

ACACIA'S MUNICIPAL MARKET UPDATE



SEPTEMBER 24TH, 2021

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MARKET COMMENTARY

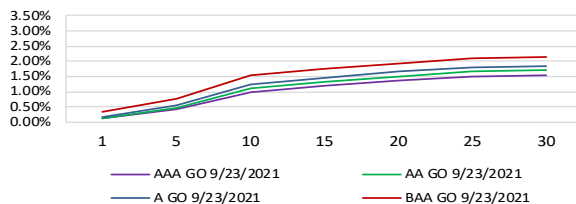
- On Wednesday, September 22, Federal Reserve policymakers instructed the New York Federal Reserve to continue buying bonds at a \$120bln/month pace while they maintained an overnight interest rate at the zero lower bound. The inflation forecast showed a slight increase. The Fed plans to taper in November unless there is a setback to the employment recovery. The initial response to the market following the Federal Reserve announcement shows minor change in rates, a slightly flatter curve and a substantially stronger equity market.
- AAA MMD decreased 11 basis points in the 5Y benchmark then increased 4 and 3 basis points in the 10Y and 30Y benchmark, respectively from September 16th to September 23rd.
- MMD/UST ratios for the 5Y, 10Y and 30Y finished at approximately 46%, 69% and 81%, respectively.
- For the week ending September 22nd, municipal bond funds have experienced inflows \$1.55 billion after reporting inflows of \$1.27 billion the previous week. This marks the 29th straight week of municipal bond inflows.
- The new issue calendar for next week shows approximately \$9.9 billion in total par, composed of \$7.5 billion in negotiated deals and \$2.4 billion in competitive sales.
- SIFMA remained unchanged this week at 0.02%.

MUNICIPAL MARKET TRENDS

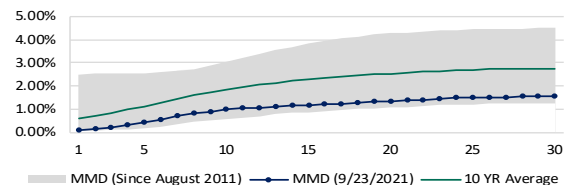
Market Movement

	9/23/2021	9/16-9/23	8/23-9/23	12/31-9/23
	Current	Change Over the Last Week	Change Over the Past Month	Change YTD
5-year UST	0.93%	10 bps	16 bps	57 bps
10-year UST	1.41%	8 bps	15 bps	50 bps
30-year UST	1.92%	4 bps	5 bsp	27 bps
5-year MMD	0.43%	-11 bps	-7 bps	21 bps
10-year MMD	0.97%	4 bps	9 bps	26 bps
30-year MMD	1.56%	3 bps	6 bps	17 bps
5-year MMD / UST	46.24%	-28.93%	-28.80%	-24.34%
10-year MMD / UST	68.79%	-1.62%	-1.50%	-11.83%
30-year MMD / UST	81.25%	-0.16%	1.29%	-3.55%

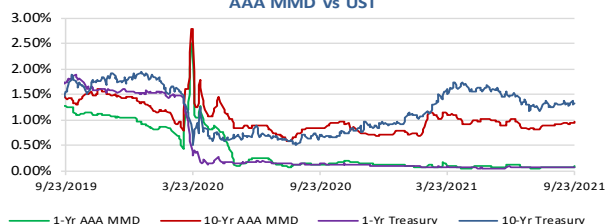
MMD Yield Curves



AAA MMD Yield Range



AAA MMD vs UST



Ratio of AAA MMD vs UST

