

ACACIA'S MUNICIPAL MARKET UPDATE



AUGUST 8, 2018

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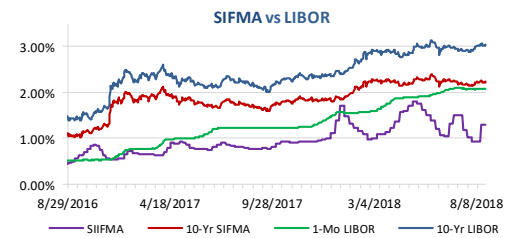
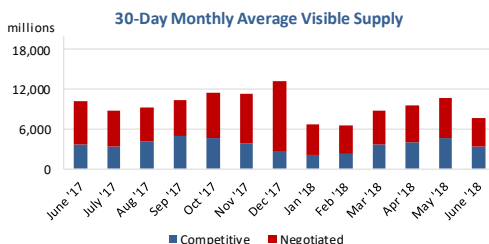
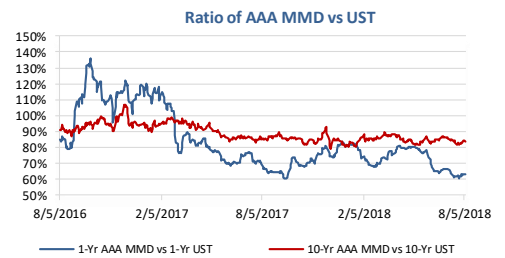
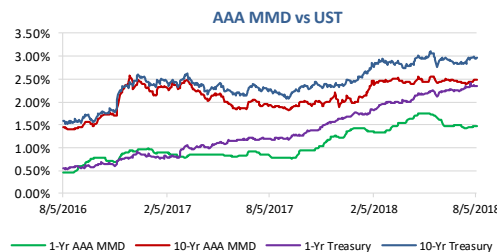
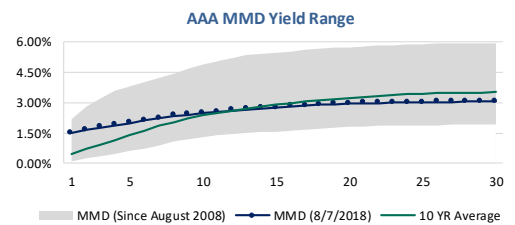
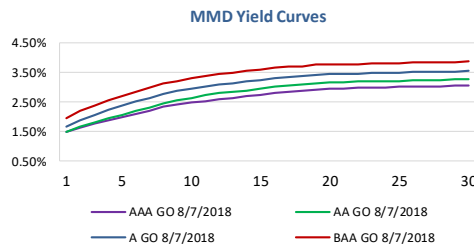
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MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose 3 basis point to 2.48%, while the 30-year AAA MMD also rose 3 basis points to 3.04%.
- The municipal bond volume for the week of August 6th is approximately \$7.8 billion of long-term bonds, consisting of \$6.1 billion in negotiated deals and \$1.7 billion 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 outflows of \$368.4 million in the week ended August 1st, following inflows of \$550 million in the week prior.
- The August Fed meeting was last week which resulted in rates remaining unchanged. The outlook detailed a strengthening labor market and inflation staying at the Fed's 2% target rate.
- This week's economic indicators consist of the Consumer Credit Report, Jobless Claims, the Producer Price Index and the Consumer Price Index.

MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.48%	1.49%	1.67%	1.94%	1 Yr	2.413%	2.53%	1 Mo/1 Wk	2.083%	1.290%	61.930%
2 Yr	1.64%	1.67%	1.89%	2.19%	2 Yr	2.666%	2.80%	3 Mo	2.343%	-	-
3 Yr	1.78%	1.83%	2.08%	2.40%	3 Yr	2.761%	2.91%	6 Mo	2.522%	-	-
4 Yr	1.89%	1.95%	2.23%	2.55%	5 Yr	2.835%	3.05%	1 Yr	2.668%	1.655%	62.031%
5 Yr	1.99%	2.06%	2.37%	2.69%	7 Yr	2.917%	3.30%	5 Yr	2.964%	2.037%	68.725%
10 Yr	2.48%	2.04%	2.95%	3.30%	10 Yr	2.969%	3.52%	10 Yr	3.023%	2.222%	73.503%
30 Yr	3.06%	3.27%	3.55%	3.87%	30 Yr	3.115%	4.05%	30 Yr	3.051%	2.473%	81.055%



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