



Clark County Treasurer Investment Pool Monthly Report

November 2022

Key Performance Indicators

	Nov. 2022	Nov. 2021
County's Book Value Yield	1.88%	0.52%
State LGIP's Book Value Yield	3.75%	0.09%
County's Total Market Return	-2.49%	-0.19%
Benchmark's Total Market Return	-2.38%	0.08%
County's Effective Duration	1.18 yrs.	1.33 yrs.
Benchmark's Duration	1.32 yrs.	0.92 yrs.
Average Maturity	1.25 yrs.	1.40 yrs.
Net Asset Value (NAV)	\$0.967586	\$0.999877
County's Book Value	\$1,099.3 mm	\$1,128.4 mm

Current Market Yields

Fed Funds Rate (upper)	4.00%	0.25%
2-year Treasury Note	4.31%	0.57%

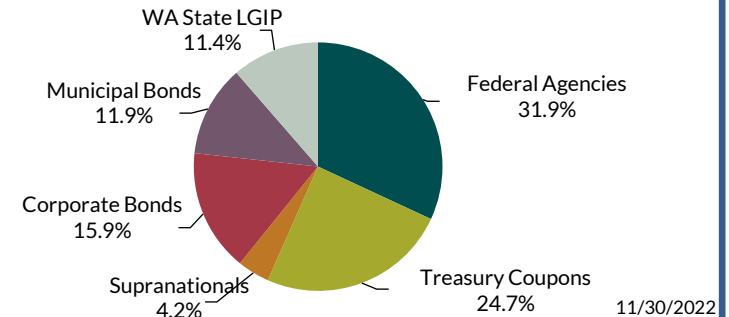
- At its November meeting, the Fed sustained its "supersized" tightening plan, raising rates 75 basis points (bps) for the fourth consecutive time. However, at the press conference right after the meeting, Chair Powell discussed that we are now at a point where the size of hikes going forward is less critical than the terminal rate and the length of time at the terminal rate necessary to bring inflation back down to 2%. He also mentioned that the terminal rate is likely higher than thought at the September meeting. The Fed will release its new forecast for rates at its December meeting.
- Q3's GDP was revised up from 2.6% to 2.9%, mainly due to an upward revision in personal consumption from 1.4% to 1.7% along with several other sector declines coming in slightly less than originally reported. The consumer continues to spend albeit at a slower pace.
- November's employment report brought more solid job gains. Nonfarm payrolls added 263k when 200k was expected and October's robust 261k gain was revised higher to 284k. However, job creation is slowing, and the labor force is struggling to add workers. November's labor force participation rate dropped a tenth to 62.1% and remains over 2 percentage points lower from pre-pandemic levels. Average hourly earnings rose 0.6% (twice the expected increase) and 5.1% year-over-year.
- After October's inflation report, optimism took hold of the markets. While one data point does not equal a trend and 7.7% inflation is hardly something to celebrate, belief that the worst is behind us is widely felt.

2-year Treasury Yield:



The 2-year treasury yield declined in November (month-over-month) for the 1st time in 18 months. Yields across the curve declined after October's inflation report was released and surprised to the downside. The 2-year declined 18 basis points from 4.49% to 4.31% while the 10-year declined 44 basis points from 4.05% to 3.61%, deepening the 2/10yr inversion from 44 to 71 basis points.

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$973.7 mm	1.34	1.60	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$125.6 mm	0.01	0.08	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	\$1,099.3 mm	1.18	1.32	ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)