

ACACIA'S MUNICIPAL MARKET UPDATE



JUNE 6, 2017

CELEBRATING
10
Years

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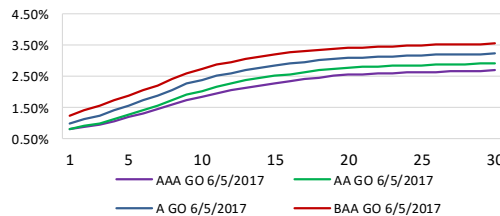
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell seven basis points to 1.86%, while the 30-year AAA MMD benchmark fell eight basis points to 2.69%.
- The municipal bond volume for the week of June 5th is approximately \$7.83 billion of long-term bonds, consisting of \$5.13 billion in negotiated deals and \$2.71 billion in competitive sales.
- Municipal bond funds saw outflows of \$50.837 million for the week ended May 31st, following inflows of \$394.498 million in the week prior.
- The Unemployment report the FOMC released last week stated that unemployment fell from 4.4% to 4.3% since April.
- Several sources still expect that the Fed will raise rates at the June FOMC meeting, despite weakening inflation.

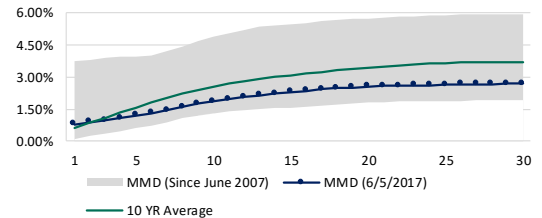
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	0.80%	0.82%	0.99%	1.26%	1 Yr	1.155%	1.31%	1 Mo/1 Wk	1.086%	0.760%	76.696%
2 Yr	0.88%	0.91%	1.13%	1.43%	2 Yr	1.302%	1.51%	3 Mo	1.223%	-	-
3 Yr	0.97%	1.01%	1.26%	1.58%	3 Yr	1.443%	1.67%	6 Mo	1.428%	-	-
4 Yr	1.08%	1.14%	1.42%	1.74%	5 Yr	1.742%	2.04%	1 Yr	1.375%	0.917%	66.838%
5 Yr	1.21%	1.28%	1.58%	1.89%	7 Yr	1.995%	2.54%	5 Yr	1.820%	1.396%	76.713%
10 Yr	1.86%	2.04%	2.39%	2.74%	10 Yr	2.182%	2.88%	10 Yr	2.130%	1.722%	80.905%
30 Yr	2.69%	2.92%	3.23%	3.55%	30 Yr	2.837%	3.61%	30 Yr	2.402%	2.098%	83.681%

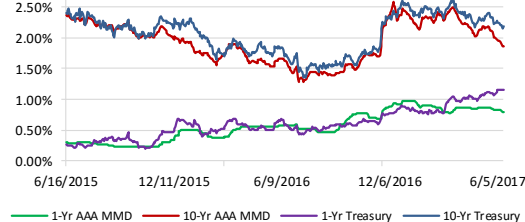
MMD Yield Curves



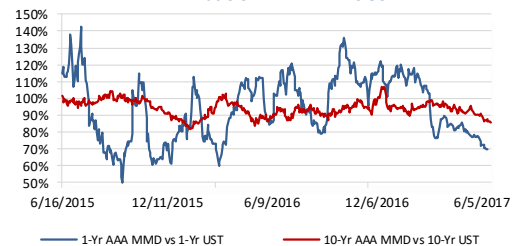
MMD Yield Range



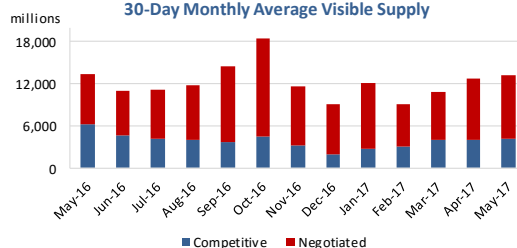
AAA MMD vs UST



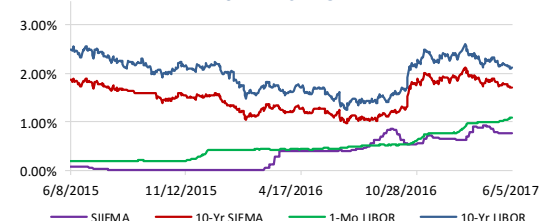
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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