

ACACIA'S MUNICIPAL MARKET UPDATE



JUNE 26, 2017

CELEBRATING
10
Years

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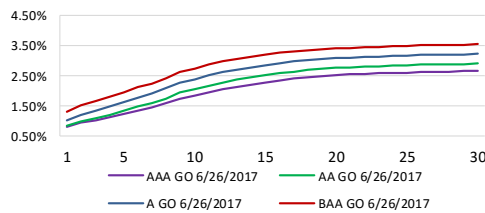
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell one basis point to 1.85%, while the 30-year AAA MMD benchmark fell three basis points to 2.67%.
- The municipal bond volume for the week of June 26th is approximately \$6.82 billion of long-term bonds, consisting of \$5.16 billion in negotiated deals and \$1.66 billion in competitive sales.
- Municipal bond funds saw outflows of \$890.590 million in the week ended June 21, following inflows of \$394.878 million in the week prior.
- S&P has concluded a 5 year review on Build America Mutual Assurance Company ("BAM") and affirmed their rating of AA, Stable. S&P also released ratings for National Public Finance guarantee Corp. and MBIA, downgrading National to A from AA- and MBIA to BBB from A-. This downgrade could potentially restrain National from starting new business.

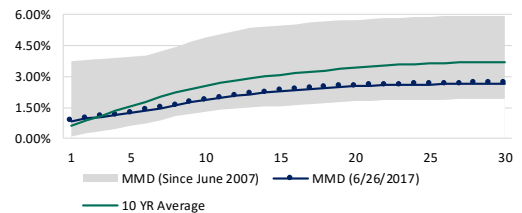
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Term	Taxable		Swap Rates			
	AAA	AA	A	BAA		UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	0.83%	0.86%	1.03%	1.30%	1 Yr	1.202%	1.34%	1 Mo/1 Wk	1.222%	0.870%	71.195%
2 Yr	0.96%	1.01%	1.22%	1.52%	2 Yr	1.373%	1.49%	3 Mo	1.295%	-	-
3 Yr	1.04%	1.11%	1.35%	1.67%	3 Yr	1.519%	1.67%	6 Mo	1.446%	-	-
4 Yr	1.13%	1.22%	1.49%	1.81%	5 Yr	1.808%	2.11%	1 Yr	1.436%	0.917%	63.858%
5 Yr	1.24%	1.34%	1.63%	1.94%	7 Yr	2.031%	2.42%	5 Yr	1.873%	1.410%	75.280%
10 Yr	1.85%	2.04%	2.40%	2.75%	10 Yr	2.195%	2.76%	10 Yr	2.174%	1.726%	79.393%
30 Yr	2.67%	2.91%	3.23%	3.55%	30 Yr	2.747%	3.42%	30 Yr	2.435%	2.080%	85.421%

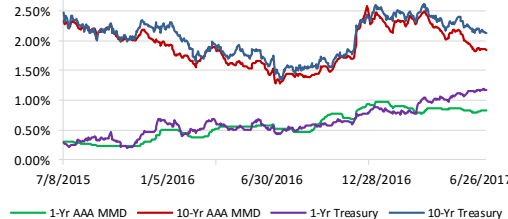
MMD Yield Curves



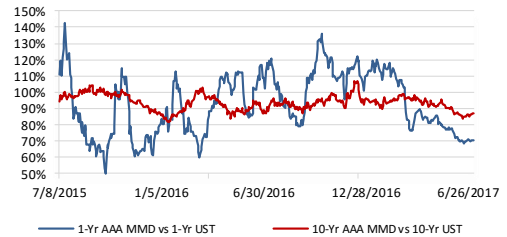
MMD Yield Range



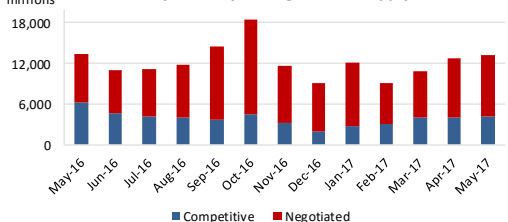
AAA MMD vs UST



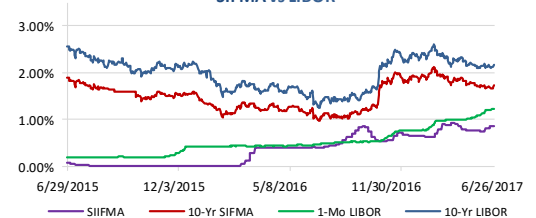
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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