

ACACIA'S MUNICIPAL MARKET UPDATE



SEPTEMBER 19, 2017

CELEBRATING
10
Years

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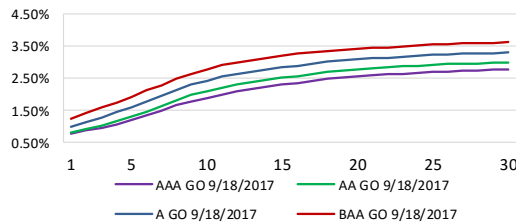
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark rose seven basis points to 1.90%, while the 30-year AAA MMD benchmark also rose seven basis points to 2.77%.
- The municipal bond volume for the week of September 18th, is approximately \$4.72 billion of long-term bonds, consisting of \$3.71 billion in negotiated deals and \$1.01 billion in competitive sales.
- Municipal bond funds saw inflows of \$241.383 million in the week ended September 13th, following inflows of \$250.368 million in the week prior.
- The FOMC is scheduled to meet Tuesday and Wednesday of this week, with a press conference following the meetings.
 - It is expected by market participants that more information will be released regarding a possible rate hike in December.

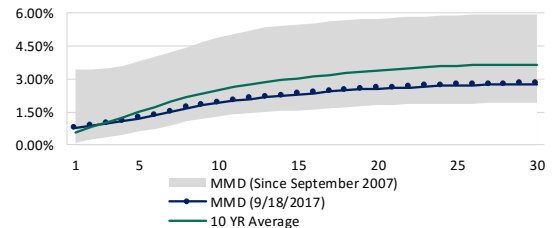
MUNICIPAL MARKET TRENDS

Tax-Exempt					Taxable			Swap Rates			
Term	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	0.77%	0.80%	0.98%	1.25%	1 Yr	1.292%	1.39%	1 Mo/1 Wk	1.237%	0.820%	66.289%
2 Yr	0.87%	0.91%	1.13%	1.43%	2 Yr	1.393%	1.52%	3 Mo	1.324%	-	-
3 Yr	0.97%	1.02%	1.27%	1.59%	3 Yr	1.539%	1.69%	6 Mo	1.471%	-	-
4 Yr	1.08%	1.16%	1.44%	1.76%	5 Yr	1.831%	2.18%	1 Yr	1.517%	0.983%	64.799%
5 Yr	1.21%	1.31%	1.61%	1.92%	7 Yr	2.069%	2.46%	5 Yr	1.909%	1.422%	74.489%
10 Yr	1.90%	2.04%	2.43%	2.78%	10 Yr	2.238%	2.81%	10 Yr	2.201%	1.744%	79.237%
30 Yr	2.77%	2.99%	3.30%	3.62%	30 Yr	2.810%	3.44%	30 Yr	2.472%	2.134%	86.327%

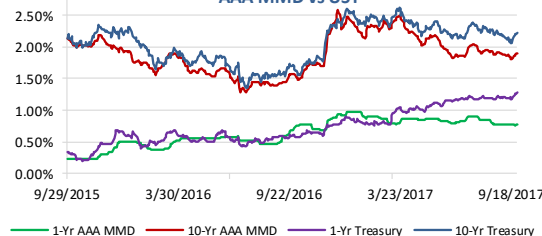
MMD Yield Curves



MMD Yield Range



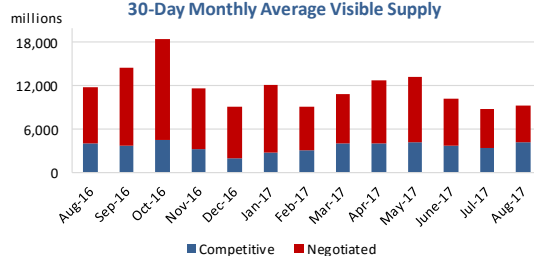
AAA MMD vs UST



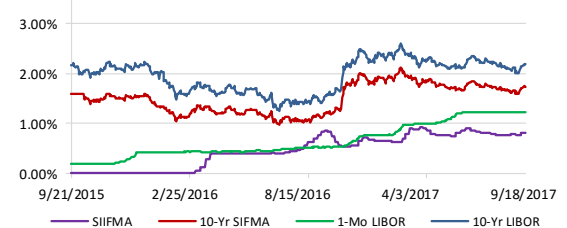
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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