

ACACIA'S MUNICIPAL MARKET UPDATE



SEPTEMBER 11, 2017

CELEBRATING
10
Years

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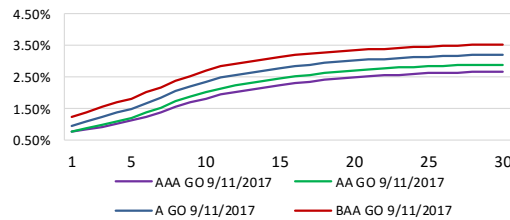
MARKET COMMENTARY

- From Tuesday to Monday, the 10-year AAA MMD benchmark fell two basis points to 1.83%, while the 30-year AAA MMD benchmark was unchanged at 2.68%.
- The municipal bond volume for the week of September 11th, is approximately \$7.42 billion of long-term bonds, consisting of \$4.99 billion in negotiated deals and \$2.43 billion in competitive sales.
- Municipal bond funds saw inflows of \$250.368 million in the week ended September 6th, following inflows of \$344.518 million in the week prior.
- With the hurricane in Florida not being as damaging as expected, local governments should not expect to see changes in credit quality due to their experience in handling large storms. In contrast, Moody's believes property insurers will most likely see extensive losses.
 - On Friday, President Trump approved disaster funds for the two hurricanes totaling \$15.25 billion.

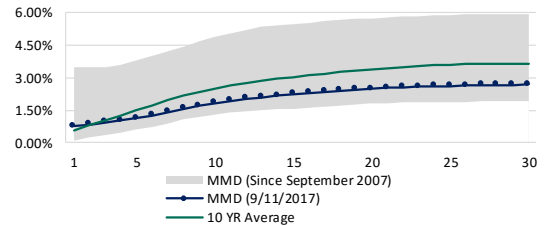
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	0.77%	0.79%	0.97%	1.24%	1 Yr	1.224%	1.29%	1 Mo/1 Wk	1.236%	0.780%	63.107%
2 Yr	0.85%	0.88%	1.10%	1.40%	2 Yr	1.319%	1.40%	3 Mo	1.310%	-	-
3 Yr	0.94%	0.98%	1.23%	1.55%	3 Yr	1.434%	1.53%	6 Mo	1.448%	-	-
4 Yr	1.03%	1.09%	1.37%	1.69%	5 Yr	1.709%	1.99%	1 Yr	1.441%	0.932%	64.677%
5 Yr	1.13%	1.21%	1.51%	1.82%	7 Yr	1.954%	2.29%	5 Yr	1.785%	1.332%	74.622%
10 Yr	1.83%	2.04%	2.35%	2.70%	10 Yr	2.131%	2.62%	10 Yr	2.087%	1.655%	79.300%
30 Yr	2.68%	2.90%	3.21%	3.53%	30 Yr	2.743%	3.34%	30 Yr	2.391%	2.063%	86.282%

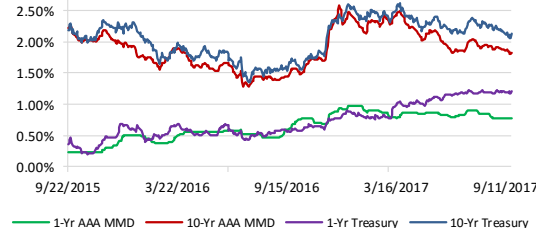
MMD Yield Curves



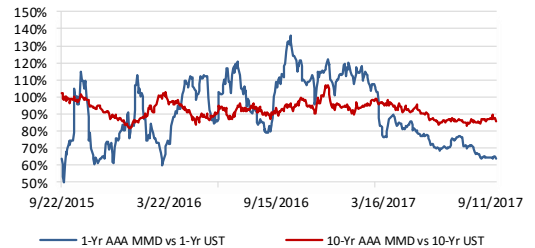
MMD Yield Range



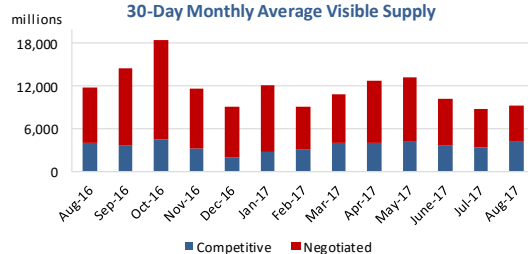
AAA MMD vs UST



Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR

