



Louisiana Asset Management Pool, Inc.

## TheECONOMY

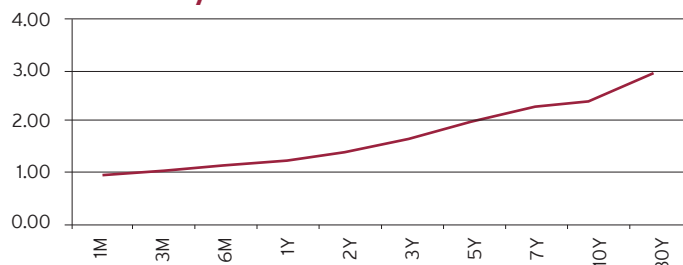
### Yield curve flattens; shorter rates improve

The July labor report was positive overall with a better-than-expected pace of hiring alongside improvements to the unemployment and labor force participation rates. The U.S. added an above-forecast 209k jobs in July, following an upwardly revised 231k increase in June. The unemployment rate decreased to 4.30% from 4.40% a month earlier, while the underemployment rate held steady at 8.60%. In addition, the Labor Force Participation rate increased by 0.10% to 62.90% from 62.80% in June. Despite historically low unemployment and modest improvements to labor force participation, broad-based wage growth remains elusive. At 2.50%, the growth rate of average hourly earnings remains well below pre-financial crisis levels.

The Federal Reserve made no adjustments to the federal funds rate on July 26, maintaining a range of 1.00% to 1.25%. Inflation has been in decline and will be monitored closely as the Fed contemplates policy normalization. At 1.50% for June, the Fed's preferred inflation gauge, Core PCE, remains well below its target of 2.00%. With uncertainty regarding inflation stabilizing around the Fed's objective, the market's expectations for the next rate hike have been delayed beyond this year to March of 2018. December's probability has declined to 40.20% and March's probability stands at 56.20%. Despite these changes, the Fed is still widely expected to begin implementation of its balance sheet normalization program this September.

The U.S. economy grew at a pace of 2.60% for the second quarter, following a downwardly revised 1.20% for the first quarter. This rebound was fueled by a recovery in consumer spending and sets the stage for growth that is in line with the Fed's expectations for policy normalization. Looking ahead, the Atlanta Fed GDPNow forecasts third quarter growth of 3.70%.

### US Treasury Curve



Source: Bloomberg

### Treasury Yields

MATURITY	8/4/17	7/3/17	CHANGE
3 Month	1.058%	1.021%	0.036%
6 Month	1.134%	1.137%	-0.002%
1 Year	1.218%	1.243%	-0.025%

Source: Bloomberg

### Agency Yields

MATURITY	8/4/17	7/3/17	CHANGE
3 Month	1.061%	1.042%	0.019%
6 Month	1.134%	1.116%	0.018%
1 Year	1.287%	1.271%	0.016%

Source: Bloomberg

### Commercial Paper Yields (A-1/P-1)

MATURITY	8/4/17	7/3/17	CHANGE
1 Month	1.200%	1.150%	0.050%
3 Month	1.280%	1.230%	0.050%
6 Month	1.410%	1.380%	0.030%
9 Month	1.480%	1.530%	-0.050%

Source: Bloomberg

### Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q2 '17	2.60%
US Unemployment	Jul '17	4.30%
ISM Manufacturing	Jul '17	56.30
PPI YoY	Jun '17	2.20%
CPI YoY	Jun '17	1.60%
Fed Funds Target	Aug 04 '17	1.00% - 1.25%

