

ACACIA'S MUNICIPAL MARKET UPDATE



JUNE 13, 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

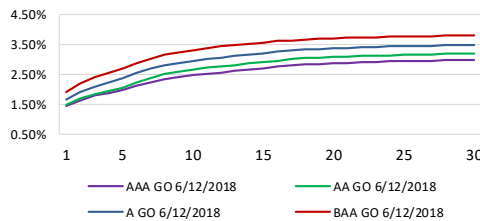
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose 2 basis points to 2.46%, while the 30-year AAA MMD rose 4 basis points to 2.98%.
- The municipal bond volume for the week of June 11th is approximately \$7.3 billion of long-term bonds, consisting of \$3.9 billion in negotiated deals and \$3.4 billion in competitive sales.
 - The current new issue supply is down approximately 19% from the supply level this time last year.
- Municipal bond funds saw inflows of \$189.5 million in the week ended June 6th, following inflows of \$77.2 million in the week prior.
- The June FOMC meeting is being held this week and it is expected the Fed will make their second rate hike this year.
- This week's economic indicator's consist of the CPI, the PPI and Retail Sales.

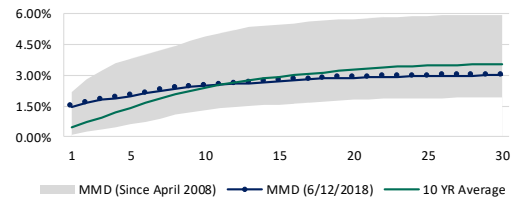
MUNICIPAL MARKET TRENDS

Tax-Exempt					Taxable			Swap Rates			
Term	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.46%	1.48%	1.66%	1.93%	1 Yr	2.303%	2.48%	1 Mo/1 Wk	2.057%	1.050%	51.045%
2 Yr	1.65%	1.69%	1.91%	2.21%	2 Yr	2.541%	2.74%	3 Mo	2.336%	-	-
3 Yr	1.80%	1.86%	2.11%	2.43%	3 Yr	2.674%	2.89%	6 Mo	2.499%	-	-
4 Yr	1.89%	1.97%	2.25%	2.57%	5 Yr	2.809%	3.15%	1 Yr	2.607%	1.618%	62.064%
5 Yr	1.99%	2.08%	2.39%	2.71%	7 Yr	2.910%	3.31%	5 Yr	2.949%	2.066%	70.058%
10 Yr	2.48%	2.04%	2.97%	3.32%	10 Yr	2.955%	3.54%	10 Yr	3.015%	2.274%	75.423%
30 Yr	3.00%	3.21%	3.50%	3.82%	30 Yr	3.084%	3.80%	30 Yr	3.021%	2.492%	82.489%

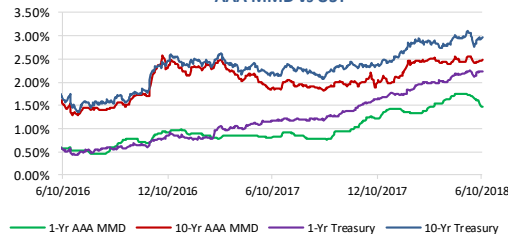
MMD Yield Curves



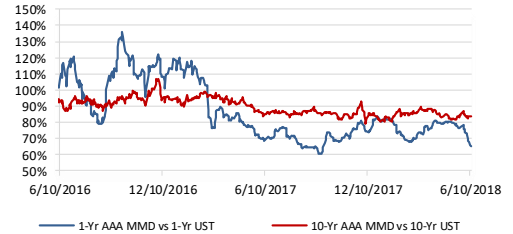
AAA MMD Yield Range



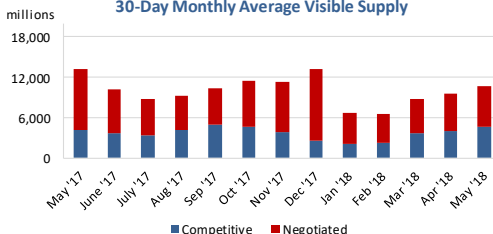
AAA MMD vs UST



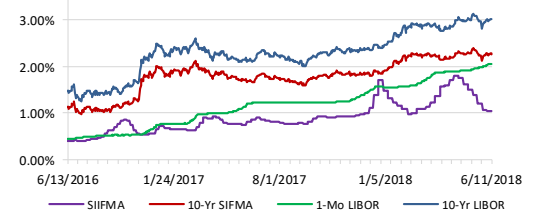
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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.