



Louisiana Asset Management Pool, Inc.

## TheECONOMY

### The High-Flying U.S. Economy and a Soft Landing

Due to a combination of factors, the United States economy is currently the envy of the world; however, for the Federal Reserve Governors, such strength also gives pause. The Governors are currently wrestling with how long and how much growth can or should continue and how much support is appropriate. The economy is operating near full capacity, jobless claims are near historic lows, and the combined benefits of the tax cut and resolution of trade agreements will support continued growth. Unfortunately, the good times cannot last forever.

As developing economies follow Turkey and Argentina into recession and China and Western Europe experience comparatively slower growth, global investors are seeking strong and safe returns. The recently signed US-Mexico-Canada Agreement (that replaced NAFTA) could also lead to increased investment or demand for U.S. dollars, thereby widening the gap between the currencies of trading partners. Ultimately, this could expand the trade deficit and, because oil is priced in dollars, increase the price of oil. In a worst-case scenario, inflation would be up, and economic growth would eventually be down.

The Fed is seeking to head off such a scenario by moderating growth and bringing the economy in for a soft landing. The Fed's current consensus calls for one more rate hike in December of 2018 with an additional three expected in 2019. Additionally, the benefit of the tax cut is expected to be fully absorbed by the second half of 2019. Policies that have weighed on international economies should moderate, and global economic convergence should occur.

Due to the Fed's reliance on economic indicator data, the market will have some visibility in advance of any potential actions.

### Treasury Yields

MATURITY	10/9/18	9/10/18	CHANGE
3-Month	2.213%	2.125%	0.088%
6-Month	2.421%	2.304%	0.117%
1-Year	2.617%	2.512%	0.105%
2-Year	2.885%	2.711%	0.174%
3-Year	2.979%	2.778%	0.202%
5-Year	3.056%	2.823%	0.233%
10-Year	3.206%	2.931%	0.275%
30-Year	3.369%	3.081%	0.288%

Source: Bloomberg

### Agency Yields

MATURITY	10/9/18	9/10/18	CHANGE
3-Month	2.244%	2.166%	0.078%
6-Month	2.367%	2.258%	0.109%
1-Year	2.537%	2.433%	0.104%
2-Year	2.936%	2.763%	0.173%
3-Year	3.022%	2.831%	0.191%
5-Year	3.157%	2.934%	0.223%

Source: Bloomberg

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

MATURITY	10/9/18	9/10/18	CHANGE
1-Month	2.250%	2.080%	0.170%
3-Month	2.390%	2.260%	0.130%
6-Month	2.580%	2.470%	0.110%
9-Month	2.730%	2.610%	0.120%

Source: Bloomberg

### Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q2' 18	4.20%
US Unemployment	Sep '18	3.70%
ISM Manufacturing	Sep '18	59.80
PPI YoY	Sep '18	3.00%
CPI YoY	Sep '18	2.30%
Fed Funds Target	Oct. 12, 2018	2.00% - 2.25%

