

ACACIA'S MUNICIPAL MARKET UPDATE



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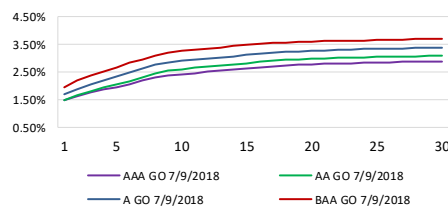
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell 3 basis points to 2.43%, while the 30-year AAA MMD fell 4 basis points to 2.90%.
- The municipal bond volume for the week of July 9th is approximately \$8.3 billion of long-term bonds, consisting of \$5.4 billion in negotiated deals and \$2.9 billion in competitive sales.
 - The current new issue supply is down approximately 18.1% from the supply level this time last year.
- Municipal bond funds saw outflows of \$189.2 million in the week ended July 4th, following inflows of \$421 million in the week prior.
- The employment report for the month of June was released last week with an increase of unemployment to 4.0% compared to 3.8% in the prior month.
- The June FOMC meeting minutes were released last week, which detailed a rise in household spending and forecasted two more rate hikes this year.
- This week's economic indicators consist of the PPI, JOLTS, and the NFIB Small Business Optimism Index.

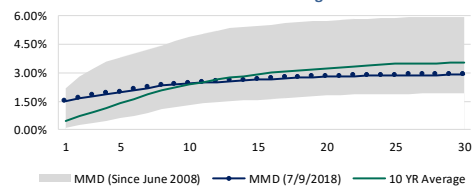
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.49%	1.51%	1.69%	1.96%	1 Yr	2.321%	2.43%	1 Mo/1 Wk	2.078%	1.190%	57.267%
2 Yr	1.64%	1.67%	1.89%	2.19%	2 Yr	2.582%	2.72%	3 Mo	2.333%	-	-
3 Yr	1.77%	1.82%	2.07%	2.39%	3 Yr	2.682%	2.84%	6 Mo	2.509%	-	-
4 Yr	1.87%	1.94%	2.22%	2.54%	5 Yr	2.755%	3.04%	1 Yr	2.631%	1.637%	62.220%
5 Yr	1.97%	2.05%	2.36%	2.68%	7 Yr	2.824%	3.17%	5 Yr	2.893%	2.012%	69.547%
10 Yr	2.43%	2.04%	2.91%	3.26%	10 Yr	2.856%	3.44%	10 Yr	2.926%	2.190%	74.846%
30 Yr	2.90%	3.10%	3.39%	3.71%	30 Yr	2.953%	3.85%	30 Yr	2.926%	2.407%	82.262%

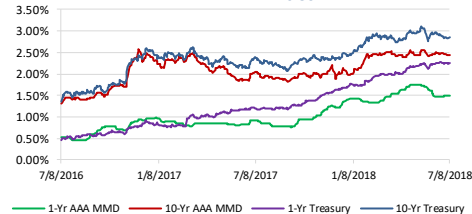
MMD Yield Curves



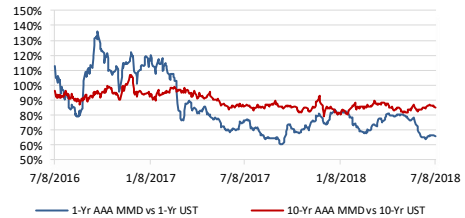
AAA MMD Yield Range



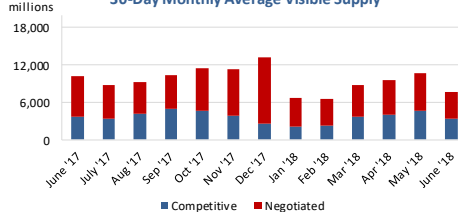
AAA MMD vs UST



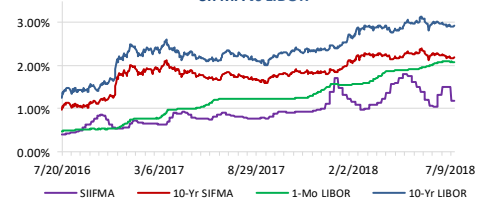
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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