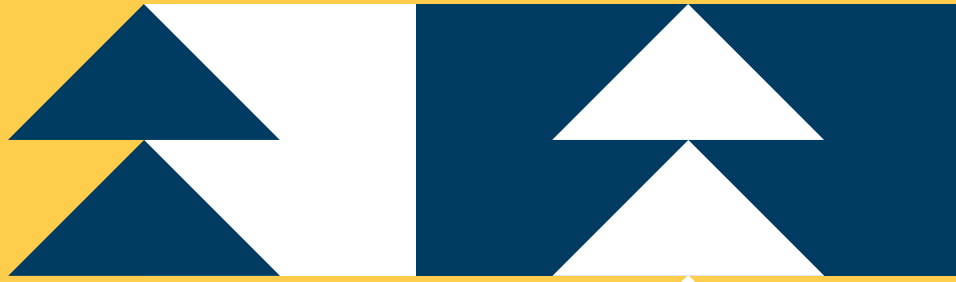




**OREGON
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Inside the Vault

Local Government Edition

LGIP: Audit Confirmation Requests

Auditors needing confirmation of Local Government Investment Pool account balances must submit requests in writing to PFMAM Client Services. Requests must include or be accompanied by a release signed by a participant’s authorized contact (the contact must be registered in the records of the pool and have permission to view/access pool account information). Requests/releases can be submitted through Confirmation.com (auditor use only) or Connect, faxed to 888.535.0120, or mailed to:

Oregon LGIP
PO Box 11760
Harrisburg, PA 17108-1760

For help with submitting an audit confirmation request, contact PFMAM Client Services at 855.OST.LGIP.



Market Update

Front-end rates remained relatively steady during the quarter. The Federal Open Market Committee left policy rates unchanged at 5.25% –5.50% during its May 1 and June 12 meetings. The sustained higher rates are an effort by the Federal Reserve to get inflation down to a target of 2%, as measured by the U.S. Core Personal Consumption Expenditure (PCE) Index. In response, inflation momentum has slowed this year with Core PCE trending lower with the most recent year-over-year inflation number coming in at 2.57%, down from a peak of 5.57% in February 2022 and 2.93% at the start of 2024.

(Continued on page 2)

Interest Rates

Average Annualized Yield	
June	5.20%
Interest Rates	
June 1–30	5.20%

(Continued from page 1)

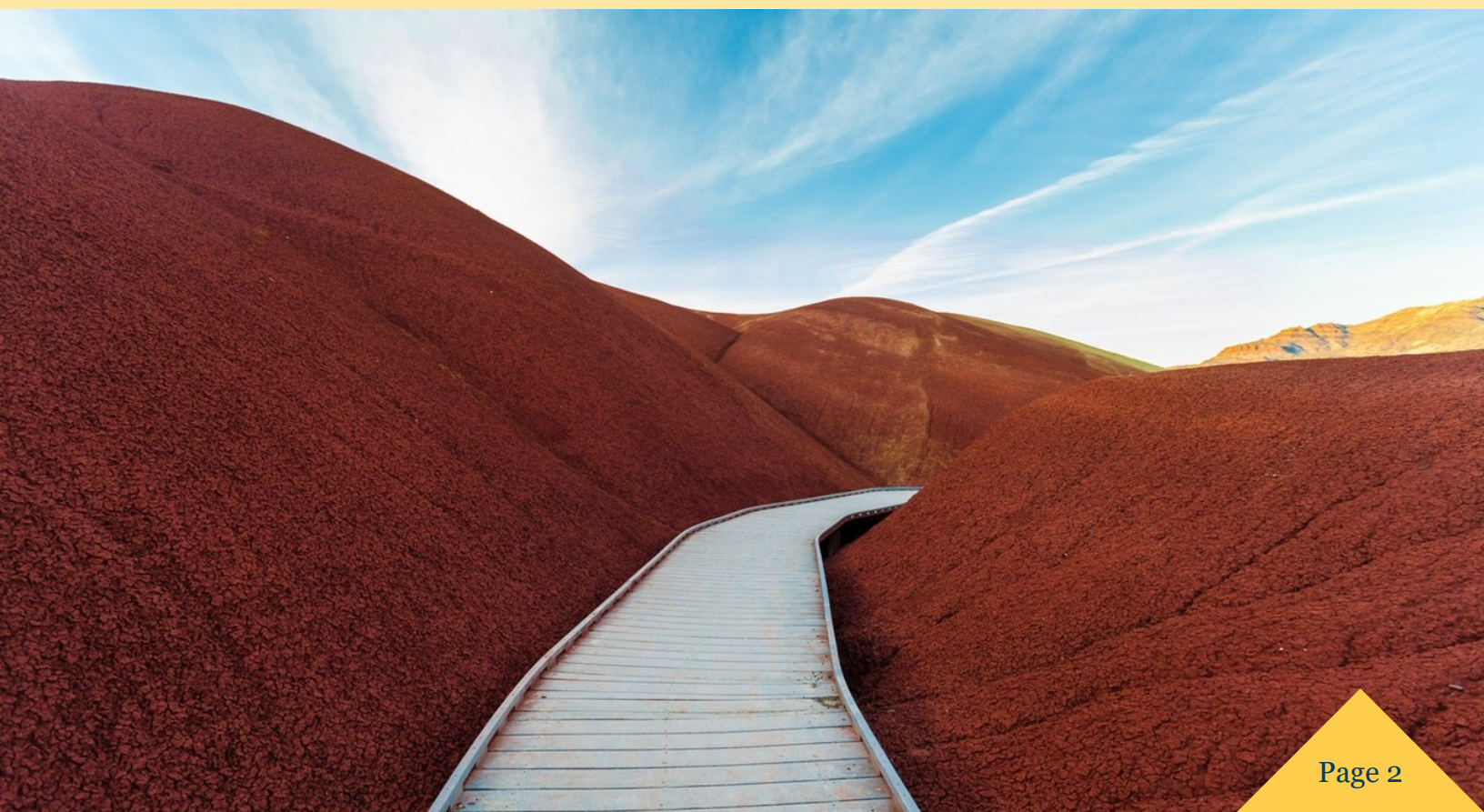
Slowing economic growth and a gradually weakening labor market are signs that the Fed’s higher policy rates are biting. Currently, the market is pricing in two 25–basis point rate cuts by the end of the year with the first expected as soon as September. Yields on 10-year Treasury Notes are higher since the beginning of the year, finishing the quarter at 4.40% (peaking at 4.70% on April 25). Credit spreads are below the 10-year average with the Option Adjusted Spread (OAS) on the Bloomberg U.S. Corporate 1-3 Year Index at 60 basis points, tighter from the 72 basis points OAS a year ago.