Source: Bloomberg

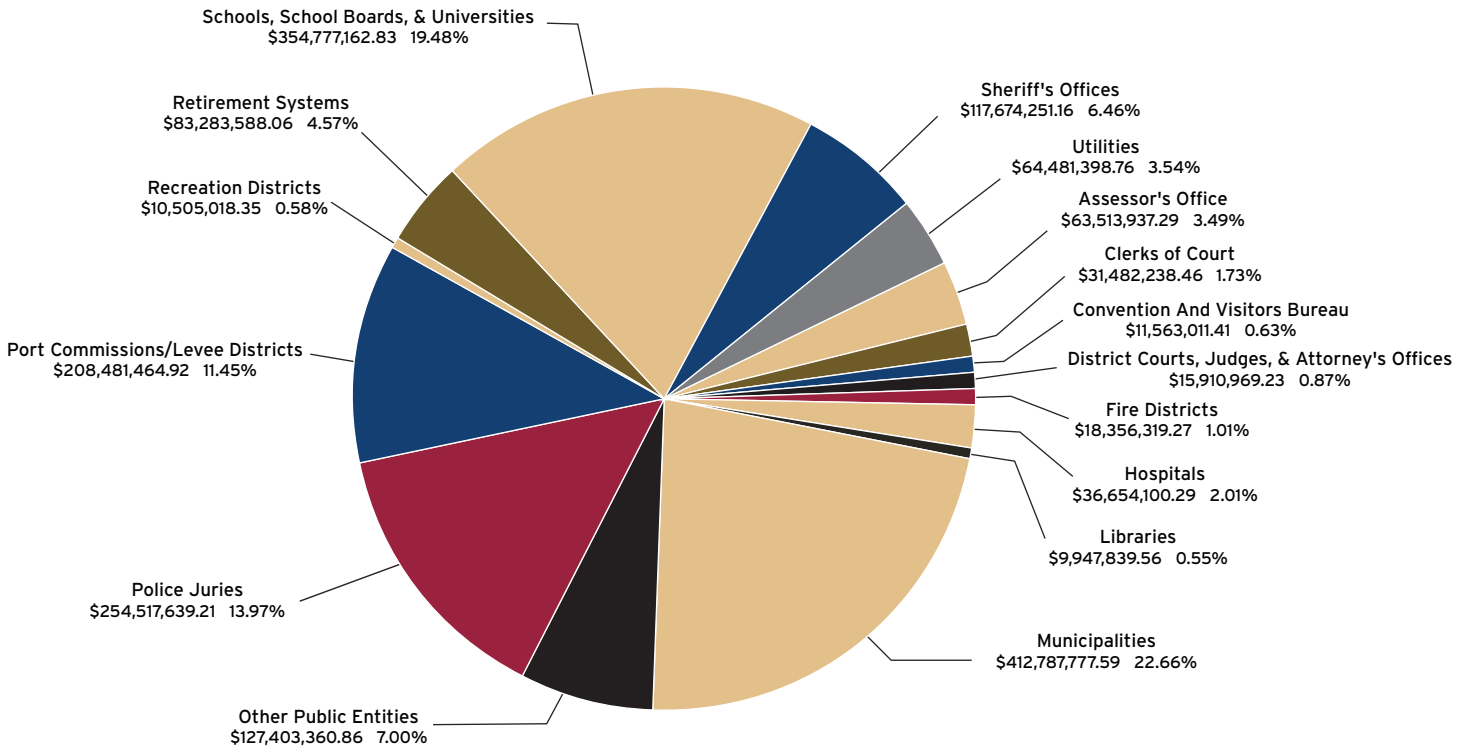
Data unaudited. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives 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 presented should not be used in making any investment decisions. This material 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.



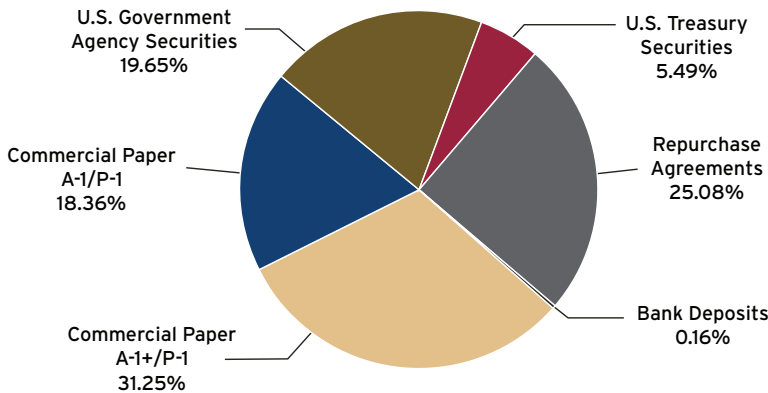
# The **FUND**

## Fund Highlights as of September 30, 2018 (Unaudited)

### Participant Breakdown



### Portfolio Breakdown



Month	Avg Monthly Yields**	Month Ending Net Assets
Jul-18	2.01%	\$1,829,338,484
Aug-18	2.02%	\$1,838,810,658
Sep-18	2.05%	\$1,819,630,549

\*\* 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.**