



Clark County Treasurer Investment Pool Monthly Report

January 2024

Key Performance Indicators

	Jan. 2024	Jan. 2023
County's Book Value Yield	2.94%	1.66%
State LGIP's Book Value Yield	5.43%	4.39%
County's Total Market Return	4.68%	-0.87%
Benchmark's Total Market Return	4.40%	-0.96%
County's Effective Duration	1.15 yrs.	1.28 yrs.
Benchmark's Duration	1.32 yrs.	1.41 yrs.
Average Maturity	1.34 yrs.	1.25 yrs.
Net Asset Value (NAV)	\$0.989964	\$0.971410
County's Book Value	\$955.2 mm	\$1,023.4 mm

Current Market Yields

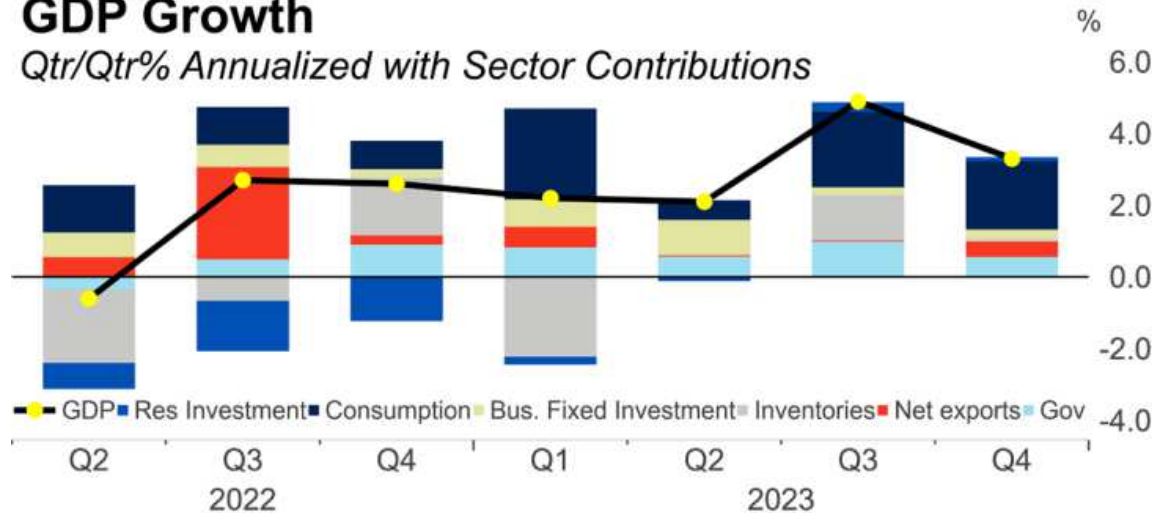
Fed Funds Rate (upper)	5.50%	4.50%
2-year Treasury Note	4.21%	4.21%

- Interest rate movement was mixed in January with the 2-yr Treasury down 5 basis points (bps) to 4.21% while the 10-yr note increased 3 bps to 3.91%. The swift move down in rates experienced over the past two months appears to have lost momentum due to surprisingly vibrant economic activity.
- Traders came into 2024 with the expectations of six (25 bps) cuts for the year with the first one taking place already in March. At the start of January, market odds for a March cut were 80% but on the final day of the month, Powell pushed back in his post-meeting press conference dropping the odds to 35%.
- Inflation continued to moderate with core PCE below 3% year-over-year in December due to notable deflation on the goods side. As noted by Fed Chair Powell, the deflation on the goods side is from supply chain normalization and a global supply surplus, not from downward pressure from the fed funds rate. Continued pressure from the Fed will be needed to push services inflation to 2%.
- The labor market didn't just remain resilient in January, it picked up steam as the economy added an impressive 353k jobs to payrolls in what was the largest monthly gain in a year. Further, revisions to prior periods added an additional 117k workers to December's advance. Wage growth was robust with average hourly earnings accelerating to a 4.5% annualized pace. However, some economists are cautioning that number may not be what it seems, as average weekly hours fell to a three-year low of 34.1 due to inclement weather experienced throughout vast parts of the US.

Solid GDP Growth for 2023

GDP Growth

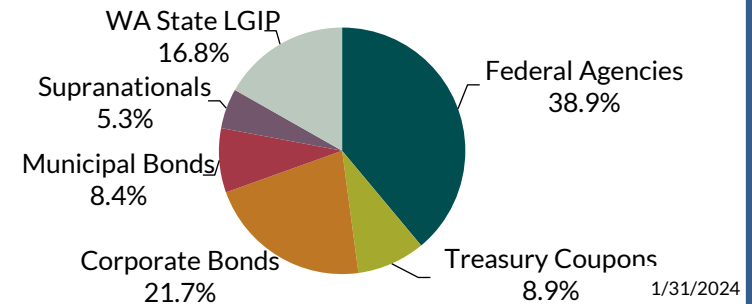
Qtr/Qtr% Annualized with Sector Contributions



Source: U.S. Bureau of Economic Analysis (BEA), Macrobond

Annualized Real GDP grew at 3.3% in Q4, well above consensus expectations, taking 2023's total growth to 2.5%. Consumer spending carried the economy in the second half of last year, but with pandemic savings drying up, consumers leaned on credit cards and wage gains to fund spending.

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$794.9 mm	1.42	1.60	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$160.3 mm	0.01	0.08	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	\$955.2 mm	1.15	1.32	ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)