



# MARTIN COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

Presented by Carolyn Timmann, Clerk of the Circuit Court and County Comptroller

November  
2016  
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Investment	Average Daily Investment	Interest Earned/ Gains Realized	Average Yield
State Board of Administration (LGIP)	55,034,555	38,632	0.85%
U.S. Treasury Notes	9,976,730	7,491	0.91%
U.S. Agency Bonds	57,010,066	44,210	0.94%
FL Local Govt Investment Trust *	13,397,090	(29,502)	-2.68%
FLGIT Day to Day Fund *	10,643,137	5,646	0.65%
<b>November 2016 Total</b>	<b>\$146,061,578</b>	<b>\$66,477</b>	<b>0.55%</b>
Fiscal Year-To-Date	\$148,478,829	\$168,043	0.68%

\*Note: Florida Local Government Investment Trust, and FLGIT Day to Day Fund gain(loss) is unrealized and is based on the net asset value as of 11/30/2016.

## PERFORMANCE MEASURE

Reported quarterly in March, June, September & December.

## ECONOMIC COMMENTARY

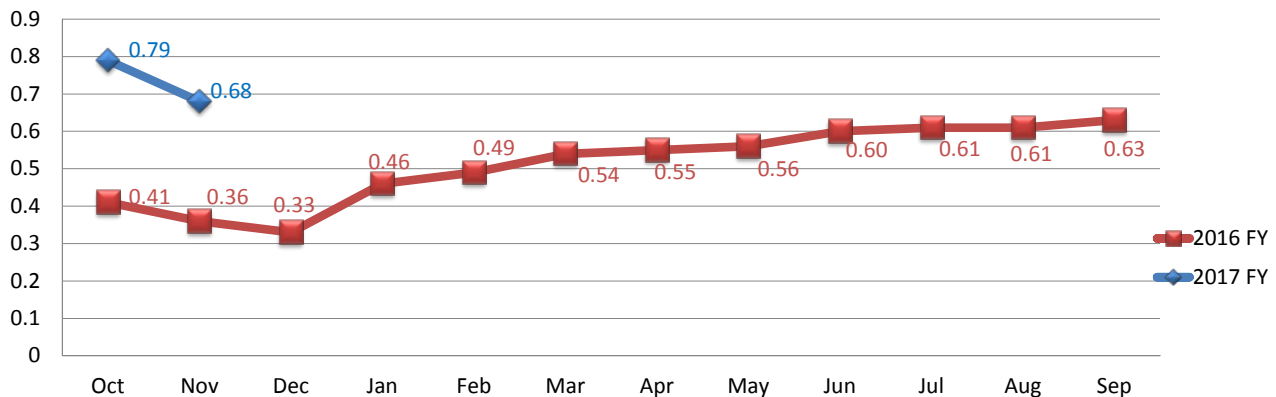
✦ Inflation expectations seem to be more important than actual realized inflation these days. Yesterday's announcement from OPEC that they had agreed on the first production cuts in eight years has pushed oil to a six-week high north of \$50. OPEC's announcement is adding new fuel to the recent Trump bump on the inflation outlook. These two factors have been a major contributor to the recent rise in interest rates. Notwithstanding that, the actual data on inflation remains somewhat muted.

✦ Headline CPI is running at +1.6% year-year-year, PPI is +0.8%, and the Fed's preferred core-PCE is +1.7%. Only core-CPI is above the Fed's stated 2% target at +2.1% year-over-year. The trend does seem to be firming, which when combined with the favorable outlook and increase in inflation expectations should reinforce the Fed's view that inflation is heading in the right direction. That should give them comfort to tighten policy in two weeks.

✦ November employment report, is forecast to show an increase of +180k after a +161k reported gain in October. Unless it falls way outside of those expectations, it shouldn't matter much. ADP private payrolls rose a large than expected +216k. Initial jobless claims rose in the latest week, but the four-week moving average remains with a couple thousand of the lows reach in October. Employment conditions are giving the Fed a green light to hike.

✦ Speaking of the Fed, the next FOMC meeting is less than two weeks away on December 14th. They are universally expected to raise the overnight Fed funds rate by 25 basis points. This is completely priced into the market with fed funds futures placing the odds at 100%. At this point, the FOMC would be foolish not to act. The more important information will be the dot plot and what they say about the future path of the fed funds rate.

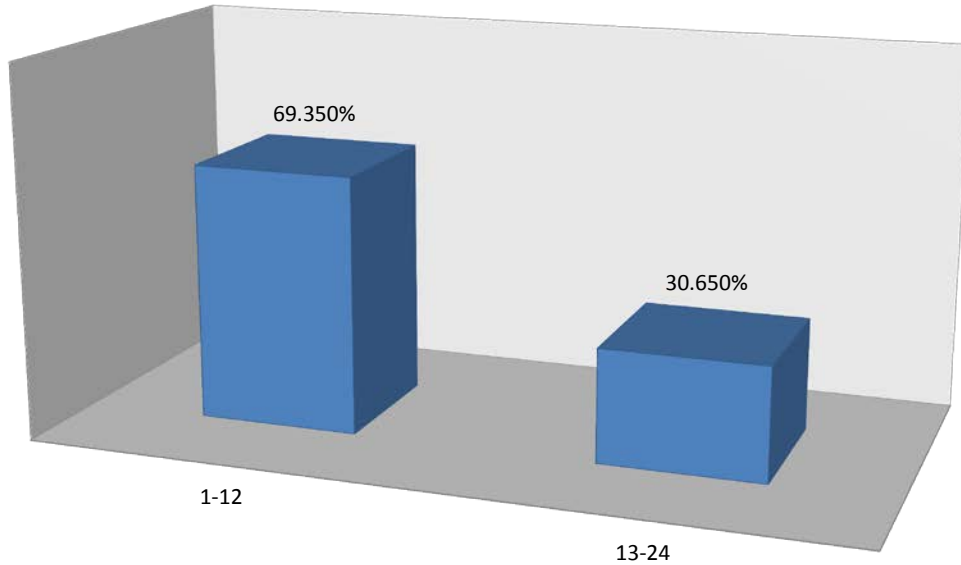
## YEAR-TO-DATE YIELD COMPARISON





## MONTHS TO MATURITY

### Treasury Notes and Bonds



## PORTFOLIO COMPOSITION

