



OREGON  
STATE  
TREASURY



# Inside the Vault

Local Government Edition

## Market Update

Throughout the quarter, markets whipsawed amid changes in U.S. trade policy, concerns over fiscal sustainability, challenges to central bank independence, and geopolitical shocks. Following broad de-escalation of these fronts, risk sentiment recovered, and credit risk tightened.

Global monetary policy diverged as the Federal Reserve held rates steady and updated economic forecasts with stagflationary revisions. The Federal Open Market Committee left policy rates unchanged at 4.25% to 4.50% during its May 7 and June 18 meetings. This range has been in place since December 2024. The decision indicates a cautious approach, with policymakers waiting to see how the economy responds to ongoing trade negotiations and other economic developments before considering any potential changes to monetary policy.

Currently, the Fed sees the economy growing at a modest pace, with inflation slightly above its 2% target. Despite the uncertainty, the median Fed official still indicated the possibility of two, 25-basis-point rate cuts by the end of the year. Currently, the market heavily favors a rate cut at the September meeting, with additional cuts in the 4th quarter of 2025.

Yields on 10-year Treasury Notes are lower since the beginning of the year, finishing the quarter at 4.24% (peaking at 4.79% on January 13). Credit spreads are below the 10-year average with the Option Adjusted Spread (OAS) on the Bloomberg U.S. Corporate 1-3 Year Index at 54 basis points, tighter from the 64 basis points OAS a year ago.

## Oregon Short Term Fund

The OSTF's paid rate has held steady at 4.60% since March 12. Should you have questions, contact members of the Fixed Income Team at 503.431.7900.



## Interest Rates

Average Annualized Yield	
June	4.60%
Interest Rates	
June 1–30	4.60%



## LGIP: Audit Confirmation Requests

Auditors needing confirmation of Local Government Investment Pool account balances must submit requests in writing to PFAMM Client Services. Requests must include or be accompanied by a release signed by a participant's authorized contact (the contact must be registered in the records of the pool and have permission to view/access pool account information). Requests/releases can be submitted through Confirmation.com (auditor use only) or Connect, faxed to 888.535.0120, or mailed to:

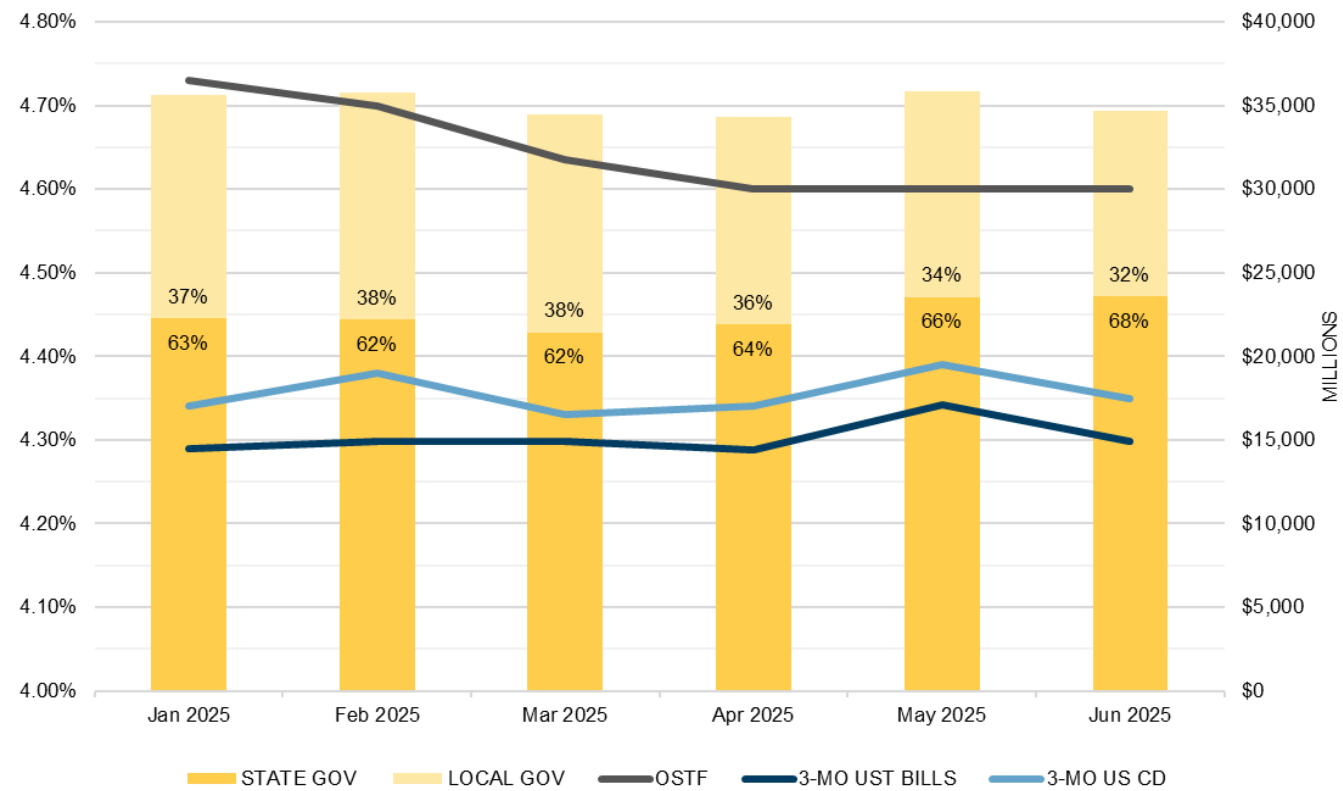
Oregon LGIP  
PO Box 11760  
Harrisburg, PA 17108-1760

For help with submitting an audit confirmation request, contact PFAMM Client Services at 855.OST.LGIP.





# Oregon Short Term Fund Analysis



	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025
TOTAL OSTF AVG DOLLARS INVESTED (MM)	35,609	35,755	34,488	34,307	35,826	34,673
STATE GOV PORTION (MM)	22,275	22,180	21,416	21,893	23,540	23,588
LOCAL GOV PORTION (MM)	13,334	13,575	13,072	12,419	12,286	11,085
OSTF ANNUAL YIELD (ACT/ACT)	4.73	4.70	4.64	4.60	4.60	4.60
3-MO UST BILLS (BOND EQ YLD)	4.289	4.299	4.299	4.288	4.342	4.298
3-MO US CD (ACT/360)*	4.34	4.38	4.33	4.34	4.39	4.35

NOTE: The OSTF ANNUAL YIELD represents the average annualized yield paid to participants during the month. Since interest accrues to accounts on a daily basis and the rate paid changes during the month, this average rate is not the exact rate earned by each account.

3-MO UST BILLS yield is the yield for the Treasury Bill Issue maturing closest to 3 months from month end. 3-MO US CD rates are obtained from Bloomberg and represent a composite of broker dealer quotes on highly rated (A1+/P1/F1+ from Standard & Poor's Ratings Services, Moody's Investors Service and Fitch Ratings respectively) bank certificates of deposit and are quoted on a CD equivalent yield basis.

## Market Data Table

	6/30/2025	1 Month	3 Months	12 Months		6/30/2025	1 Month	3 Months	12 Months
7-Day Agency Discount Note**	4.09	4.17	4.11	5.22	Bloomberg Barclays 1-3 Year Corporate YTW*	4.27	4.49	4.48	5.32
30-Day Agency Discount Note**	4.16	4.21	4.16	5.23	Bloomberg Barclays 1-3 Year Corporate OAS*	0.52	0.57	0.58	0.60
90-Day Agency Discount Note**	4.18	4.20	4.13	5.21	Bloomberg Barclays 1-3 Year Corporate Modified Duration*	1.86	1.86	1.86	1.85
180-Day Agency Discount Note**	4.02	4.12	4.00	5.09					
360-Day Agency Discount Note**	3.70	3.92	3.75	4.83	7-Day Muni VRDN Yield**	1.92	1.97	2.87	3.88
					O/N GGC Repo Yield**	4.49	4.34	4.52	5.34
30-Day Treasury Bill**	4.18	4.22	4.21	5.25					
60-Day Treasury Bill**	4.24	4.24	4.22	5.27	Secured Overnight Funding Rate (SOFR)**	4.45	4.35	4.41	5.33
90-Day Treasury Bill**	4.24	4.25	4.21	5.27					
6-Month Treasury Yield**	4.25	4.32	4.23	5.33	US 10 Year Inflation Break-Even**	2.28	2.33	2.37	2.29
1-Year Treasury Yield**	3.97	4.11	4.03	5.12					
2-Year Treasury Yield**	3.72	3.90	3.89	4.76	1-Day CP (A1/P1)**	4.33	4.33	4.28	5.29
3-Year Treasury Yield**	3.69	3.86	3.88	4.55	7-Day CP (A1/P1)**	4.33	4.33	4.30	5.29
					30-Day CP (A1/P1)**	4.35	4.37	4.33	5.34
1-Month SOFR**	4.32	4.32	4.32	5.34					
3-Month SOFR**	4.29	4.32	4.29	5.32	30-Day CD (A1/P1)**	4.36	4.36	4.35	5.40
6-Month SOFR**	4.15	4.27	4.19	5.25	90-Day CD (A1/P1)**	4.42	4.44	4.37	5.49
12-Month SOFR**	3.88	4.07	4.01	5.04	6-Month CD (A1/P1)**	4.33	4.45	4.33	5.48
Sources: *Bloomberg Index Services, **Bloomberg					1-Year CD (A1/P1)**	4.20	4.40	4.23	5.40

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**Local Government Investment Pool**

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**PFMAM Client Services**

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**Public Funds Collateralization Program**

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