



Clark County Treasurer Investment Pool Monthly Report

February 2024

Key Performance Indicators

	Feb. 2024	Feb. 2023
County's Book Value Yield	3.46%	1.79%
State LGIP's Book Value Yield	5.42%	4.61%
County's Total Market Return	4.93%	-0.87%
Benchmark's Total Market Return	4.64%	-1.09%
County's Effective Duration	1.25 yrs.	1.26 yrs.
Benchmark's Duration	1.32 yrs.	1.39 yrs.
Average Maturity	1.34 yrs.	1.21 yrs.
Net Asset Value (NAV)	\$0.9870009	\$0.967003
County's Book Value	\$987.4 mm	\$1,009.8 mm

Current Market Yields

Fed Funds Rate (upper)	5.50%	4.50%
2-year Treasury Note	4.62%	4.81%

- In February, fixed income expectations realigned with the FOMC dots following hotter-than-expected January inflation data. At the start of the year, traders expected six 25 basis point (bps) cuts in 2024 and at the end of February just three were expected, matching the FOMC's December dot plot.
- FOMC participants are confident the economy is strong enough for patience on rate cuts and recited various versions of "wait and see." Market yields rose in February, converging with "higher for longer" Fed communication, while equities charged higher on AI exuberance and confidence in strong economic growth will produce strong growth in profits.
- January's PCE data matched expectations accelerating by 0.3% MoM and 2.4% YoY while core PCE advanced by 0.4% and 2.8%, respectively. The underlying trend showed the divergence between core goods, which have been deflationary for the past 8 months, and core services which continue to be the proverbial thorn in the side of a Federal Reserve seeking to restore price stability.
- The February labor report was strong, with the biggest 3-month job gain since June, but there was enough weakness sprinkled throughout the report to cast doubt. 275k non-farm jobs added is a big gain for February, but there were 167k in negative revisions to December and January's data. On a year-on-year basis, average hourly earnings dropped from 4.4% to 4.3%. The household survey showed the unemployment rate tick up from 3.66% to 3.87%, the highest in two years.

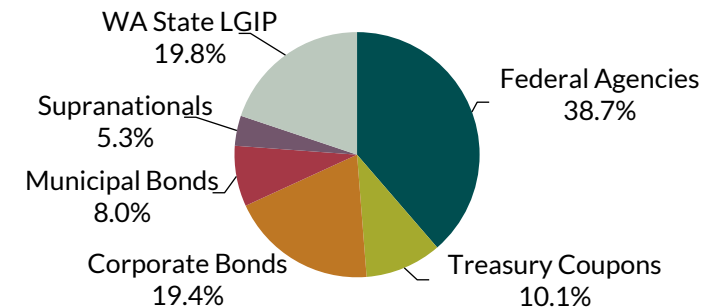
Manufacturing and Services ISM Indices:



Source: Institute for Supply Management (ISM), Macrobond

ISM Manufacturing has rebounded in recent months. February surveys were weaker than expected, but for now remain a blip in an upward trend for manufacturing and a sideways trend for services. Surveys have diverged from real economic data in recent years. Despite survey weakness, GDP numbers and consumer spending have remained strong.

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$791.4 mm	1.50	1.60	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$196.0 mm	0.01	0.08	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	\$987.4 mm	1.25	1.32	ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)