



Louisiana Asset Management Pool, Inc.

## TheECONOMY

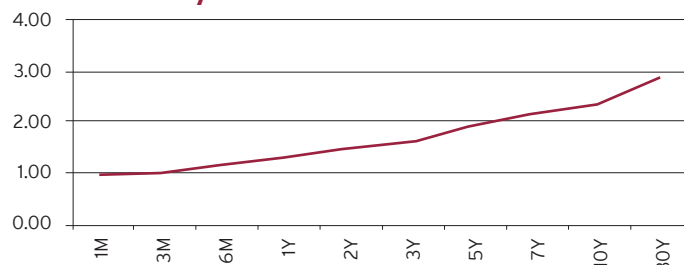
### Yield Curve steepens; Shorter rates increase overall

The September labor report was heavily distorted, reflecting the impact of severe weather conditions over the past month. The U.S. experienced a 33k reduction in jobs in September, much less than the forecasted increase of 80k. Conversely, the unemployment rate decreased slightly to 4.2% from 4.4% while the underemployment rate decreased to 8.3% from 8.6%. The Labor Force Participation rate improved slightly to 63.1% from 62.9%. Moreover, wage growth improved as the growth rate of average hourly earnings increased to 2.9% from an upwardly revised rate of 2.7%. Despite such improvements, the impacts of weather-related distortion preclude September's labor report from being a reliable indicator of future economic trends.

The Federal Reserve made no adjustments to the Federal Funds rate on September 20, maintaining a range of 1.00% to 1.25%. Despite a current print of 1.3% for August, the Fed maintains the expectation that its preferred inflation gauge, Core PCE, will stabilize around the 2.0% target over the medium term. With Fed projections and rhetoric still supportive of an additional rate hike in 2017, the market's expectations for the next rate hike have refocused towards December with a probability of 78.5%. As expected, the Fed also announced its balance sheet normalization program. Starting in October, the Fed will allow its balance sheet to gradually shrink by not reinvesting a scheduled quantity of maturing securities.

The U.S. economy grew at a pace of 3.1% for the second quarter, revised upward from the previous print of 3.0%. This revision continues to showcase strong consumer spending alongside contributions from business investment. Looking ahead, the Atlanta Fed GDPNow forecasts third quarter growth of 2.5%.

### US Treasury Curve



Source: Bloomberg

### Treasury Yields

MATURITY	10/6/17	9/6/17	CHANGE
3 Month	1.048%	1.055%	-0.007%
6 Month	1.219%	1.156%	0.063%
1 Year	1.333%	1.227%	0.106%

Source: Bloomberg

### Agency Yields

MATURITY	10/6/17	9/6/17	CHANGE
3 Month	1.072%	1.054%	0.018%
6 Month	1.160%	1.124%	0.036%
1 Year	1.344%	1.271%	0.073%

Source: Bloomberg

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

MATURITY	10/6/17	9/6/17	CHANGE
1 Month	1.190%	1.210%	-0.020%
3 Month	1.290%	1.290%	0.000%
6 Month	1.460%	1.400%	0.060%
9 Month	1.570%	1.500%	0.070%

Source: Bloomberg

### Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q2 '17	3.10%
US Unemployment	Sep '17	4.20%
ISM Manufacturing	Sep '17	60.80
PPI YoY	Aug '17	2.90%
CPI YoY	Aug '17	1.90%
Fed Funds Target	Oct 10 '17	1.00% - 1.25%

