

ACACIA'S MUNICIPAL MARKET UPDATE



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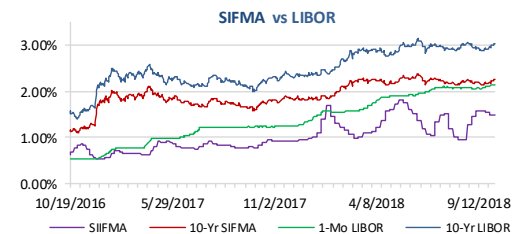
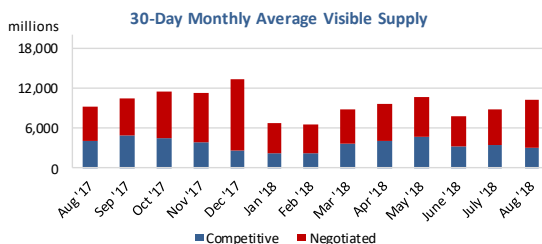
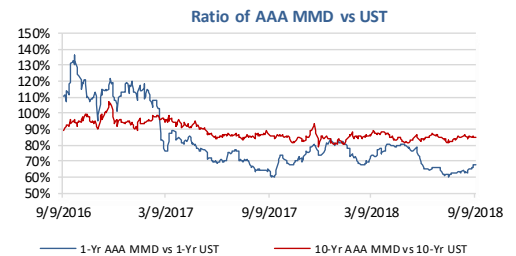
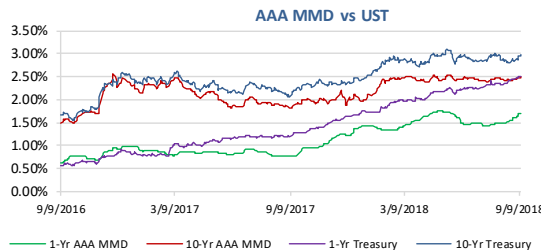
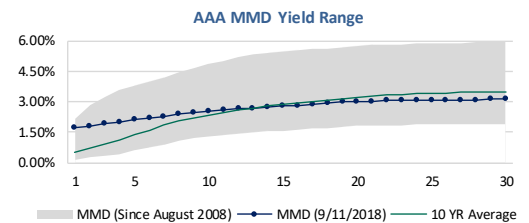
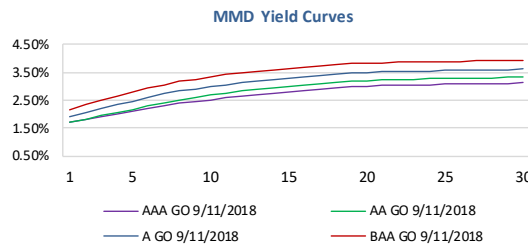
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MARKET COMMENTARY

- From Tuesday to Monday, the 10-year AAA MMD benchmark increased by 3 basis points to 2.49%, while the 30-year AAA MMD increased by 7 basis points to 3.10%.
- The municipal bond volume for the week of September 10th is approximately \$7.2 billion of long-term bonds, consisting of \$5.1 billion in negotiated deals and \$2.1 billion in competitive sales.
 - The current new issue supply is down approximately 14.4% from the supply level this time last year.
- Municipal bond funds saw outflows of \$181.4 million in the week ended September 5th, following inflows of \$212 million in the week prior.
- The August Employment Report was released last week which detailed average hourly earnings increasing by 0.4% which is likely to put pressure on a September rate hike.
- The economic indicators are light for this week consisting of Consumer Credit, Producer Price Index and NFIB Business Optimism Index.

MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.71%	1.72%	1.90%	2.17%	1 Yr	2.534%	2.63%	1 Mo/1 Wk	2.139%	1.490%	69.659%
2 Yr	1.81%	1.84%	2.06%	2.36%	2 Yr	2.736%	2.88%	3 Mo	2.334%	-	-
3 Yr	1.91%	1.96%	2.21%	2.53%	3 Yr	2.807%	2.96%	6 Mo	2.552%	-	-
4 Yr	2.00%	2.06%	2.34%	2.66%	5 Yr	2.850%	3.14%	1 Yr	2.728%	1.765%	64.699%
5 Yr	2.10%	2.17%	2.48%	2.80%	7 Yr	2.915%	3.35%	5 Yr	2.984%	2.090%	70.040%
10 Yr	2.52%	2.04%	2.99%	3.34%	10 Yr	2.955%	3.59%	10 Yr	3.026%	2.256%	74.554%
30 Yr	3.13%	3.33%	3.62%	3.94%	30 Yr	3.101%	4.04%	30 Yr	3.046%	2.504%	82.206%



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