



Clark County Treasurer Investment Pool Monthly Report

October 2023

Key Performance Indicators

	Oct. 2023	Oct. 2022
County's Book Value Yield	3.02%	1.44%
State LGIP's Book Value Yield	5.40%	3.06%
County's Total Market Return	4.08%	-3.04%
Benchmark's Total Market Return	3.63%	-2.91%
County's Effective Duration	1.13 yrs.	0.99 yrs.
Benchmark's Duration	1.32 yrs.	1.32 yrs.
Average Maturity	1.02 yrs.	1.08 yrs.
Net Asset Value (NAV)	\$0.980996	\$0.967450
County's Book Value	\$1,264.9 mm	\$1,267.1 mm

Current Market Yields

Fed Funds Rate (upper)	5.50%	3.25%
2-year Treasury Note	5.09%	4.49%

- Longer-term yields continued their ascent in October. The 10-year broke 5.0% at one point during the month coming back to 4.93% by month-end. Shorter-term yields remained largely unchanged as the Fed remained on hold at its Nov. 1 meeting.
- Markets believe the Fed is done raising rates. Odds of one more interest rate hike before the Fed starts cutting rates is setting around 15%. Fed speak would put the odds of a last hike higher, but it is not unusual for the markets and the Fed to diverge. Ultimately, it's the Fed's job to *act* based on its dual mandate of stable prices and maximum employment and the market's job to *react* (in that order).
- The employment report for October was significantly weaker than recent trend, but it included the recently resolved UAW strike. Nonfarm payrolls rose 150k, 30k less than expected, and there was 101k in negative revisions to August and September. Average hourly wages increased 0.2% or 4.1% year-over-year as expected. The unemployment rate rose from 3.8% to 3.9% and the Labor Participation rate decreased from 62.8% to 62.7%. The report was weaker than expected in pretty much every category with the effects of the auto strike throughout. It will be important to see what the post-strike environment looks like in the November report.
- Third quarter GDP growth accelerated to 4.9%, beating expectations for 4.4% growth. The biggest contributor was personal consumption at 4.0%, up from 0.8% in the second quarter.

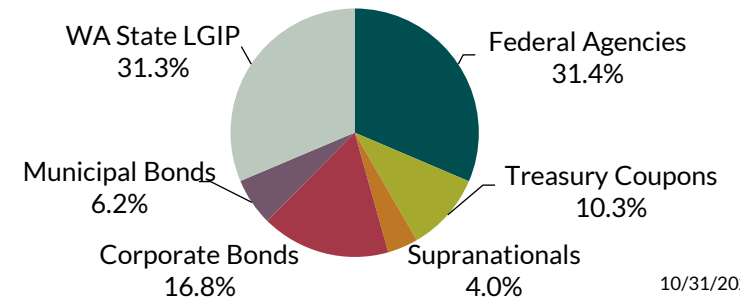
Inflation

Services ex-energy & shelter



Core PCE inflation is falling at a painfully slow rate. Supercore CPI (Consumer Price Index, which excludes both food and energy prices as well as shelter) fell sharply earlier this year, but has currently flattened near 4%, while supercore PCE (what the Fed cares more about) has remained between 4.0% - 5.0% since June of last year.

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$843.4 mm	1.42	1.59	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$421.5 mm	0.01	0.08	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	\$1,264.9 mm	1.13	1.32	ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)