



Louisiana Asset Management Pool, Inc.

TheECONOMY

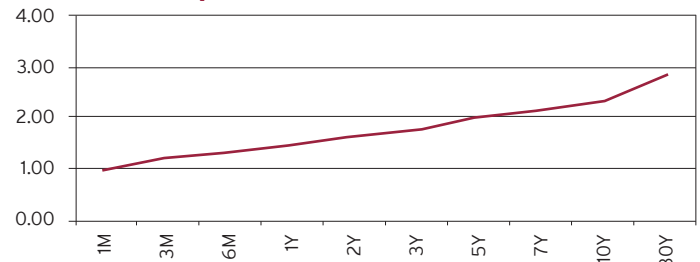
Short-term yield curves steepen; new Fed chairman nominated

The October labor report was mixed as positive trends continue considering the North American hurricanes but softer than the market anticipated. The U.S. economy added 261k jobs in October (the largest gain was in hospitality) but much less than the forecasted increase of 310k. The unemployment rate decreased slightly to 4.1% from 4.2% while the underemployment rate fell sharply to 7.9% from 8.3%. The labor force participation rate dipped slightly to 62.7% from 63.1%. Moreover, the rebound in hospitality led to stalled wage growth as hospitality tends to have lower average wages among major industries.

The Fed started its balance sheet normalization program by not reinvesting a scheduled quantity of maturing securities. Despite a current print of 1.3% for September (1.4% in August), the Fed maintains its expectation that its preferred inflation gauge, Core PCE, will stabilize around the 2.0% target over the medium term. The yield curve from three months to five years has flattened, offering mixed views on the market's expectation of a possible recession. With Fed projections still supportive of a rate hike, the market's expectation for December 2017 increased significantly to a 92.3% likelihood. The President nominated Jerome Powell to be the next Fed chairman, with the Senate confirmation expected later this year and his term to begin in February 2018.

The U.S. economy grew at 3.0% in the third quarter, above the market expectation of 2.5%. The improvement above forecast reflects higher inventory investment and smaller trade deficit, despite hurricane-related slowdowns in consumer spending and construction. The Atlanta Fed GDPNow forecasts fourth quarter growth of 3.3%.

US Treasury Curve



Source: Bloomberg

Treasury Yields

MATURITY	11/3/17	10/3/17	CHANGE
3 Month	1.153%	1.045%	0.108%
6 Month	1.291%	1.209%	0.082%
1 Year	1.457%	1.287%	0.170%

Source: Bloomberg

Agency Yields

MATURITY	11/3/17	10/3/17	CHANGE
3 Month	1.174%	1.072%	0.102%
6 Month	1.256%	1.162%	0.094%
1 Year	1.422%	1.350%	0.072%

Source: Bloomberg

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

MATURITY	11/3/17	10/3/17	CHANGE
1 Month	1.220%	1.210%	0.010%
3 Month	1.340%	1.300%	0.040%
6 Month	1.520%	1.450%	0.070%
9 Month	1.700%	1.540%	0.160%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q3 '17	3.00%
US Unemployment	Oct '17	4.10%
ISM Manufacturing	Oct '17	58.70
PPI YoY	Sep '17	3.30%
CPI YoY	Sep '17	2.20%
Fed Funds Target	Nov 06 '17	1.00% - 1.25%

