



Louisiana Asset Management Pool, Inc.

TheECONOMY

Steady as She Goes

The Federal Reserve (Fed) completed its “mid-cycle” adjustment to monetary policy by cutting the Federal Funds Target Rate a total of 75 basis points in 2019; the range sits at 1.50% to 1.75% to close the year, with the Fed now stating the rate is “appropriate” to support growth and the labor market. The Fed also removed references to “uncertainties” around the outlook, a not-so-veiled way of stating that trade tensions between the U.S. and China had de-escalated over Q4 2019. The Fed does not project any change to its target rate in 2020, followed by one 25bp hike for 2021 and 2022 respectively. The fed funds futures market is largely in agreement with this outlook but leans towards one additional 25bp cut in 2020. Taking comfort in this stable yet accommodative forecast, the U.S. economy can continue to grind out solid albeit unspectacular growth.

In 2019, the U.S. economy largely thrived on the back of the consumer as mounting trade war tensions inhibited business investment. A strike at General Motors and ongoing problems at Boeing with its 737 Max airplanes also impacted the manufacturing sector this fall. Although the strike at GM has since been resolved, Boeing’s recent decision to halt 737 Max production may cut as much as one percentage point from gross domestic product growth in Q1 2020. Much will depend on the strength of consumer spending which deaccelerated in the second half of 2019. Hopefully, a tight labor market will be enough to keep the economy on track this year.

The U.S. and China struck a tentative agreement towards a “phase one” deal in December, alleviating concerns that additional tariffs would be applied to imports. While it is debatable who ultimately pays for tariffs, they are passed on to U.S. manufacturers and consumers in the form of higher prices. If a completed phase one deal fails to alleviate fears in 2020 or additional tariffs are discussed, the optimism shared today by market participants may quickly dissipate. However, the consensus view is that the healthy labor market and benign financial conditions will allow the U.S. economy to continue to grow for a record eleventh consecutive year.

Treasury Yields

MATURITY	1/3/20	12/5/19	CHANGE
3-Month	1.483%	1.526%	-0.043%
6-Month	1.529%	1.534%	-0.005%
1-Year	1.524%	1.548%	-0.023%
2-Year	1.525%	1.592%	-0.068%
3-Year	1.540%	1.609%	-0.068%
5-Year	1.590%	1.633%	-0.043%
10-Year	1.788%	1.810%	-0.022%
30-Year	2.244%	2.260%	-0.015%

Source: Bloomberg

Agency Yields

MATURITY	1/3/20	12/5/19	CHANGE
3-Month	1.538%	1.544%	-0.006%
6-Month	1.549%	1.565%	-0.016%
1-Year	1.508%	1.518%	-0.010%
2-Year	1.539%	1.604%	-0.065%
3-Year	1.550%	1.607%	-0.057%
5-Year	1.652%	1.698%	-0.046%

Source: Bloomberg

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

MATURITY	1/3/20	12/5/19	CHANGE
1-Month	1.610%	1.670%	-0.060%
3-Month	1.780%	1.860%	-0.080%
6-Month	1.830%	1.850%	-0.020%
9-Month	1.870%	1.900%	-0.030%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q3 '19	2.10%
US Unemployment	Nov '19	3.50%
ISM Manufacturing	Dec '19	47.20
PPI YoY	Nov '19	1.10%
CPI YoY	Nov '19	2.10%
Fed Funds Target	Jan 6, 2020	1.50% - 1.75%

