



Louisiana Asset Management Pool, Inc.

TheECONOMY

Volatility Returns

The U.S. economy remains healthy but has started slowing down due in part to the trade war. Real GDP grew at an annualized rate of 2.1% in the second quarter of 2019, down from 3.1% the prior quarter. Some weaknesses were noticeable including net exports, inventory investments, and residential construction spending.

U.S. and Chinese trade officials resumed trade negotiations at the end of July to no avail. In a surprise announcement, President Trump imposed a new 10% tariff on \$300 billion worth of Chinese goods starting on September 1, stating that the negotiations were not moving fast enough. Beginning next month, virtually all Chinese imports will be subject to tariffs.

Following this new development, the Chinese yuan weakened to below a key threshold, prompting the U.S. Treasury to officially label China a "currency manipulator." Interestingly, the International Monetary Fund stated in July that the yuan was "broadly in line with fundamentals" and that the decline against the dollar did not seem abnormally large when comparing to the standards for other emerging markets.

Chances for a rapid resolution of this trade war are now slim, and this latest escalation further worsens the outlook for the global economy. In response, several central banks have already lowered their key interest rates due to lower growth expectations. All these actions will likely cause the U.S. dollar to continue strengthening due to its popularity as a global reserve currency. Meanwhile, volatility in the markets has increased. The equity market faced large sell-offs as the trade war intensified. In response, investors have been moving into U.S. Treasuries, causing yields to plummet across the curve.

On July 31, 2019, the Fed cut interest rates by 25 basis points (bps) marking the first rate cut since 2008. Chair Powell described this action as a "mid-cycle" adjustment, mildly disappointing the markets that were hoping for more guidance from the Fed. The market is currently pricing the probability of at least another 25-bps cut in September at 100%.

Treasury Yields

MATURITY	8/6/19	7/8/19	CHANGE
3 Month	1.995%	2.231%	-0.236%
6 Month	1.987%	2.113%	-0.126%
1 -Year	1.802%	1.995%	-0.193%
2 -Year	1.583%	1.890%	-0.307%
3 -Year	1.523%	1.835%	-0.312%
5 -Year	1.513%	1.856%	-0.343%
10 -Year	1.702%	2.048%	-0.345%
30 -Year	2.233%	2.529%	-0.296%

Source: Bloomberg

Agency Yields

MATURITY	8/6/19	7/8/19	CHANGE
3 Month	2.019%	2.227%	-0.208%
6 Month	2.029%	2.244%	-0.215%
1 -Year	1.982%	2.210%	-0.228%
2 -Year	1.647%	1.961%	-0.314%
3 -Year	1.590%	1.926%	-0.336%
5 -Year	1.620%	1.971%	-0.351%

Source: Bloomberg

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

MATURITY	8/6/19	7/8/19	CHANGE
1 Month	2.170%	2.350%	-0.180%
3 Month	2.170%	2.300%	-0.130%
6 Month	2.060%	2.210%	-0.150%
9 Month	1.990%	2.170%	-0.180%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q2 '19	2.10%
US Unemployment	Jul '19	3.70%
ISM Manufacturing	Jul '19	51.20
PPI YoY	Jun '19	0.40%
CPI YoY	Jun '19	1.60%
Fed Funds Target	Aug 6, 2019	2.00% - 2.25%

