



Louisiana Asset Management Pool, Inc.

TheECONOMY

Three Percent – A Roadblock or Speed Bump?

At the start of the second quarter, financial markets continue to focus on a potential trade war with China and the implications of the additional rate hike from the Federal Reserve in March. First quarter earnings season is underway, and the impact of the tax reform package is certainly visible. Nearly 80% of S&P 500 companies reporting have exceeded analysts' expectations for earnings, causing equity markets to become less focused on geopolitical tensions.

In addition to the earnings calendar, we received our initial look at first quarter GDP. In the last few years, the economy has stalled a bit in the first quarter due to several factors including poor weather and seasonality adjustments. However, first quarter GDP growth beat market expectations, coming in at 2.30% for the period. The strong number caused interest rates to rise across the yield curve with the 10-year U.S. Treasury receiving the most headlines. The benchmark rate touched 3.00% for the first time in four years which is more symbolic than meaningful but raises the question of what economic growth will look like in a higher interest rate environment.

Spending, sentiment, and production releases continue to show the strength in the U.S. economy. Inflation prints of both headline and core above 2.00% will likely keep the Federal Reserve on its current pace of tightening. Markets continue to have a near-sighted focus on the probable June rate hike. Taking more of a wait-and-see stance, the yield curve is greatly underpricing the Fed's dot plot projections of future rate increases.

The predominately positive tone of the economic data and corporate earnings could be a precursor for a serious discussion regarding four total rate hikes from the Fed this year.

Treasury Yields

MATURITY	5/7/18	4/6/18	CHANGE
3 Month	1.821%	1.708%	0.114%
6 Month	2.027%	1.893%	0.134%
1 Year	2.233%	2.045%	0.188%
2 Year	2.497%	2.266%	0.231%
3 Year	2.631%	2.400%	0.231%
5 Year	2.787%	2.586%	0.201%
10 Year	2.950%	2.774%	0.176%
30 Year	3.123%	3.018%	0.105%

Source: Bloomberg

Agency Yields

MATURITY	5/7/18	4/6/18	CHANGE
3 Month	1.837%	1.747%	0.090%
6 Month	1.950%	1.816%	0.134%
1 Year	2.099%	1.954%	0.145%
2 Year	2.558%	2.346%	0.212%
3 Year	2.703%	2.488%	0.215%
5 Year	2.888%	2.686%	0.202%

Source: Bloomberg

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

MATURITY	5/7/18	4/6/18	CHANGE
1 Month	1.860%	1.840%	0.020%
3 Month	2.190%	2.210%	-0.020%
6 Month	2.420%	2.440%	-0.020%
9 Month	2.610%	2.590%	0.020%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q1 '18	2.30%
US Unemployment	Apr '18	3.90%
ISM Manufacturing	Apr '18	57.3
PPI YoY	Mar '18	3.00%
CPI YoY	Mar '18	2.40%
Fed Funds Target	May 08 '18	1.50% - 1.75%