Source: Bloomberg

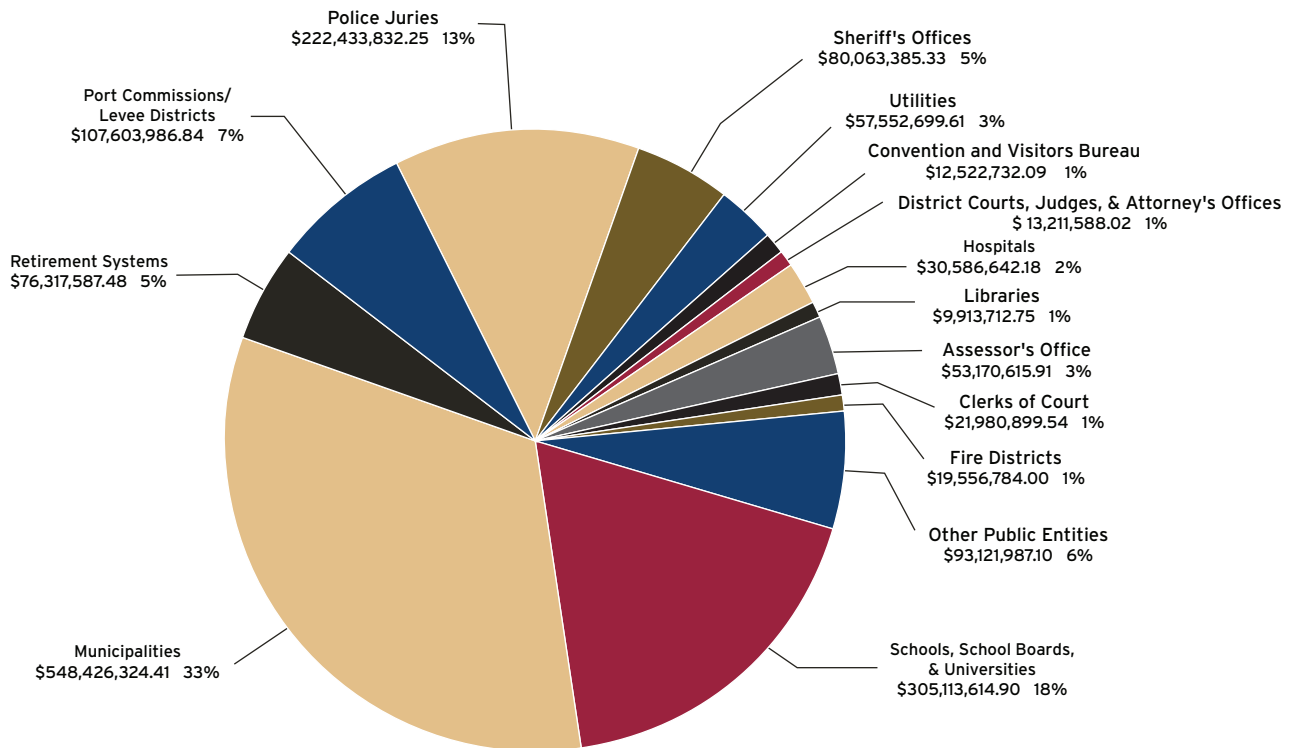
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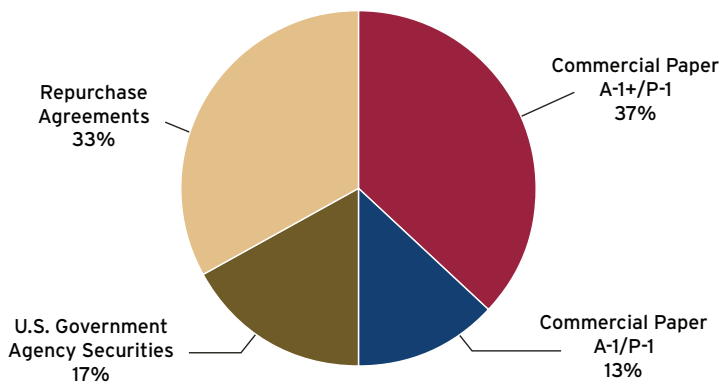
# The **FUND**

## Fund Highlights as of July 31, 2017 (Unaudited)

### Participant Breakdown



### Portfolio Breakdown



Month	Avg Yields**	Month Ending Net Assets
May-17	0.89%	\$1,720,206,022
Jun-17	0.98%	\$1,666,324,390
Jul-17	1.04%	\$1,657,366,358

\*\* 30 day yield as of the last day of the month

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