

ACACIA'S MUNICIPAL MARKET UPDATE



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MARKET COMMENTARY

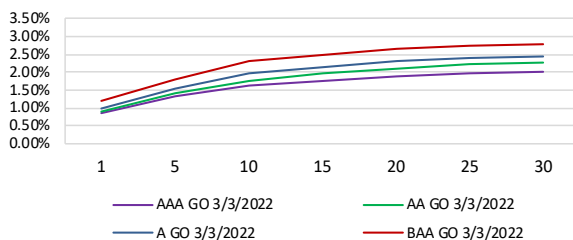
- Russia's full-scale invasion in Ukraine caused high volatility in the market this week. Prior to the invasion, the volatility experienced in the market was connected primarily to inflationary trends and monetary policy.
- From February 24th to March 3rd, the AAA MMD index increased 1 to 9 bps across the curve while US Treasuries decreased 4 to 10 basis points across the curve, indicating a flight to quality.
- MMD/UST ratios for the 5Y, 10Y and 30Y decreased to approximately 77%, 87% and 91%, respectively.
- For the week ending March 2nd, municipal bond funds experienced outflows of \$2.82 billion, after experiencing outflows of \$1.15 billion the previous week.
- The new issue calendar for next week shows supply at approximately \$11.4 billion in total par, composed of \$9.5 billion in negotiated deals and \$1.8 billion in competitive sales.
- SIFMA remained at 0.20%.

MUNICIPAL MARKET TRENDS

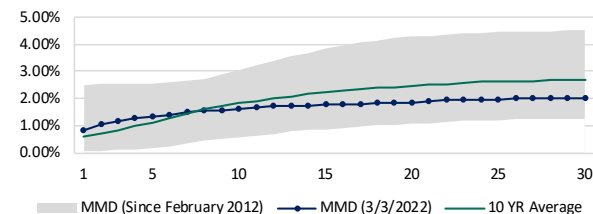
Market Movement

	3/3/2022	2/24-2/3	2/3-3/3	12/31-3/3
	Current	Change Over the Last Week	Change Over the Past Month	Change YTD
5-year UST	1.74%	-10 bps	8 bps	48 bps
10-year UST	1.85%	-10 bps	3 bps	34 bps
30-year UST	2.23%	-4 bps	8 bps	33 bps
5-year MMD	1.34%	1 bps	17 bps	75 bps
10-year MMD	1.61%	4 bps	18 bps	58 bps
30-year MMD	2.03%	9 bps	21 bps	54 bps
5-year MMD / UST	77.01%	6.54%	9.26%	64.47%
10-year MMD / UST	87.03%	8.09%	10.76%	27.58%
30-year MMD / UST	91.03%	6.52%	7.04%	16.08%

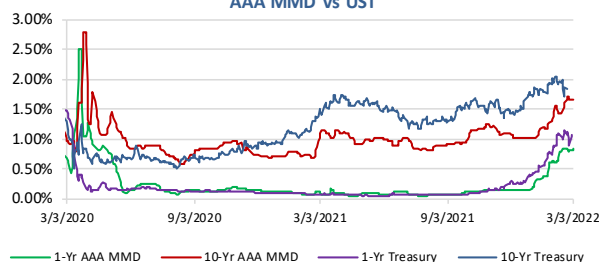
MMD Yield Curves



AAA MMD Yield Range



AAA MMD vs UST



Ratio of AAA MMD vs UST