Oregon Short Term Fund

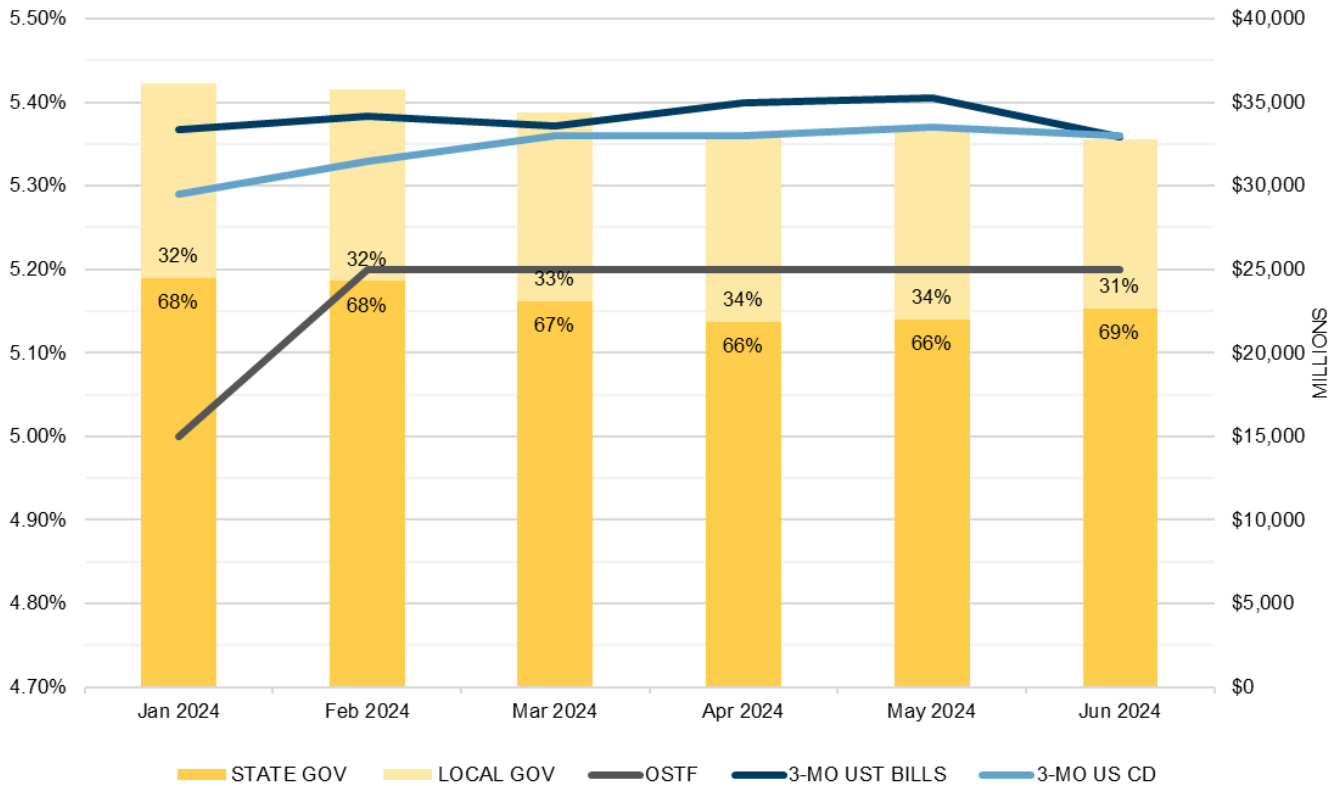
The OSTF’s paid rate was increased to 5.30% on July 9 as we continue to add securities with attractive yields across both floating and fixed rate securities. Should you have questions, contact members of the Fixed Income Team at 503.431.7900.

