2.220%	1 Yr	1.418%	1.002%	70.833%
5 Yr	1.41%	1.51%	1.81%	2.12%	7 Yr	2.197%	2.750%	5 Yr	2.007%	1.555%	77.375%
10 Yr	2.17%	2.36%	2.71%	3.06%	10 Yr	2.387%	3.080%	10 Yr	2.326%	1.891%	81.480%
30 Yr	3.03%	3.26%	3.58%	3.90%	30 Yr	3.022%	3.740%	30 Yr	2.575%	2.253%	87.613%

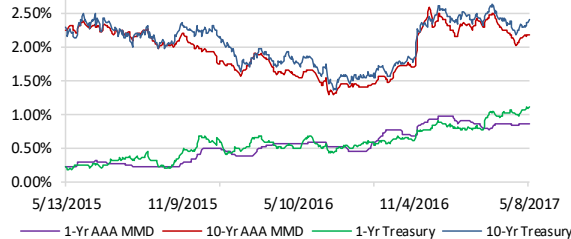
MMD Yield Curves



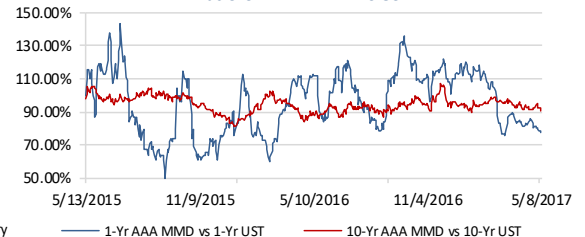
MMD Yield Range



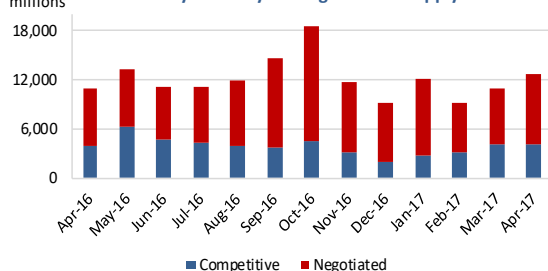
AAA MMD vs UST



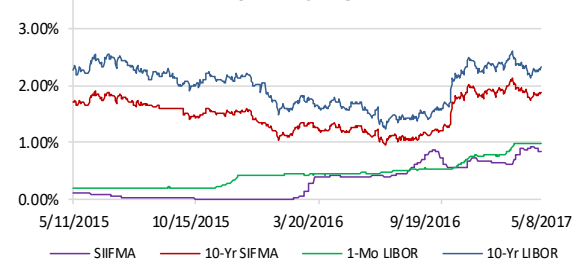
Ratio of AAA MMD vs UST



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.