

ACACIA'S MUNICIPAL MARKET UPDATE



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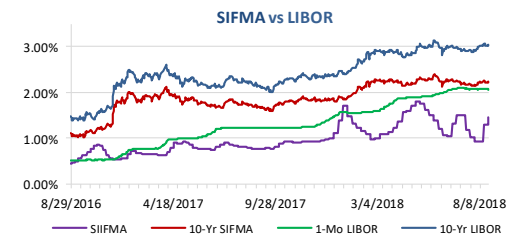
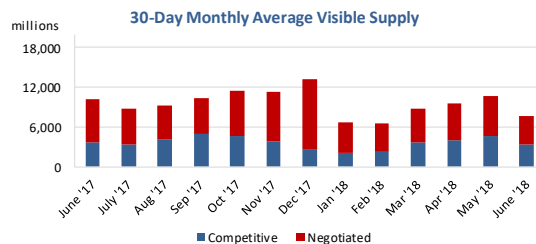
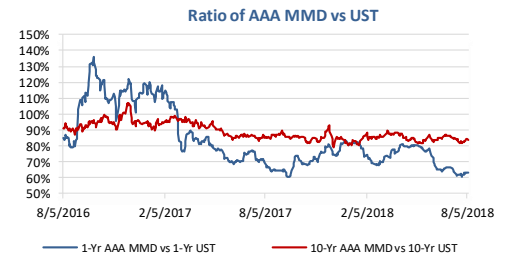
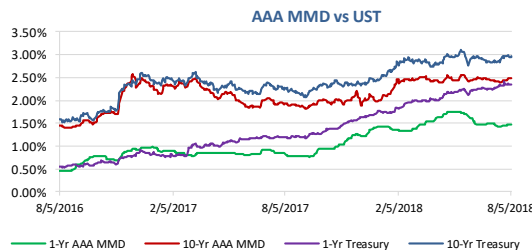
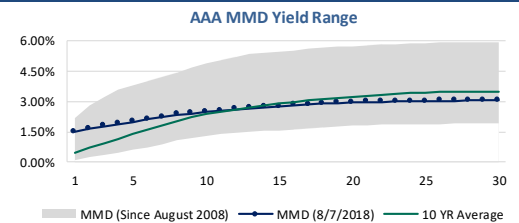
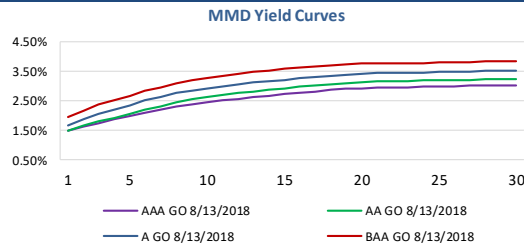
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MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell 3 basis point to 2.45%, while the 30-year AAA MMD remained unchanged at 3.04%.
- The municipal bond volume for the week of August 13th is the highest so far this year with approximately \$12.1 billion of long-term bonds, consisting of \$11.4 billion in negotiated deals and \$700 million 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 \$623 million in the week ended August 8th, following outflows of \$368.4 million in the week prior.
- The Producer Price Index for the month of July was released last week remaining unchanged from June while the Consumer Price Index increased by 0.2% compared to June's 0.1% increase.
- This week's economic indicators consist of Import and Export Prices, Housing Market Index, and Housing Starts.

MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.48%	1.49%	1.67%	1.94%	1 Yr	2.404%	2.51%	1 Mo/1 Wk	2.067%	1.450%	70.150%
2 Yr	1.63%	1.66%	1.88%	2.18%	2 Yr	2.625%	2.74%	3 Mo	2.319%	-	-
3 Yr	1.76%	1.81%	2.06%	2.38%	3 Yr	2.701%	2.83%	6 Mo	2.512%	-	-
4 Yr	1.87%	1.93%	2.21%	2.53%	5 Yr	2.762%	2.96%	1 Yr	2.616%	1.636%	62.538%
5 Yr	1.98%	2.05%	2.36%	2.68%	7 Yr	2.835%	3.20%	5 Yr	2.875%	2.007%	69.809%
10 Yr	2.45%	2.04%	2.92%	3.27%	10 Yr	2.889%	3.43%	10 Yr	2.934%	2.188%	74.574%
30 Yr	3.04%	3.25%	3.53%	3.85%	30 Yr	3.058%	3.97%	30 Yr	2.971%	2.444%	82.262%



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