Source: Bloomberg

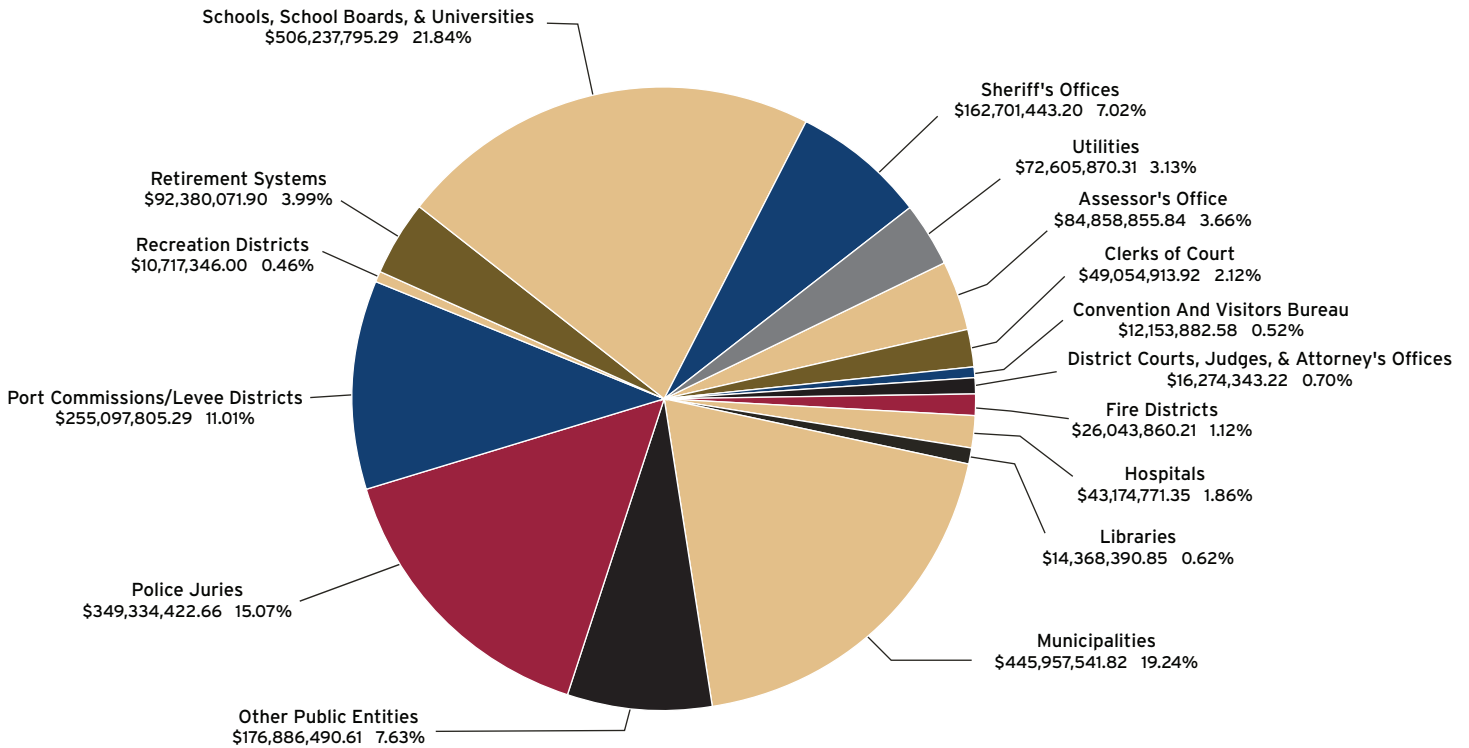
Data unaudited. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives 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 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.



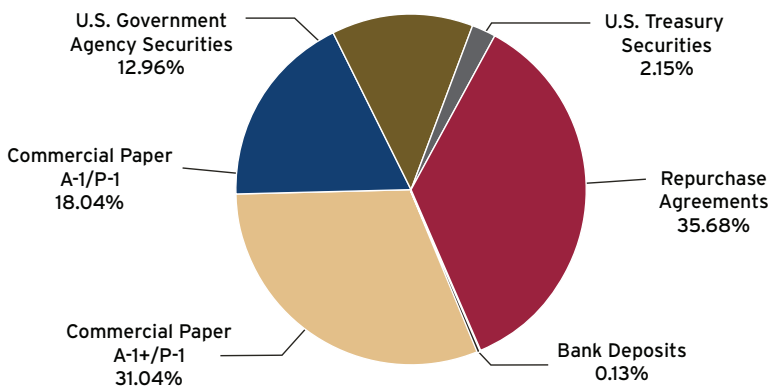
The **FUND**

Fund Highlights as of July 31, 2019 (Unaudited)

Participant Breakdown



Portfolio Breakdown



Month	Avg Monthly Yields	Month Ending Net Assets
May-19	2.45%	\$2,383,062,355
Jun-19	2.42%	\$2,291,745,126
Jul-19	2.39%	\$2,317,482,196

Data may not equal 100% due to rounding. 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.**