

ACACIA'S MUNICIPAL MARKET UPDATE



JULY 17, 2017

CELEBRATING
10
Years

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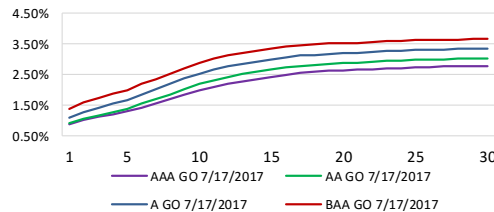
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell six basis points to 1.99%, while the 30-year AAA MMD benchmark fell seven basis points to 2.79%.
- The municipal bond volume for the week of July 17 is approximately \$7.66 billion of long-term bonds, consisting of \$3.99 billion in negotiated deals and \$3.67 billion in competitive sales.
- Municipal bond funds saw outflows of \$172.555 million in the week ended July 12, following inflows of \$458.306 million in the week prior.
- Following Janet Yellen's speech last week, markets are not expecting another interest rate hike until 2018. The Fed is still expected to continue to work on their balance sheet throughout the rest of this year.

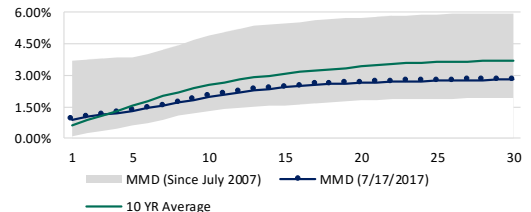
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	0.90%	0.94%	1.11%	1.38%	1 Yr	1.191%	1.34%	1 Mo/1 Wk	1.226%	0.830%	67.700%
2 Yr	1.03%	1.08%	1.29%	1.59%	2 Yr	1.344%	1.51%	3 Mo	1.304%	-	-
3 Yr	1.12%	1.19%	1.43%	1.75%	3 Yr	1.511%	1.73%	6 Mo	1.456%	-	-
4 Yr	1.21%	1.29%	1.56%	1.88%	5 Yr	1.818%	2.25%	1 Yr	1.438%	0.958%	66.620%
5 Yr	1.30%	1.39%	1.68%	1.99%	7 Yr	2.070%	2.57%	5 Yr	1.884%	1.397%	74.151%
10 Yr	1.99%	2.04%	2.54%	2.89%	10 Yr	2.264%	2.93%	10 Yr	2.217%	1.736%	78.304%
30 Yr	2.79%	3.03%	3.35%	3.67%	30 Yr	2.856%	3.59%	30 Yr	2.517%	2.131%	84.664%

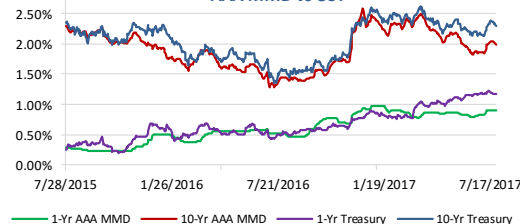
MMD Yield Curves



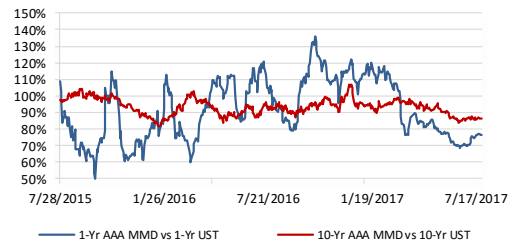
MMD Yield Range



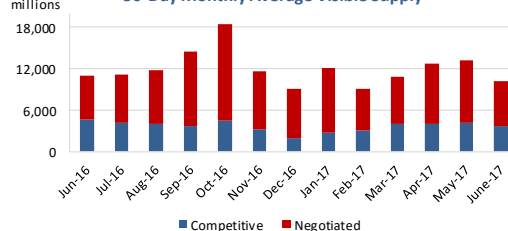
AAA MMD vs UST



Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR

