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OREGON STATE TREASURY

Local Government

News Report

JUNE 2018

INSIDE THIS ISSUE

- Save the Date: LGIP Investor Meeting
- Public Funds Work Group
- OSTF Analysis
- Market Data Table
- Upcoming Holiday



HOLIDAY

**July 4
Independence Day**

Pool Closed

See article for more information

PUBLIC FUNDS WORK GROUP

In the [March 2018](#) issue of the *Local Government News Report*, we talked about the Public Funds Collateralization Program and requirements related to the deposit of public funds put forth in [ORS chapter 295](#).

During the 2017 legislative session, Treasury requested the establishment of the Public Funds Work Group in order to review Oregon's Public Funds Law, which can create challenges as governments look more and more to partner with private industry to adopt modern banking and business practices. The group is exploring those issues and developing policy recommendations ahead of the 2019 legislative session. The group includes representatives from state agencies, local governments, and financial institutions. Local government representatives include Michelle Hawkins (Association of Oregon Counties), Wendy Johnson (League of Oregon Cities), and David Ulbricht (Special Districts Association of Oregon). [Click here](#) for more information about the work group and public funds requirements.

INTEREST RATE

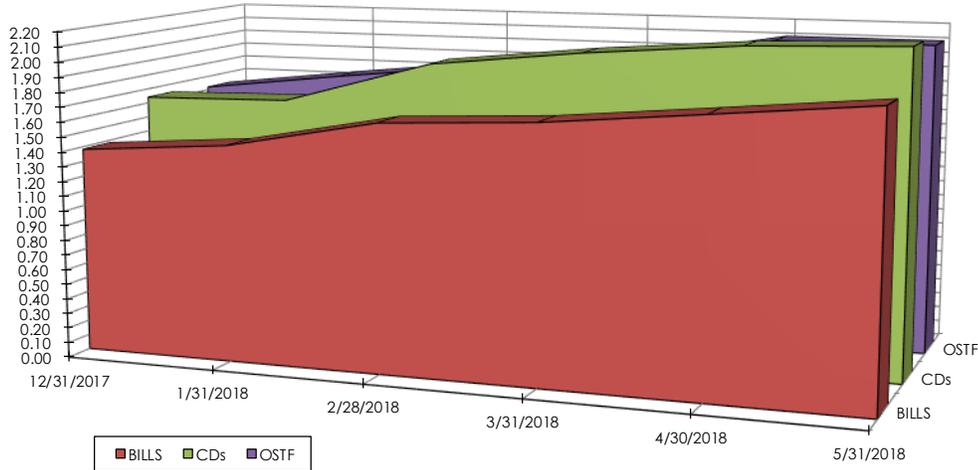
Average Annualized Yield

May
2.10 percent

Interest Rate

May 1-31
2.10 percent

OREGON SHORT TERM FUND ANALYSIS AS OF 5-31-18



	12/31/2017	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018
LGIP AV DOLLARS INVESTED (MM)	9,100	8,509	8,257	8,085	8,051	8,001
STATE AGENCY AV DOLLARS INVESTED (MM)	10,418	10,589	10,451	10,667	10,720	11,312
TOTAL OSTF AV DOLLARS INVESTED (MM)	19,518	19,098	18,708	18,752	18,771	19,313
OST ANNUAL YIELD (ACT/ACT)	1.62	1.74	1.85	1.92	2.10	2.10
3-MO UST BILLS (BOND EQ YLD)	1.38	1.46	1.66	1.71	1.80	1.90
3-MO US CD (ACT/360)*	1.64	1.66	1.95	2.06	2.14	2.17

NOTE: The OST ANNUAL YIELD represents the average annualized yield paid to account holders 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.

This material is available in alternative format and media upon request.

MARKET DATA TABLE

	5/31/2018	1 Month	3 Months	12 Months		5/31/2018	1 Month	3 Months	12 Months
7-Day Agency Discount Note**	1.58	1.60	1.25	0.69	Bloomberg Barclays 1-3 Year Corporate YTW*	2.95	3.05	2.77	1.85
30-Day Agy Nt Disc**	1.72	1.64	1.42	0.79	Bloomberg Barclays 1-3 Year Corporate OAS*	0.60	0.59	0.57	0.64
90-Day Agy Nt Disc**	1.89	1.76	1.64	0.93	Bloomberg Barclays 1-3 Year Corporate Modified Duration*	1.95	1.99	1.91	1.94
180-Day Agy Nt Disc**	1.96	1.89	1.73	0.99					
360-Day Agy Nt Disc**	2.02	1.94	1.98	1.06	7-Day Muni VRDN Yield**	1.06	1.75	1.09	0.78
					O/N GGC Repo Yield**	1.89	1.81	1.43	0.89
30-Day Treasury Bill**	1.71	1.62	1.46	0.75					
60-Day Treasury Bill**	1.79	1.70	1.52	0.84	US 1 Year Inflation Break-Even**	1.65	1.63	2.39	1.24
90-Day Treasury Bill**	1.86	1.79	1.61	0.91	US 2 Year Inflation Break-Even**	1.84	1.92	2.09	1.54
6-Month Treasury Yield**	2.08	2.03	1.85	1.07	US 3 Year Inflation Break-Even**	1.93	1.99	2.03	1.63
1-Year Treasury Yield**	2.23	2.25	2.06	1.15					
2-Year Treasury Yield**	2.43	2.51	2.25	1.29	1-Day CP (A1/P1)**	1.71	1.67	1.46	0.91
3-Year Treasury Yield**	2.55	2.64	2.41	1.43	7-Day CP (A1/P1)**	1.75	1.70	1.49	0.92
					30-Day CP (A1/P1)**	1.90	1.84	1.61	0.98
1-Month LIBOR**	2.00	1.91	1.67	1.05					
3-Month LIBOR**	2.32	2.35	2.02	1.20	30-Day CD (A1/P1)**	1.90	1.85	1.62	0.98
6-Month LIBOR**	2.47	2.51	2.22	1.41	90-Day CD (A1/P1)**	2.22	2.18	1.95	1.13
12-Month LIBOR**	2.72	2.77	2.50	1.72	6-Month CD (A1/P1)**	2.42	2.44	2.17	1.32
Sources: *Bloomberg Index Services, **Bloomberg					1-Year CD (A1/P1)**	2.63	2.65	2.41	1.43

UPCOMING HOLIDAY

The pool will be closed on Wednesday, July 4, for Independence Day. EON will be available but the system will not allow transactions to settle on the holiday.



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