Source: Bloomberg

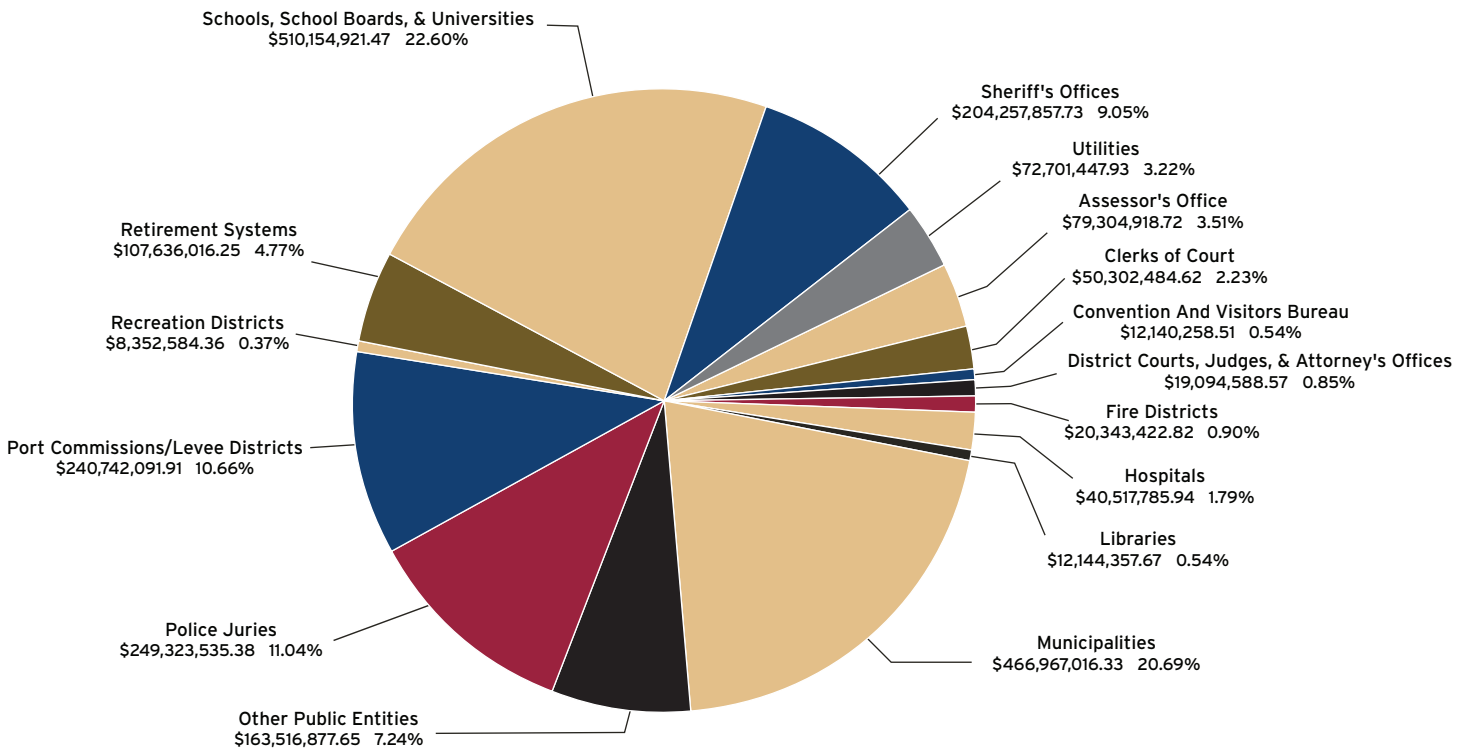
Data unaudited. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives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



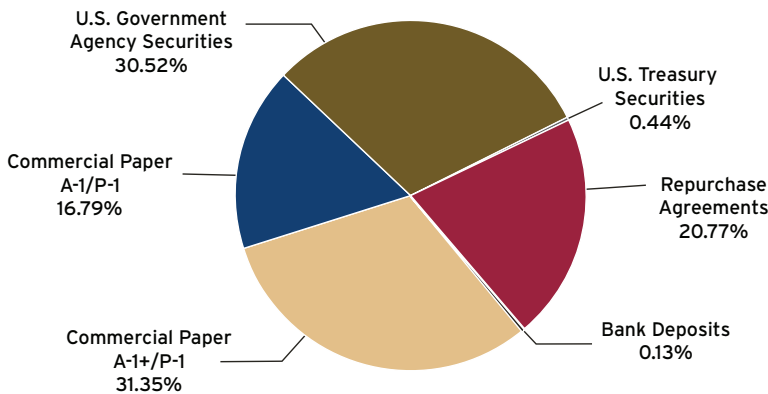
The **FUND**

Fund Highlights as of December 31, 2019 (Unaudited)

Participant Breakdown



Portfolio Breakdown



Month	Avg Monthly Yields	Month Ending Net Assets
Oct-19	1.95%	\$2,231,664,173
Nov-19	1.78%	\$2,150,993,868
Dec-19	1.71%	\$2,257,559,126

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.**