Clark County Treasurer Investment Pool Monthly Report

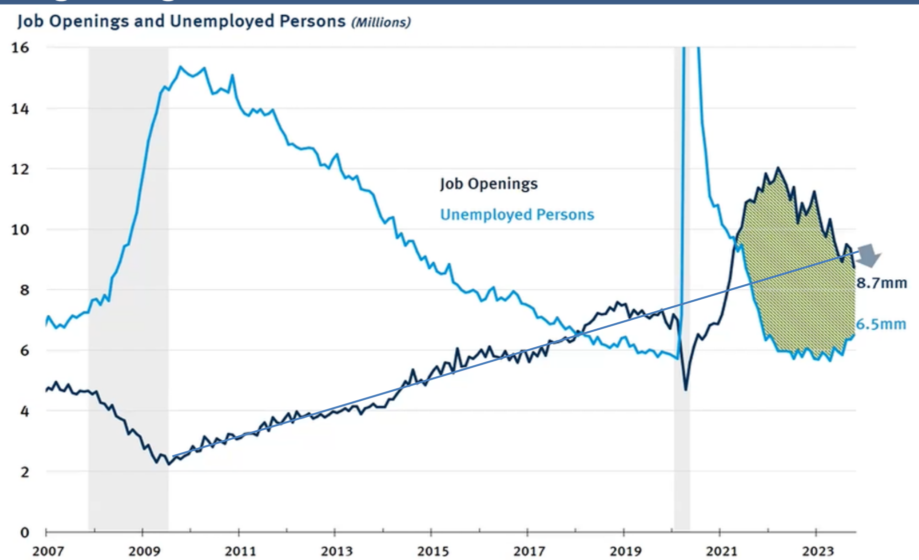
November 2023

Key Performance Indicators

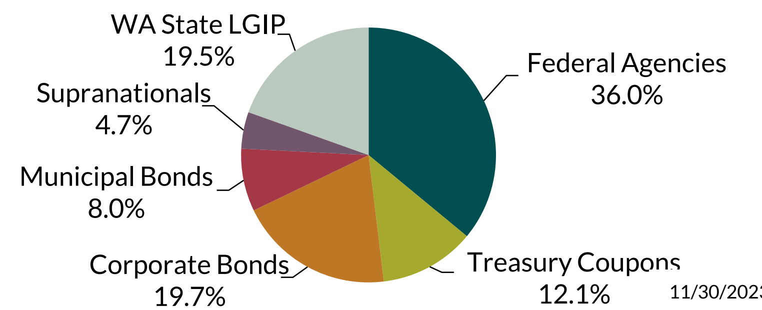
	Nov. 2023	Nov. 2022
County's Book Value Yield	3.44%	1.88%
State LGIP's Book Value Yield	5.44%	3.75%
County's Total Market Return	4.36%	-2.49%
Benchmark's Total Market Return	3.93%	-2.38%
County's Effective Duration	1.10 yrs.	1.18 yrs.
Benchmark's Duration	1.32 yrs.	1.32 yrs.
Average Maturity	1.25 yrs.	1.25 yrs.
Net Asset Value (NAV)	$0.983894	$0.967586
County's Book Value	$1,075.3 mm	$1,099.3 mm
Current Market Yields		
Fed Funds Rate (upper)	5.50%	4.00%
2-year Treasury Note	4.68%	4.31%

- Yields declined substantially in November with the 2-year dropping 41 basis points (bps) and the 10-year by 61 bps while the S&P 500 rose 8.9% over the month. Fueling the drop in yields and risk-on move was positive news on inflation and labor markets, which shifted the markets view on the Federal Reserve and increased the number of rate cuts priced into the upcoming calendar year.
- Markets believe the Fed will start cutting rates as soon as March, anticipating a total of 4 or 5 (25 basis points) cuts for 2024. At the December meeting, the Fed will release a new Summary of Economic Projections (SEP). Its September SEP only forecasted two cuts for 2024.
- October inflation data showed a marked improvement from hotter price pressures in September. Core PCE inflation has risen 0.2% or below for 4 out of the last 5 months. Year-on-year Core PCE and Core CPI inflation both fell to their lowest levels in more than two years. Yet there are upside risks to inflation preventing the Fed from declaring victory and the stakes are high that the Fed gets it right.
- The employment report for November was stronger than expected, with the employment growth exceeding expectations and the unemployment rate unexpectedly dropping two-tenths to 3.7%. Add in an increase in hours worked along with a bigger than expected increase in average hourly earnings and it was a solid report across the board. Keep in mind, the strength offsets October's exaggerated weakness due to the auto strike, nevertheless, a 3-month average payroll rise of 204k is solid.

Job Openings Plunge 820k in October



October job openings fell to their lowest level since 2021, as the labor market moves into a healthier balance. The gap between job openings and unemployed persons is narrowing with the ratio now 1.34 openings per unemployed person. Even though the Fed would like to see the ratio closer to 1.0, this progress is an encouraging sign.



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	$805.1 mm	1.37	1.59	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	$270.2 mm	0.01	0.08	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	**$1,075.3 mm**	**1.10**	**1.32**	**ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)**