

# ACACIA'S MUNICIPAL MARKET UPDATE



JUNE 20, 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

225 E. Fireweed Lane,  
Suite 102  
Anchorage, AK 99503  
T: 907-272-4488

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

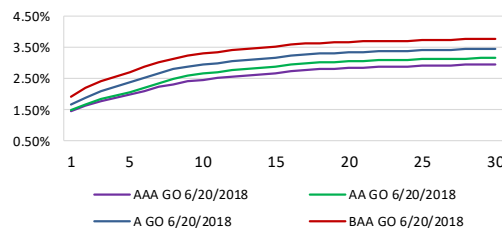
## MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose 2 basis points to 2.48%, while the 30-year AAA MMD rose 1 basis point to 2.99%.
- The municipal bond volume for the week of June 18<sup>th</sup> is approximately \$7.8 billion of long-term bonds, consisting of \$5.5 billion in negotiated deals and \$2.3 billion in competitive sales.
  - The current new issue supply is down approximately 16.6% from the supply level this time last year.
- Municipal bond funds saw inflows of \$449.6 million in the week ended June 13<sup>th</sup>, following inflows of \$189.5 million in the week prior.
- In the June FOMC meeting, the Fed increased rates by 25bp to a target range of 1.75%-2.00%.
- This week's economic indicators consist of Housing Starts, Existing Home Sales, and Jobless Claims.

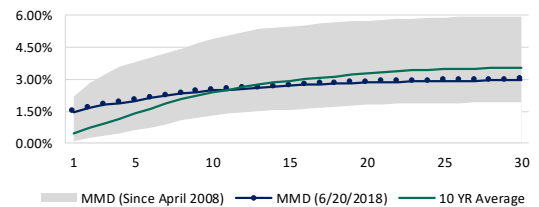
## MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.46%	1.48%	1.66%	1.93%	1 Yr	2.345%	2.45%	1 Mo/1 Wk	2.088%	1.500%	71.839%
2 Yr	1.64%	1.68%	1.90%	2.20%	2 Yr	2.566%	2.69%	3 Mo	2.330%	-	-
3 Yr	1.79%	1.85%	2.10%	2.42%	3 Yr	2.677%	2.82%	6 Mo	2.495%	-	-
4 Yr	1.88%	1.96%	2.24%	2.56%	5 Yr	2.808%	3.07%	1 Yr	2.619%	1.629%	62.199%
5 Yr	1.99%	2.08%	2.39%	2.71%	7 Yr	2.897%	3.22%	5 Yr	2.949%	2.068%	70.125%
10 Yr	2.47%	2.04%	2.96%	3.31%	10 Yr	2.939%	3.45%	10 Yr	3.001%	2.260%	75.308%
30 Yr	2.96%	3.17%	3.46%	3.78%	30 Yr	3.078%	3.89%	30 Yr	3.009%	2.475%	82.253%

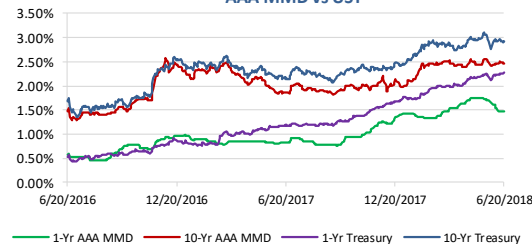
MMD Yield Curves



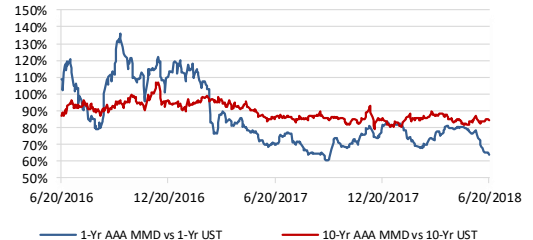
AAA MMD Yield Range



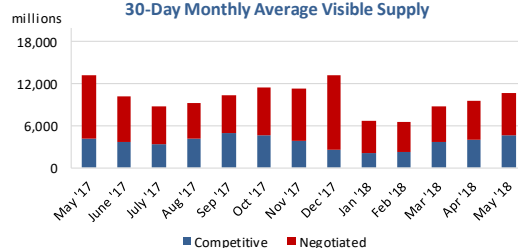
AAA MMD vs UST



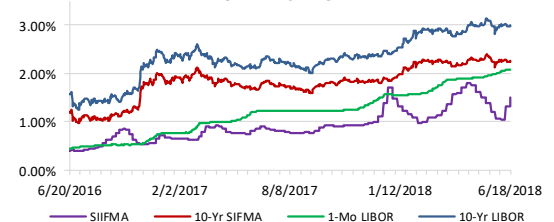
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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