

ACACIA'S MUNICIPAL MARKET UPDATE



DECEMBER 16TH, 2022

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MARKET COMMENTARY

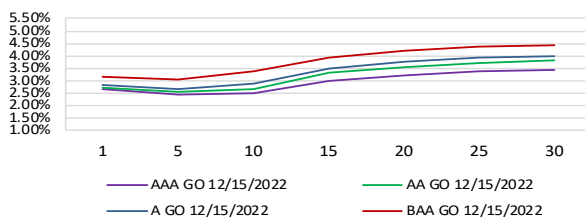
- Wednesday, December 14th, marked the 7th Fed Rate hike this year, increasing by another 50 bps.
- From December 8th to December 15th, AAA MMD decreased 4 to 6 basis points across the curve.
- The 5Y and 10Y U.S treasury benchmark decreased 9bps and 4 bps respectively, while the 30Y benchmarks increased 4 bps over the same duration.
- MMD/UST ratios for the 5Y, 10Y and 30Y finished at approximately 67%, 72% and 98%, respectively.
- For the week ending December 14th municipal bond funds experienced outflows of \$1.22 billion after experiencing inflows of \$46.91 million the week prior.
- Year-to-date fund flows are now reporting a total of \$116.56 billion in outflows for 2022.
- The new issue calendar for next week shows relatively light supply of approximately \$300 million in total par, composed of \$250 million in negotiated deals and \$50 million in competitive sales.
- SIFMA reset 152 basis points higher this week to 3.73%.

MUNICIPAL MARKET TRENDS

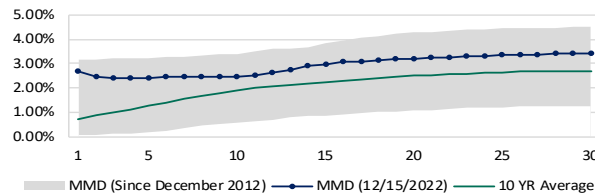
Market Movement

	12/15/2022	12/8-12/15	11/15-12/15	12/31-12/8
	Current	Change Over the Last Week	Change Over the Past Month	Change YTD
5-year UST	3.62%	-9 bps	-30 bps	236 bps
10-year UST	3.45%	-4 bps	-35 bps	194 bps
30-year UST	3.50%	4 bps	-48 bps	160 bps
5-year MMD	2.43%	-4 bps	-53 bps	184 bps
10-year MMD	2.47%	-6 bps	-59 bps	144 bps
30-year MMD	3.42%	-4 bps	-35 bps	193 bps
5-year MMD / UST	67.13%	0.83%	-11.10%	43.36%
10-year MMD / UST	71.59%	-1.24%	-11.09%	4.96%
30-year MMD / UST	97.71%	-2.29%	3.16%	24.60%

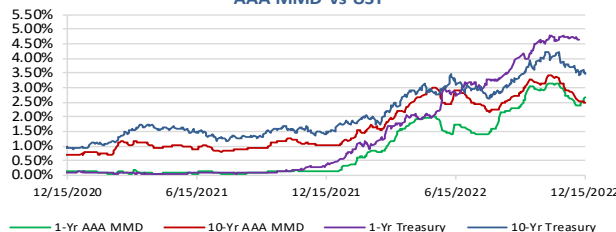
MMD Yield Curves



AAA MMD Yield Range



AAA MMD vs UST



Ratio of AAA MMD vs UST

