

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

Montclair, NJ
T: 732-892-0107

New York, NY
T: 212-432-4020

Chicago, IL
T: 312-269-0041

Columbus, OH
T: 614-464-2300

Anchorage, AK
T: 907-272-4488

Burlingame, CA
T: 650-342-2266

MARKET COMMENTARY

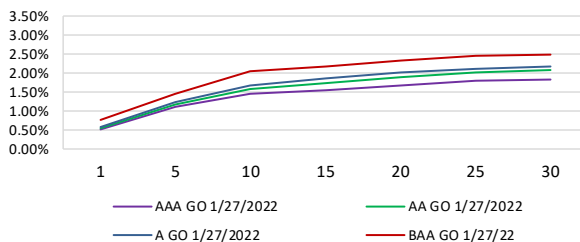
- The Federal Reserve held rates steady at the meeting on January 26th, however they indicated an expected rise in rates at the meeting in March.
- From January 20th to January 27th, AAA MMD increased 13 to 20 basis points across the curve.
- MMD/UST ratios for the 5Y, 10Y and 30Y increased to approximately 67%, 80% and 89%, respectively.
- For the week ending January 26th, municipal bond funds experienced outflows of \$1.4 billion, which marks the largest weekly outflow since April 2020, after experiencing outflows of \$238 million the previous week.
- The new issue calendar for next week shows approximately \$9.3 billion in total par, composed of \$7.1 billion in negotiated deals and \$2.2 billion in competitive sales.
- SIFMA reset 2 basis points higher to 0.06%.

MUNICIPAL MARKET TRENDS

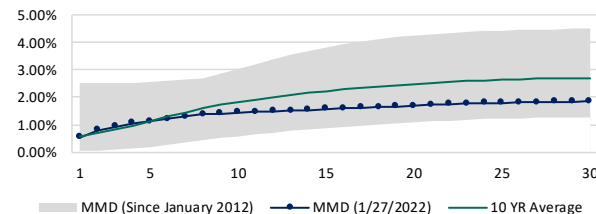
Market Movement

	1/27/2022	1/20-1/27	12/27-1/27	12/31-1/27
	Current	Change Over the Last Week	Change Over the Past Month	Change YTD
5-year UST	1.66%	4 bps	41 bps	40 bps
10-year UST	1.81%	-2 bps	33 bps	30 bps
30-year UST	2.09%	5 bps	20 bps	19 bps
5-year MMD	1.11%	20 bps	52 bps	52 bps
10-year MMD	1.45%	17 bps	42 bps	42 bps
30-year MMD	1.85%	13 bps	37 bps	36 bps
5-year MMD / UST	66.87%	19.04%	41.67%	42.80%
10-year MMD / UST	80.11%	14.53%	15.11%	17.44%
30-year MMD / UST	88.52%	4.98%	13.04%	12.87%

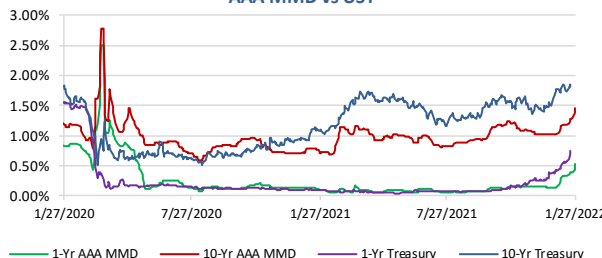
MMD Yield Curves



AAA MMD Yield Range



AAA MMD vs UST



Ratio of AAA MMD vs UST

