

# ACACIA'S MUNICIPAL MARKET UPDATE



AUGUST 22, 2018

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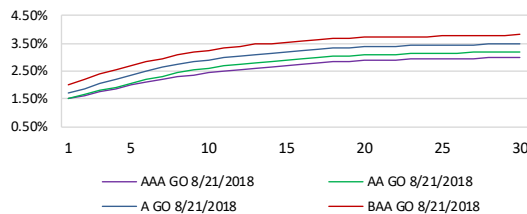
## MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell 2 basis points to 2.43%, while the 30-year AAA MMD fell 4 basis points to 3.00%.
- The municipal bond volume for the week of August 20<sup>th</sup> is approximately \$3.9 billion of long-term bonds, consisting of \$3.2 billion in negotiated deals and \$700 million in competitive sales.
  - The current new issue supply is down approximately 14.5% from the supply level this time last year.
- Municipal bond funds saw inflows of \$452 million in the week ended August 15<sup>th</sup>, following inflows of \$622.5 million in the week prior.
- The July/August FOMC will be released this week.
- Fed Chair, Jerome Powell will speak Friday of this week on the topic of monetary policy at the Jackson Hole Annual Economic Symposium.
- The economic indicators for this week consist of Existing Home Sales and MBA Mortgage Applications.

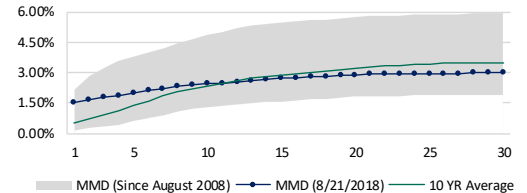
## MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.53%	1.54%	1.72%	1.99%	1 Yr	2.422%	2.53%	1 Mo/1 Wk	2.067%	1.570%	75.955%
2 Yr	1.64%	1.67%	1.89%	2.19%	2 Yr	2.595%	2.74%	3 Mo	2.310%	-	-
3 Yr	1.77%	1.82%	2.07%	2.39%	3 Yr	2.662%	2.81%	6 Mo	2.509%	-	-
4 Yr	1.88%	1.94%	2.22%	2.54%	5 Yr	2.712%	2.94%	1 Yr	2.625%	1.694%	64.533%
5 Yr	1.99%	2.06%	2.37%	2.69%	7 Yr	2.775%	3.17%	5 Yr	2.850%	1.999%	70.140%
10 Yr	2.44%	2.04%	2.91%	3.26%	10 Yr	2.830%	3.39%	10 Yr	2.901%	2.156%	74.319%
30 Yr	3.00%	3.20%	3.49%	3.81%	30 Yr	2.990%	3.92%	30 Yr	2.928%	2.408%	82.240%

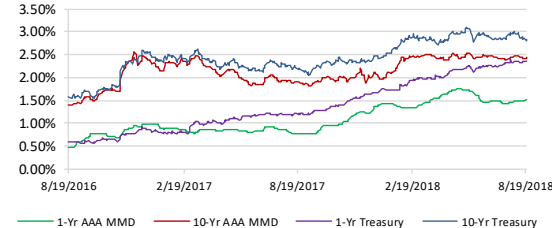
MMD Yield Curves



AAA MMD Yield Range



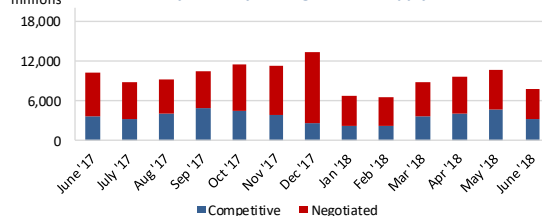
AAA MMD vs UST



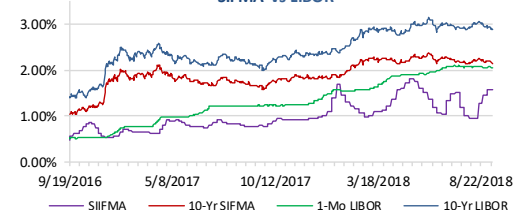
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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