

# ACACIA'S MUNICIPAL MARKET UPDATE



JANUARY 20<sup>TH</sup>, 2023

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## MARKET COMMENTARY

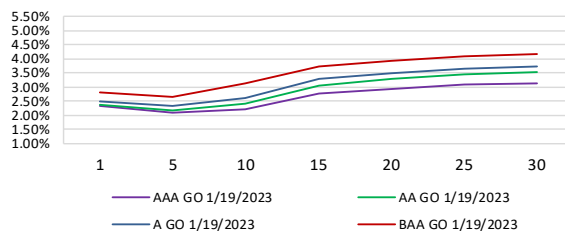
- From January 12<sup>th</sup> to January 19<sup>th</sup>, AAA MMD decreased 12 to 13 basis points across the curve, while U.S Treasuries decreased 1 to 6 basis points across the curve.
- MMD/UST ratios for the 5Y, 10Y and 30Y finished at approximately 59%, 65% and 88%, respectively.
- For the week ending January 18<sup>th</sup>, municipal bond funds experienced inflows of \$1.51 billion after experiencing inflows of \$1.98 billion the week prior.
- The new issue calendar for next week shows heavy supply of approximately \$5.5 billion in total par, composed of \$4.5 billion in negotiated deals and \$1 billion in competitive sales.
- SIFMA reset 64 basis points lower this week to 1.86%.

## MUNICIPAL MARKET TRENDS

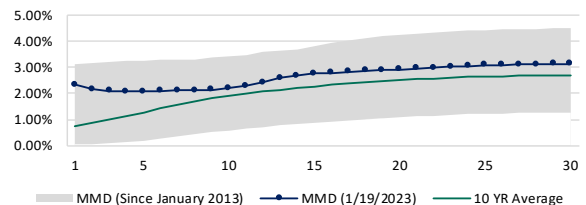
### Market Movement

|                   | 1/19/2023 | 1/12-1/19                 | 12/19-1/19                 | 12/30-1/19 |
|-------------------|-----------|---------------------------|----------------------------|------------|
|                   | Current   | Change Over the Last Week | Change Over the Past Month | Change YTD |
| 5-year UST        | 3.48%     | -6 bps                    | -23 bps                    | -54 bps    |
| 10-year UST       | 3.40%     | -4 bps                    | -18 bps                    | -48 bps    |
| 30-year UST       | 3.57%     | -1 bps                    | -6 bps                     | -39 bps    |
| 5-year MMD        | 2.07%     | -13 bps                   | -36 bps                    | -45 bps    |
| 10-year MMD       | 2.21%     | -12 bps                   | -26 bps                    | -42 bps    |
| 30-year MMD       | 3.14%     | -12 bps                   | -28 bps                    | -44 bps    |
| 5-year MMD / UST  | 59.48%    | -4.29%                    | -9.18%                     | -5.11%     |
| 10-year MMD / UST | 65.00%    | -4.03%                    | -5.79%                     | -4.11%     |
| 30-year MMD / UST | 87.96%    | -3.41%                    | -6.64%                     | -2.71%     |

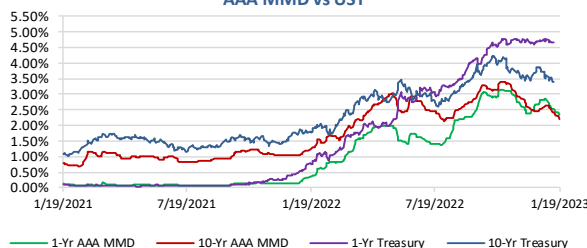
MMD Yield Curves



AAA MMD Yield Range



AAA MMD vs UST



Ratio of AAA MMD vs UST

