



Louisiana Asset Management Pool, Inc.

## TheECONOMY

### Monetary Policy: On Track or Shifts Ahead?

Increased uncertainty around the new Trump administration's trade and fiscal policies and a lack of progress on the final push to the Federal Reserve's 2% inflation target have driven treasury bond yields back up to multi-month highs. The 2yr treasury yield hovers near its November and December highs while the 10yr yield remains near 2024's highs and within shouting distance of the multi-decade high set in October of 2023.

The December nonfarm payrolls report didn't provide any cover for the FOMC to further lower rates at the January meeting as the headline number came in at +223k jobs, much higher than the +140k increase expected. This readout illustrates the continued resilience of the U.S. labor market even in the face of the tightest monetary policy conditions post Global Financial Crisis.

The most recent consumer price index (CPI) report has helped to partially quell concerns about a potential reacceleration of inflation. The month-over-month change in headline CPI of 0.4% was attention grabbing; however, it is the "core" CPI (ex-food and energy) month-over-month reading of 0.2% that is the focus for market participants. This 0.2% increase was less than the 0.3% increase expected and much more in line with the Federal Reserve's 2% annual inflation target.

The FOMC most recently decreased the Federal Funds rate to between 4.25%-4.5% at the December meeting. Cutting was a close call given the continued strength in the labor market and sticky inflation. Fed fund futures are currently only pricing in one more 25 basis point cut in the latter half of this year.

Moving forward, fixed income investors will be watching the new administration's actions closely as trade policies, progress around the Department of Government Efficiency, and any other changes to fiscal policy could have significant impacts on inflation expectations and the future path of the federal funds rate.

### Treasury Yields

MATURITY	1/15/25	12/16/24	CHANGE
3 Month	4.301%	4.307%	-0.005%
6 Month	4.290%	4.309%	-0.019%
1 -Year	4.168%	4.238%	-0.071%
2 -Year	4.264%	4.249%	0.015%
3 -Year	4.337%	4.230%	0.107%
5 -Year	4.447%	4.257%	0.190%
10 -Year	4.653%	4.397%	0.256%
30 -Year	4.880%	4.598%	0.281%

Source: Bloomberg

### Agency Yields

MATURITY	1/15/25	12/16/24	CHANGE
3 Month	4.170%	4.130%	0.040%
6 Month	4.120%	4.150%	-0.030%
1 -Year	4.000%	3.980%	0.020%
2 -Year	4.251%	4.217%	0.035%
3 -Year	4.304%	4.206%	0.099%
5 -Year	4.462%	4.283%	0.179%

Source: Bloomberg

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

MATURITY	1/15/25	12/16/24	CHANGE
1 Month	4.330%	4.440%	-0.110%
3 Month	4.420%	4.520%	-0.100%
6 Month	4.460%	4.500%	-0.040%
9-Month	4.490%	4.510%	-0.020%

Source: Bloomberg

### Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q3 '24	3.10%
US Unemployment	Dec '24	4.10%
ISM Manufacturing	Dec '24	49.3
PPI YoY	Dec '24	3.30%
CPI YoY	Dec '24	2.90%
Fed Funds Target	Jan 16, 2025	4.25%-4.50%

Source: Bloomberg

Source: Bloomberg. Data as of January 20, 2025. 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. LAMP is not a bank. An investment in LAMP is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although LAMP seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. 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.

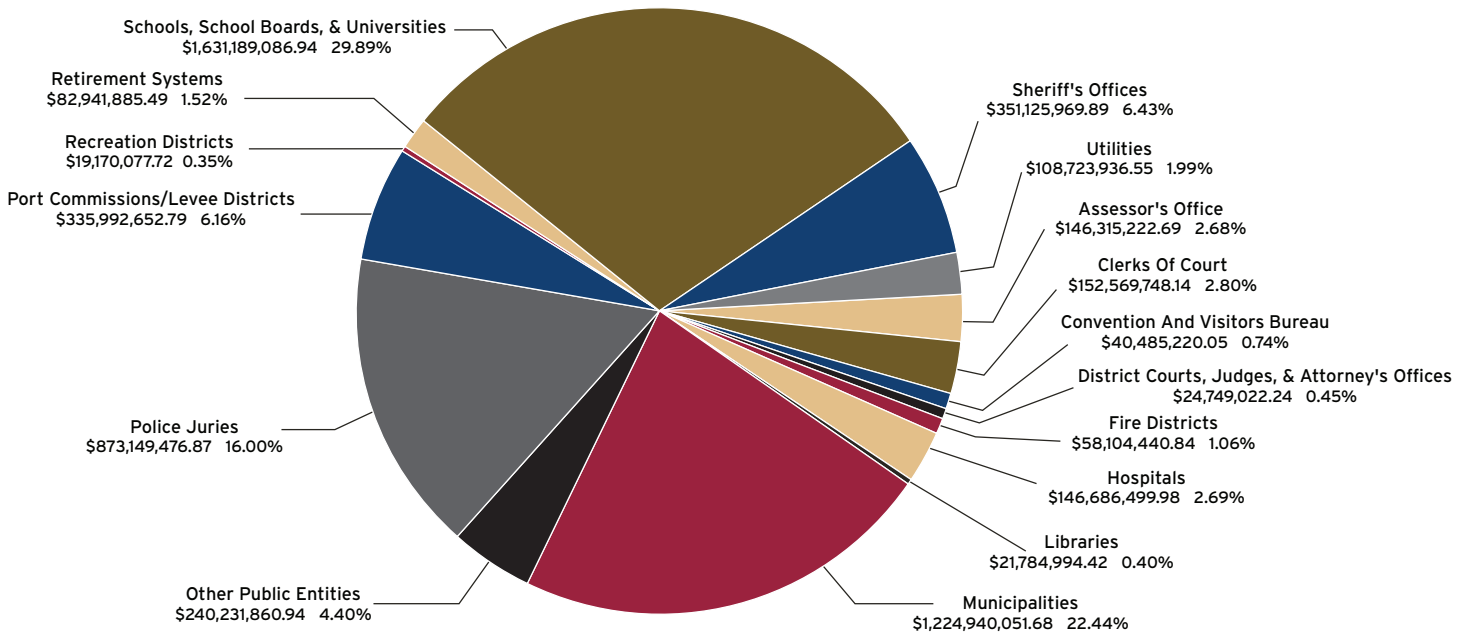
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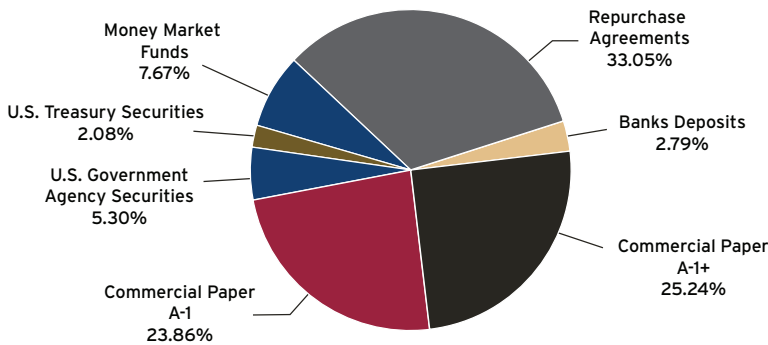
# The **FUND**

## Fund Highlights as of December 31, 2024 (Unaudited)

### Participant Breakdown



### Portfolio Breakdown



Month	Avg Monthly Yields	Month Ending Net Assets
Oct-24	4.94%	\$5,811,503,564
Nov-24	4.80%	\$5,751,679,800
Dec-24	4.67%	\$5,458,379,245

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.**