Source: Bloomberg

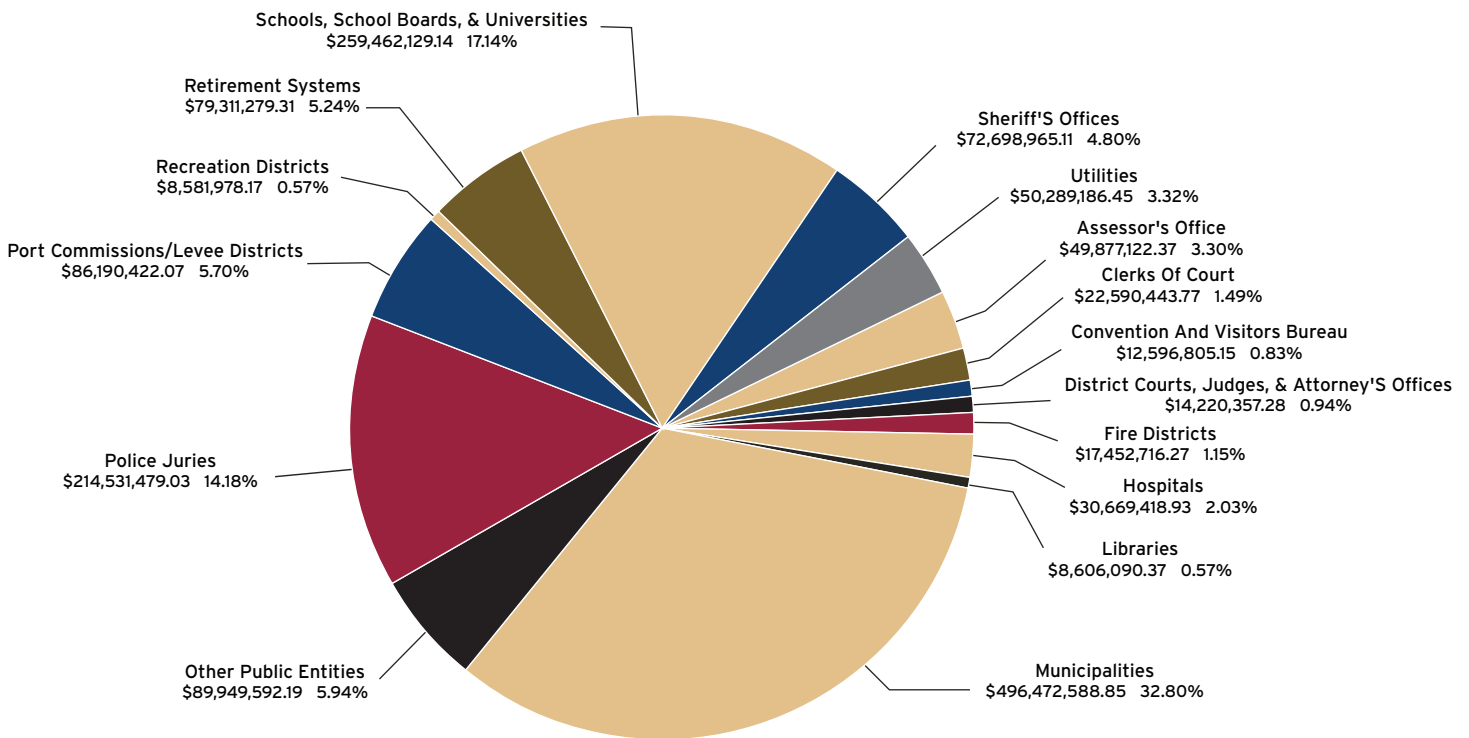
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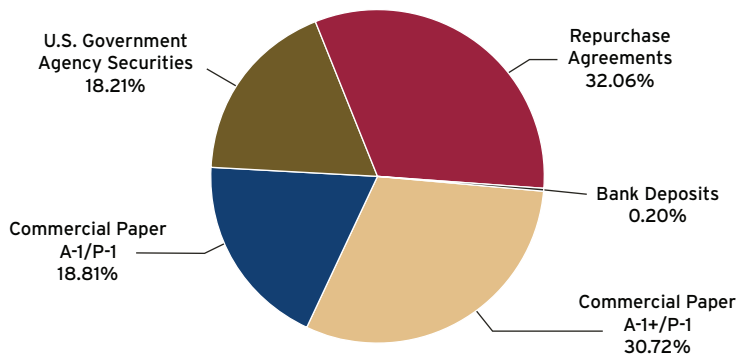
The **FUND**

Fund Highlights as of October 31, 2017 (Unaudited)

Participant Breakdown



Portfolio Breakdown



Month	Avg Yields**	Month Ending Net Assets
Aug-17	1.06%	\$1,582,145,147
Sep-17	1.08%	\$1,561,436,946
Oct-17	1.09%	\$1,513,347,196

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

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