



Louisiana Asset Management Pool, Inc.

TheECONOMY

Watch That Inflation Number

In January, the Federal Open Market Committee (FOMC) voted unanimously to keep the Federal funds target range at 1.50% - 1.75%. The Fed did raise the interest rate paid on excess reserves by 5 bps and the rate on overnight reverse repurchase (repo) agreement facility by the same amount to help maintain the Fed funds rate within the stated target range. Additionally, the Fed mentioned it will continue supporting the short-term funding market through repo operations at least until April to help reduce volatility during tax-filing season and that it will continue purchasing Treasury Bills at least into the second quarter to help ensure bank reserves remain ample.

Chairman Powell pointed out that the Fed was “not satisfied with inflation running below 2%,” suggesting that rate cuts could be coming this year should inflation remain largely below the 2% target based on the Core PCE index (it was close to 1.6% last December). The Fed funds futures market is currently pricing the next rate cut for July of 2020.

The U.S. economy remains in good shape overall, seeing a 225k job gain in January that beat expectations. Average hourly earnings grew 3.1% YoY, slightly less rapid than most of 2019 as the growing labor force could be keeping wages from rising much faster. The unemployment rate for January rose to 3.6%, up slightly from December’s 50-year low of 3.5%.

Consumer spending continues to support economic growth but has been weakening somewhat. It grew by an annualized rate of 1.8% during Q4 2019, down from 3.2% in Q3 2019 and 4.6% in Q2 2019. Business investment was unimpressive, with a 6.1% decline reported in Q4 compared to a 1% fall in Q3. On a positive note, the ISM Manufacturing index left the contraction territory in January for the first time since July 2019 thanks to a deceleration in the trade war between the U.S. and China. The coronavirus adds some uncertainty to the 2020 outlook. While it is unlikely the virus will have a major impact on economic growth in the U.S. or on financial markets, investors should be prepared for some volatility in the near-term.

Treasury Yields

MATURITY	2/10/20	1/10/19	CHANGE
3-Month	1.529%	1.531%	-0.002%
6-Month	1.539%	1.542%	-0.003%
1-Year	1.462%	1.519%	-0.057%
2-Year	1.393%	1.570%	-0.177%
3-Year	1.377%	1.583%	-0.206%
5-Year	1.388%	1.632%	-0.244%
10-Year	1.570%	1.820%	-0.250%
30-Year	2.039%	2.279%	-0.240%

Source: Bloomberg

Agency Yields

MATURITY	2/10/20	1/10/19	CHANGE
3-Month	1.554%	1.527%	0.027%
6-Month	1.579%	1.539%	0.040%
1-Year	1.537%	1.497%	0.040%
2-Year	1.415%	1.575%	-0.160%
3-Year	1.395%	1.585%	-0.190%
5-Year	1.460%	1.689%	-0.229%

Source: Bloomberg

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

MATURITY	2/10/20	1/10/19	CHANGE
1-Month	1.610%	1.610%	0.000%
3-Month	1.670%	1.740%	-0.070%
6-Month	1.660%	1.790%	-0.130%
9-Month	1.710%	1.820%	-0.110%

Source: Bloomberg

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q4 '19	2.10%
US Unemployment	Jan '20	3.60%
ISM Manufacturing	Jan '20	50.90
PPI YoY	Dec '19	1.90%
CPI YoY	Dec '19	2.30%
Fed Funds Target	Feb 11, 2020	1.50% - 1.75%