Source: Bloomberg

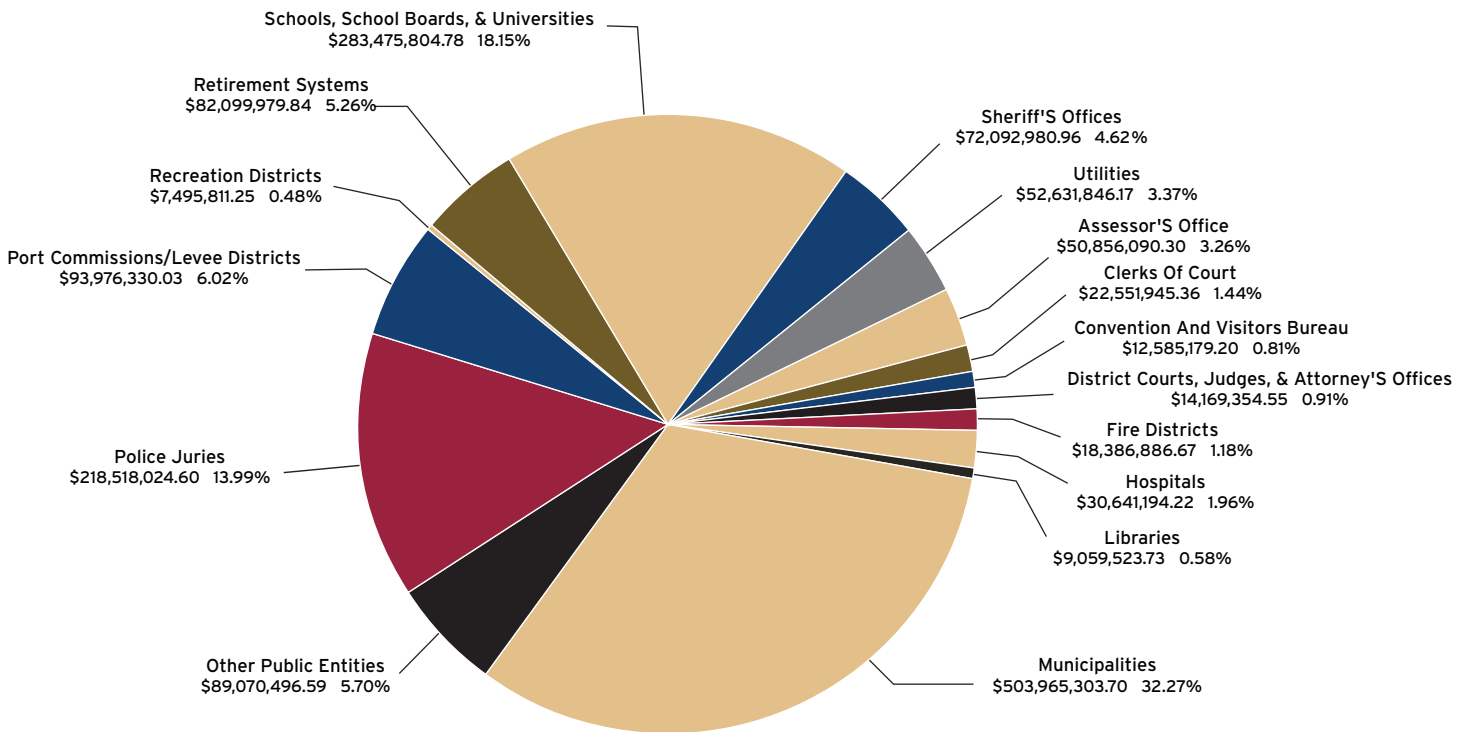
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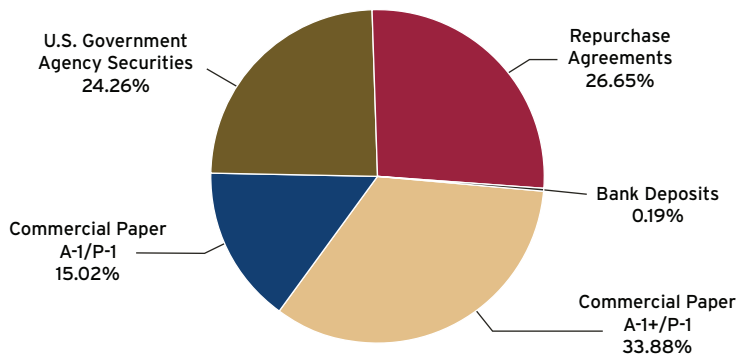
# The **FUND**

## Fund Highlights as of September 30, 2017 (Unaudited)

### Participant Breakdown



### Portfolio Breakdown



Month	Avg Yields**	Month Ending Net Assets
Jul-17	1.04%	\$1,657,366,358
Aug-17	1.06%	\$1,582,145,147
Sep-17	1.08%	\$1,561,436,946

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

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