

# ACACIA'S MUNICIPAL MARKET UPDATE



MAY 3<sup>RD</sup>, 2024

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## MARKET COMMENTARY

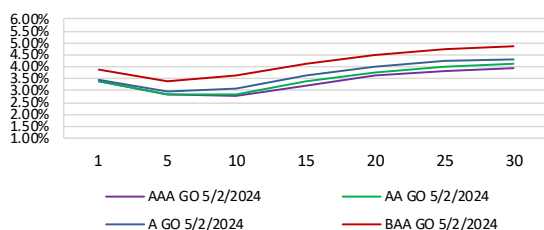
- The Federal Reserve maintained interest rates at the range of 5.00%-5.25% after the May 1<sup>st</sup> FOMC meeting, extending a streak of six consecutive meetings where policymakers opted to keep rates unchanged.
- Fed Chair Jerome Powell further reiterated that rates are currently restrictive enough, but that inflation is still too high to start cutting rates.
- From April 25<sup>th</sup> to May 2<sup>nd</sup>, AAA MMD decreased 1 to 3 basis points across the curve, while U.S. Treasuries decreased 9 to 15 basis points across the curve.
- MMD/UST ratios for the 5Y, 10Y and 30Y finished at approximately 62%, 61%, and 83%, respectively.
- For the week ending May 1<sup>st</sup>, municipal bond funds experienced inflows of \$515 million after experiencing inflows of \$200 million the week prior.
- The new issue calendar for next week shows supply at approximately \$11.5 billion in total par, composed of \$9.8 billion in negotiated deals and \$1.7 billion in competitive sales.

## MUNICIPAL MARKET TRENDS

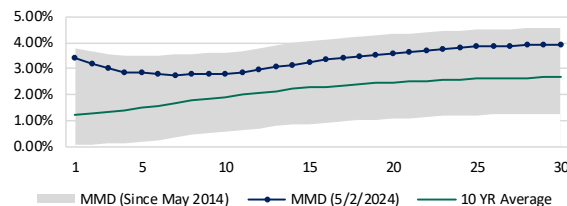
### Market Movement

	5/2/2024	4/25-5/2	4/2-5/2	1/2-5/2
	Current	Change Over the Past Week	Change Over the Past Month	Change YTD
5-year UST	4.57%	-15 bps	23 bps	65 bps
10-year UST	4.58%	-13 bps	23 bps	64 bps
30-year UST	4.73%	-9 bps	23 bps	65 bps
5-year MMD	2.83%	-2 bps	17 bps	58 bps
10-year MMD	2.80%	-1 bp	17 bps	52 bps
30-year MMD	3.93%	-3 bps	31 bps	50 bps
5-year MMD / UST	61.93%	2.56%	1.04%	7.89%
10-year MMD / UST	61.14%	2.47%	1.12%	5.65%
30-year MMD / UST	83.09%	1.13%	-1.09%	-1.17%

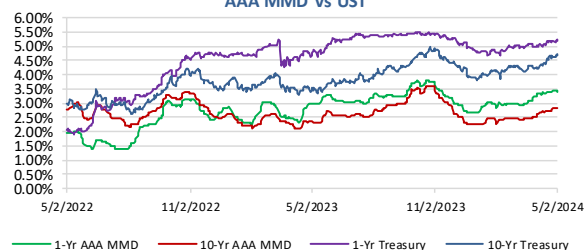
MMD Yield Curves



AAA MMD Yield Range



AAA MMD vs UST



Ratio of AAA MMD vs UST

