

ACACIA'S MUNICIPAL MARKET UPDATE



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Office Locations

6000 Midlantic Drive,
Suite 410 North
Mt. Laurel, NJ 08054
T: 856-234-2266

26 Park Street,
Suite 2010
Montclair, NJ 07042
T: 973-509-3990

1441 Broadway, 5th Floor,
Suite 5017
New York, NY 10018
T: 212-432-4020

221 North LaSalle Street,
Suite 1500
Chicago, IL 60601
T: 312-269-0041

66 East Lynn Street
Columbus, OH 43215
T: 614-464-2300

225 E. Fireweed Lane,
Suite 102
Anchorage, AK 99503
T: 907-272-4488

111 Anza Boulevard,
Suite 107
Burlingame, CA 94010
T: 650-342-2266

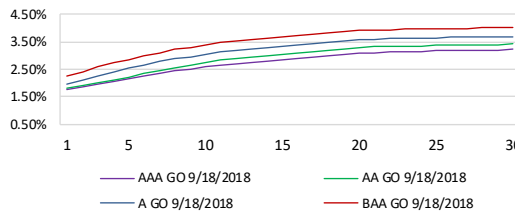
MARKET COMMENTARY

- From Monday to Monday, the 10-year and 30-year AAA MMD benchmark increased by 7 basis points to 2.56% and 3.17%, respectively.
- The municipal bond volume for the week of September 17th is approximately \$7.3 billion of long-term bonds, consisting of \$5.5 billion in negotiated deals and \$1.8 billion in competitive sales.
 - The current new issue supply is down approximately 13.0% from the supply level this time last year.
- Municipal bond funds saw outflows of \$136.5 million in the week ended September 12th, following outflows of \$181.4 million in the week prior.
- The September FOMC meeting will be held next week on the 25th and 26th, which will consist of a Summary of Economic Projections and an announcement from the Fed Chair. According to the CME FedWatch tool, there is a 94.4% probability of a September rate hike.
- The economic indicators are light for this week consisting of the Housing Market Index, Housing Starts and the Current Account.

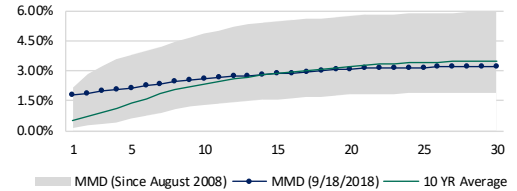
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Term	Taxable			Swap Rates		
	AAA	AA	A	BAA		UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.79%	1.80%	1.98%	2.25%	1 Yr	2.575%	2.68%	1 Mo/1 Wk	2.165%	1.490%	68.822%
2 Yr	1.88%	1.91%	2.13%	2.43%	2 Yr	2.812%	2.93%	3 Mo	2.338%	-	-
3 Yr	1.98%	2.03%	2.28%	2.60%	3 Yr	2.896%	3.02%	6 Mo	2.568%	-	-
4 Yr	2.07%	2.13%	2.41%	2.73%	5 Yr	2.962%	3.21%	1 Yr	2.754%	1.779%	64.597%
5 Yr	2.16%	2.23%	2.54%	2.86%	7 Yr	3.041%	3.42%	5 Yr	3.076%	2.159%	70.189%
10 Yr	2.58%	2.04%	3.05%	3.40%	10 Yr	3.085%	3.66%	10 Yr	3.138%	2.334%	74.379%
30 Yr	3.22%	3.42%	3.71%	4.03%	30 Yr	3.238%	4.11%	30 Yr	3.155%	2.596%	82.282%

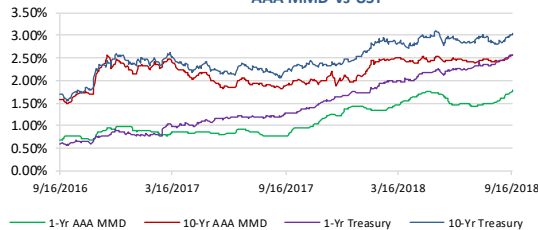
MMD Yield Curves



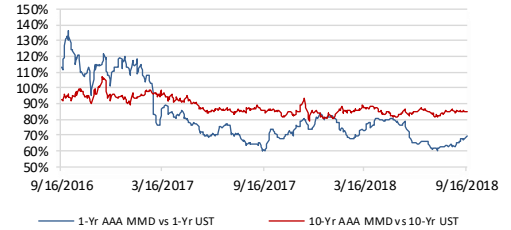
AAA MMD Yield Range



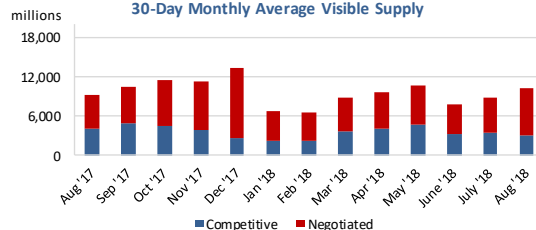
AAA MMD vs UST



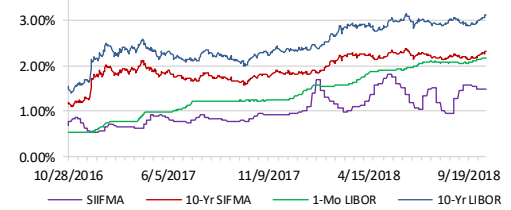
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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