Source: Bloomberg

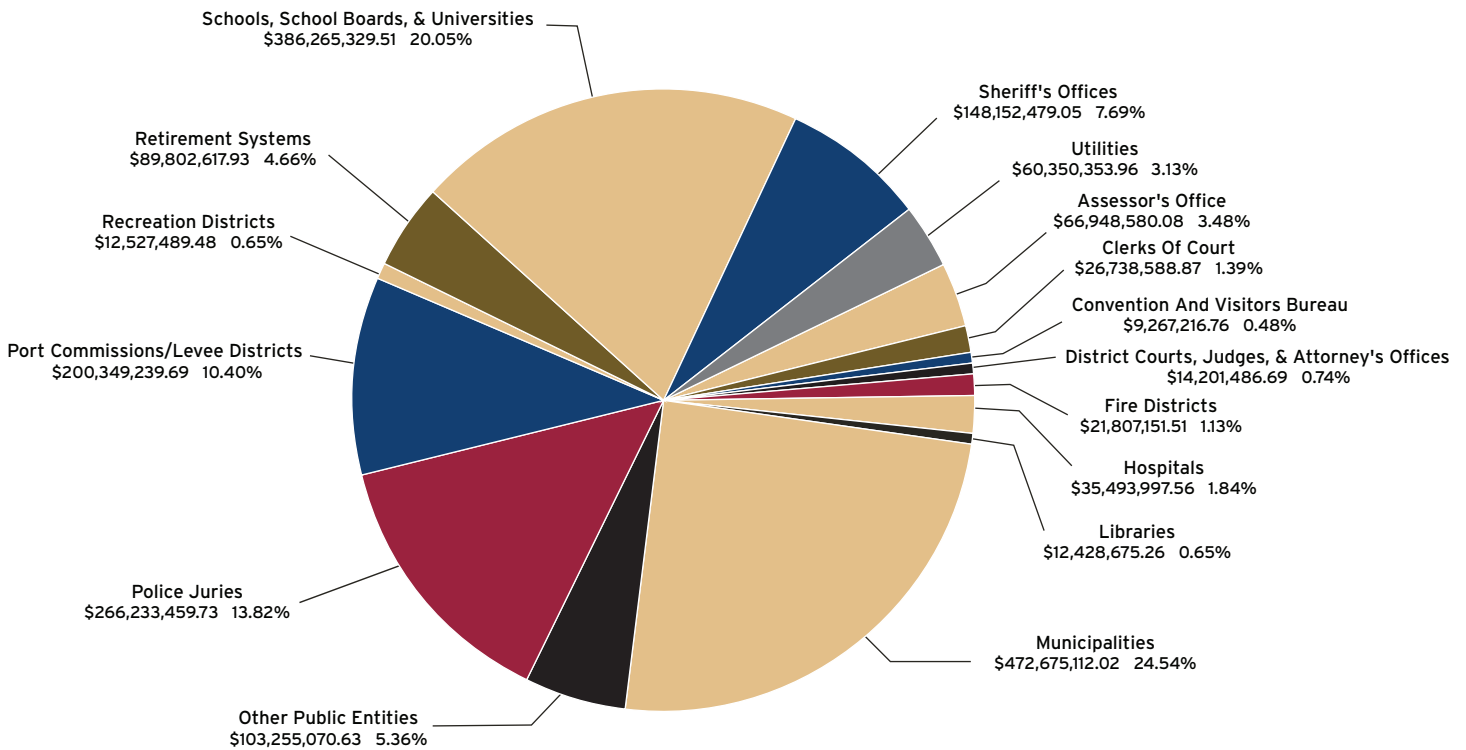
Data unaudited. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. All comments and discussions presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. The information above is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.



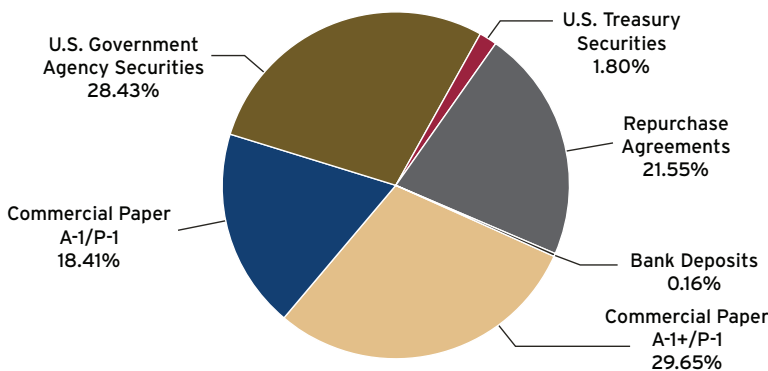
The **FUND**

Fund Highlights as of April 30, 2018 (Unaudited)

Participant Breakdown



Portfolio Breakdown



Month	Avg Monthly Yields**	Month Ending Net Assets
Feb-18	1.44%	\$1,799,454,407
Mar-18	1.56%	\$1,876,635,049
Apr-18	1.80%	\$1,926,280,704

** Yields as of the last day of the month

Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. Data Unaudited. All comments and discussion presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. The information above is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. **Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.**