

ACACIA'S MUNICIPAL MARKET UPDATE



MAY 22, 2017

CELEBRATING
10
Years

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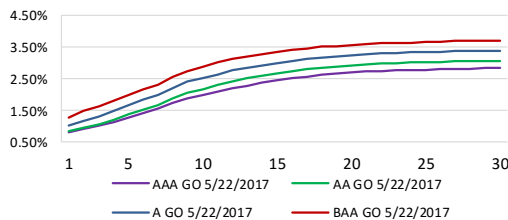
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell twelve basis points to 1.99%, while the 30-year AAA MMD benchmark fell thirteen basis points to 2.85%.
- The municipal bond volume for the week of May 22nd is approximately \$7.02 billion of long-term bonds, consisting of \$5.59 billion in negotiated deals and \$1.43 billion in competitive sales.
- For the sixth straight week, Municipal bond funds saw inflows of \$428 million for the week ended May 17th, following inflows of \$606 million in the week prior.
- This week is expected to have a busy calendar with a large group of Fed speakers, along with the release of the budget by The White House. In addition, market participants are anticipating the release of the May FOMC meeting minutes on Wednesday as it could provide a forecast into the Fed's plans for a potential rate hike in June, as well as their strategy for the rest of 2017.

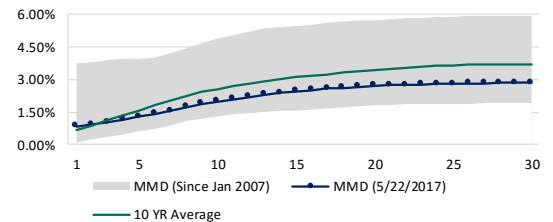
MUNICIPAL MARKET TRENDS

Term	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	0.83%	0.85%	1.02%	1.29%	1 Yr	1.098%	1.240%	1 Mo/1 Wk	1.017%	0.780%	76.696%
2 Yr	0.92%	0.96%	1.18%	1.48%	2 Yr	1.274%	1.480%	3 Mo	1.186%	-	-
3 Yr	1.03%	1.08%	1.33%	1.65%	3 Yr	1.452%	1.680%	6 Mo	1.415%	-	-
4 Yr	1.15%	1.22%	1.50%	1.82%	5 Yr	1.795%	2.090%	1 Yr	1.360%	0.909%	66.838%
5 Yr	1.29%	1.38%	1.68%	1.99%	7 Yr	2.061%	2.590%	5 Yr	1.868%	1.433%	76.713%
10 Yr	1.99%	2.18%	2.53%	2.88%	10 Yr	2.252%	2.950%	10 Yr	2.189%	1.771%	80.905%
30 Yr	2.85%	3.08%	3.40%	3.72%	30 Yr	2.912%	3.680%	30 Yr	2.445%	2.046%	83.681%

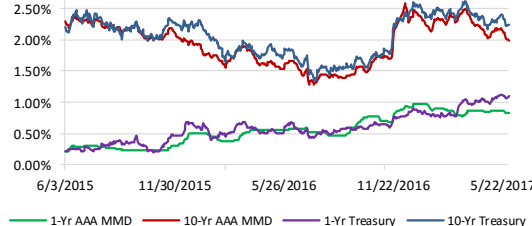
MMD Yield Curves



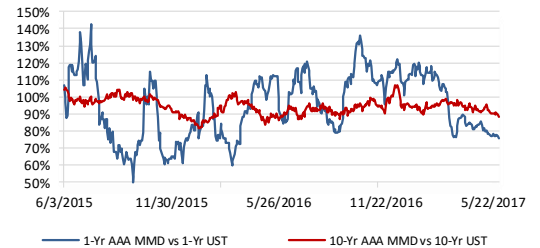
MMD Yield Range



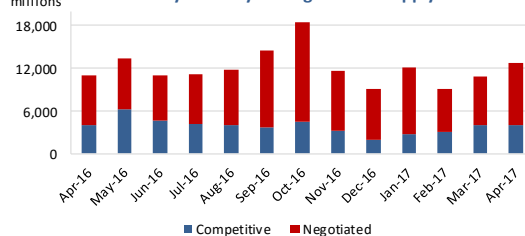
AAA MMD vs UST



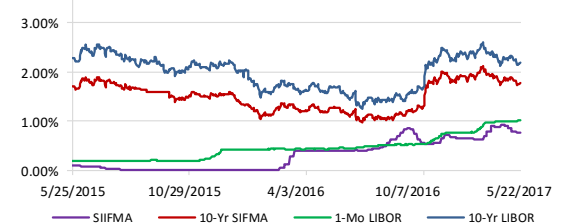
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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