Impact on Markets

	3/31/2024	6/30/2024	Delta	Highlights
S&P 500	5,254	5,460	+3.85%	Intraday low: 4,954 on 04/19
30-Year Treasury	4.344	4.559	+21.5 bps	Intraday low: 4.332 on 06/14
10-Year Treasury	4.200	4.396	+19.6 bps	Intraday low: 4.194 on 06/14
2-Year Treasury	4.620	4.753	+13.3 bps	Intraday low: 4.618 on 04/01
3-Month Bills	5.362	5.355	-0.7 bps	Intraday low: 5.332 on 04/09



Oregon Short Term Fund Analysis



	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024
TOTAL OSTF AVG DOLLARS INVESTED (MM)	36,151	35,766	34,381	33,164	33,215	32,804
STATE GOV PORTION (MM)	24,493	24,316	23,097	21,878	22,004	22,671
LOCAL GOV PORTION (MM)	11,658	11,450	11,284	11,286	11,211	10,133
OSTF ANNUAL YIELD (ACT/ACT)	5.00	5.20	5.20	5.20	5.20	5.20
3-MO UST BILLS (BOND EQ YLD)	5.368	5.384	5.371	5.400	5.405	5.358
3-MO US CD (ACT/360)*	5.29	5.33	5.36	5.36	5.37	5.36

NOTE: The OSTF ANNUAL YIELD represents the average annualized yield paid to participants during the month. Since interest accrues to accounts on a daily basis and the rate paid changes during the month, this average rate is not the exact rate earned by each account.

3-MO UST BILLS yield is the yield for the Treasury Bill Issue maturing closest to 3 months from month end. 3-MO US CD rates are obtained from Bloomberg and represent a composite of broker dealer quotes on highly rated (A1+/P1/F1+ from Standard & Poor's Ratings Services, Moody's Investors Service and Fitch Ratings respectively) bank certificates of deposit and are quoted on a CD equivalent yield basis.

Market Data Table

	6/30/2024					6/30/2024			
	1 Month	3 Months	12 Months		1 Month	3 Months	12 Months		
7-Day Agency Discount Note**	5.22	5.19	5.11	4.90	Bloomberg Barclays 1-3 Year Corporate YTW*	5.32	5.37	5.21	5.59
30-Day Agency Discount Note**	5.23	5.23	5.21	5.05	Bloomberg Barclays 1-3 Year Corporate OAS*	0.60	0.51	0.57	0.72
90-Day Agency Discount Note**	5.21	5.22	5.18	5.15	Bloomberg Barclays 1-3 Year Corporate Modified Duration*	1.85	1.85	1.81	1.86
180-Day Agency Discount Note**	5.09	5.13	5.05	5.21	7-Day Muni VRDN Yield**	3.88	3.36	3.64	4.01
360-Day Agency Discount Note**	4.83	4.89	4.78	4.87	O/N GGC Repo Yield**	5.34	5.45	5.39	5.17
30-Day Treasury Bill**	5.25	5.28	5.25	5.02	Secured Overnight Funding Rate (SOFR)**	5.33	5.34	5.34	5.09
60-Day Treasury Bill**	5.27	5.31	5.27	5.16	US 10 Year Inflation Break-Even**	2.29	2.36	2.32	2.23
90-Day Treasury Bill**	5.27	5.31	5.26	5.22	1-Day CP (A1/P1)**	5.29	5.28	5.34	5.01
6-Month Treasury Yield**	5.33	5.38	5.32	5.43	7-Day CP (A1/P1)**	5.29	5.29	5.34	5.02
1-Year Treasury Yield**	5.12	5.18	5.03	5.42	30-Day CP (A1/P1)**	5.34	5.35	5.37	5.12
2-Year Treasury Yield**	4.76	4.87	4.62	4.90	1-Month SOFR**	5.34	5.33	5.33	5.14
3-Year Treasury Yield**	4.55	4.68	4.41	4.53	3-Month SOFR**	5.32	5.34	5.30	5.27
					6-Month SOFR**	5.25	5.31	5.22	5.39
					12-Month SOFR**	5.04	5.20	5.00	5.40
									5.40
									5.51
									5.23
									6.19

Sources: *Bloomberg Index Services, **Bloomberg

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Local-Gov-News Mailing List

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Local Government Investment Pool

oregon.gov/lqip

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OREGON STATE TREASURY

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