Source: Bloomberg

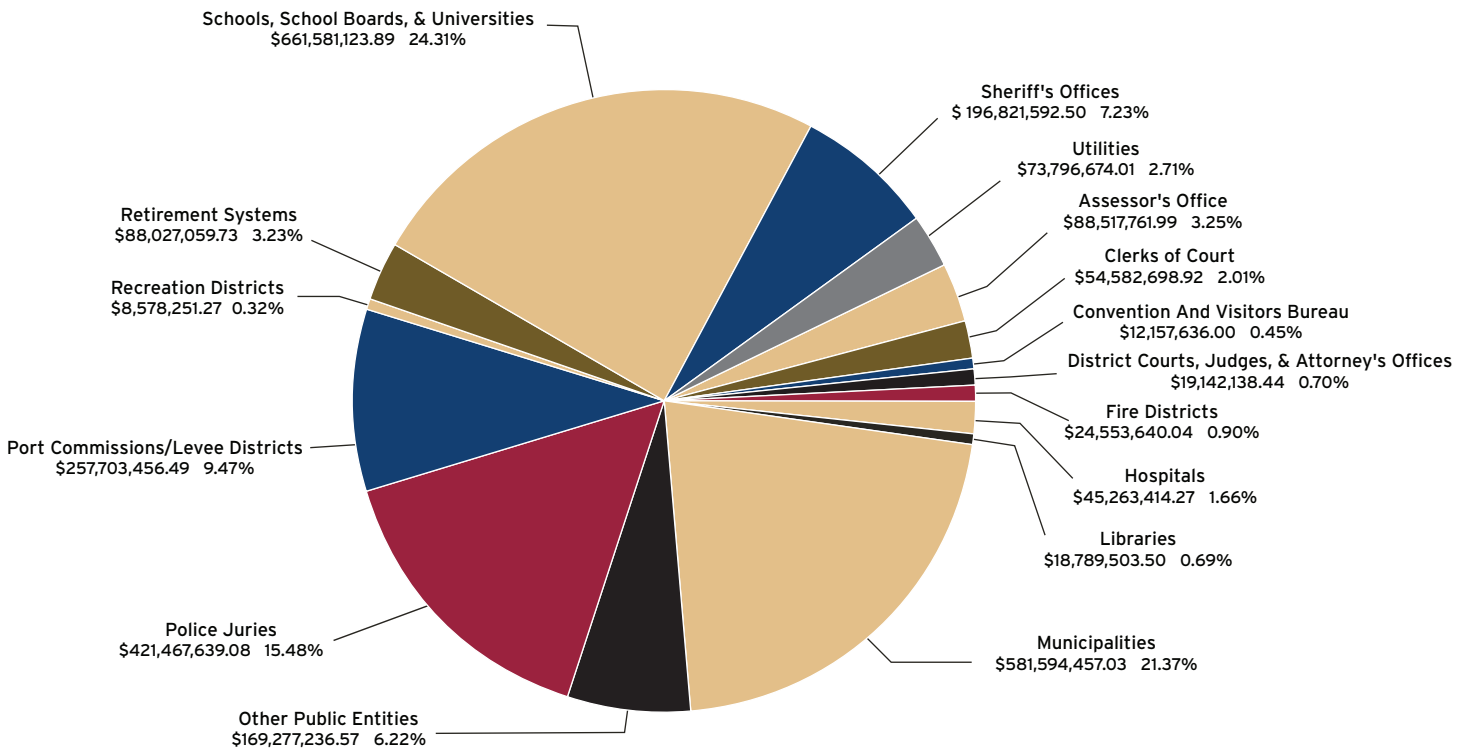
Data unaudited. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives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



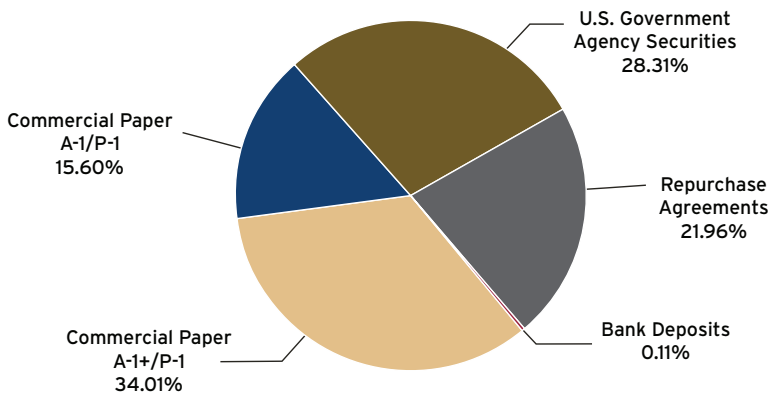
The **FUND**

Fund Highlights as of January 31, 2020 (Unaudited)

Participant Breakdown



Portfolio Breakdown



Month	Avg Monthly Yields	Month Ending Net Assets
Nov-19	1.78%	\$2,150,993,868
Dec-19	1.71%	\$2,257,559,126
Jan-20	1.69%	\$2,717,969,376

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.**