



# MARTIN COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

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February  
2017  
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Investment	Average Daily Investment	Interest Earned/ Gains Realized	Average Yield
State Board of Administration (LGIP)	171,062,495	127,316	0.97%
FL Local Govt Investment Trust *	38,427,053	46,447	1.58%
FLGIT Day to Day Fund *	10,661,401	6,703	0.82%
U.S. Treasury Notes	9,983,584	7,491	0.98%
U.S. Agency Bonds	27,006,894	19,210	0.93%
<b>February 2017 Total</b>	<b>\$257,141,427</b>	<b>\$207,167</b>	<b>1.05%</b>
Fiscal Year-To-Date	\$205,998,730	\$772,976	0.91%

\*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 02/28/17.

## PERFORMANCE MEASURE

Reported quarterly in March, June, September & December.

## ECONOMIC COMMENTARY

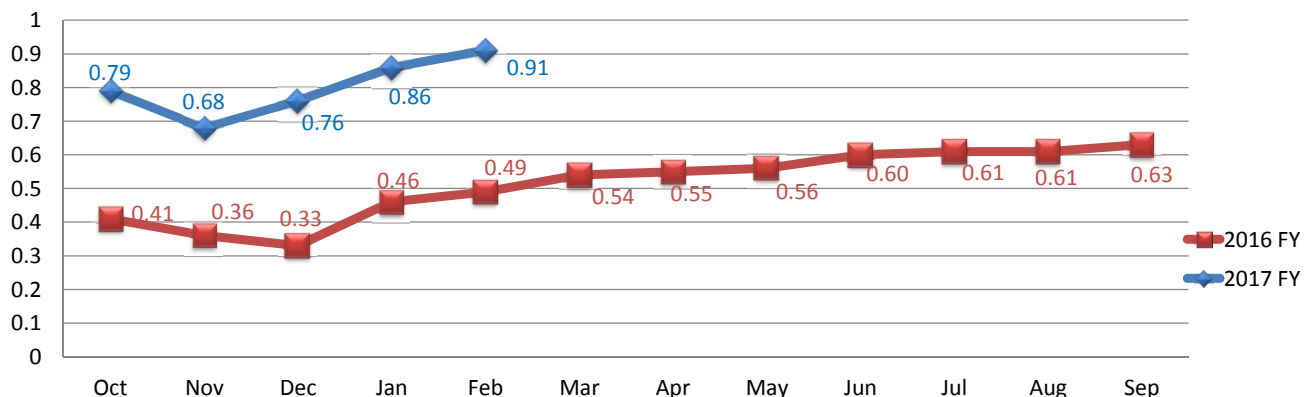
✦ Fed officials have made it clear they expect to hike the overnight rate target by another 25 bps on March 15th. With just days to go, the only foreseeable thing capable of stopping them would have been an unexpectedly weak employment report. The median forecast for February was an increase of +200k nonfarm payroll jobs. As it turned out, U.S. businesses added +235k jobs in February after a revised +238k increase in January, the best back-to-back gains since last summer.

✦ Here in the U.S., some inflation measures are at, or above 2.0%, while some remain below. The PCE deflator rose +0.4% in January, leaving the year-over-year increase at +1.9%. Core PCE matched expectations with a +0.3% January gain while the year-over-year rate held at +1.7%. The flat reading on core PCE suggests the Fed can afford to be patient, despite their hawkish tone in recent days.

✦ Personal spending was up +0.2% in January, below the median forecast for +0.3% and the weakest month since last August, and real spending actually contracted -0.3% as prices jumped +0.4%. The retail sales report for February is due out next Tuesday; early indications are for a slight drop of -0.1%.

✦ As much as we like higher rates, the flip side of the equation is lower prices (unrealized losses) on securities held in portfolios. Market yields are at their highest levels since the financial crisis in October 2008. 15-month agencies are paying 1.20%; recall that in July 2016, a two-year agency was paying around 0.60%. Once again, yields are spiking as we head into an expected Fed rate hike.

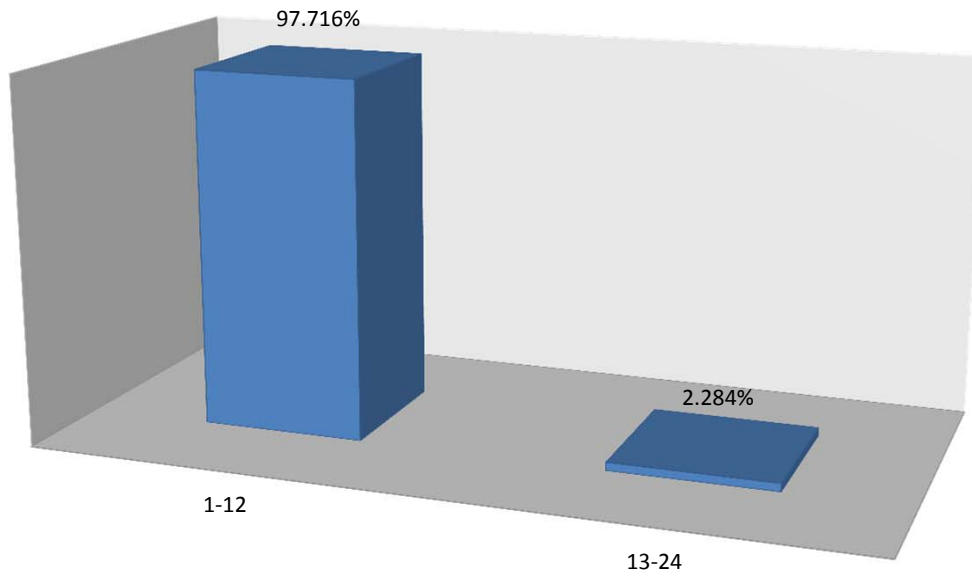
## YEAR-TO-DATE YIELD COMPARISON





## MONTHS TO MATURITY

### Treasury Notes and Bonds



## PORTFOLIO COMPOSITION

