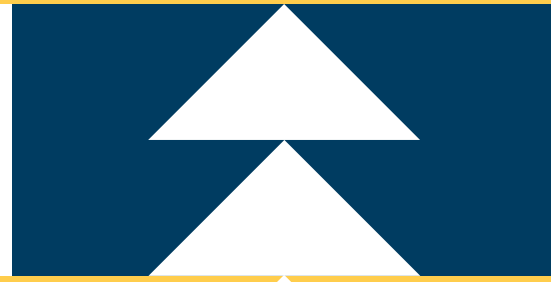




**OREGON
STATE
TREASURY**



Inside the Vault

Local Government Edition

Market Update

In early June, U.S. lawmakers struck a deal to raise the debt ceiling and averted what would have been an unprecedented default. This last-minute, bipartisan compromise boosted market sentiment. After ten consecutive interest rate increases, the Federal Reserve paused further rate hikes at its June 14 Federal Open Markets Committee meeting, while retaining a hawkish tilt. With that said, interest rates rose in the second quarter and the yield curve (2y/10y) inversion deepened.

Economic data generally remained resilient while inflation decelerated but at stubbornly high levels (the Personal Consumption Expenditures Price Index, Excluded Food and Energy (core PCE) remained well above the Fed target of 2%). Labor market data strength persisted, and consumer confidence surged, though some measures of consumer spending eased.

Oregon Short Term Fund

The OSTF's paid rate was raised on May 19 to 4.05%. Note that the fund is at a five-year low exposure to corporate bonds/CP and near a five-year high to Treasuries thus bolstering the average credit quality. The fund has a 54% allocation to floating rate securities, benchmarked primarily to 3-month Treasury Bills and the Secured Overnight Financing Rate (SOFR). Floaters have long been a core allocation for the fund, helping to keep pace with the trend in short-term rates. As this tightening cycle nears an end, staff will look to extend average maturity and lock in higher rates. Should you have questions, contact members of the Fixed Income Team at 503.431.7900.



Interest Rates

Average Annualized Yield
June 4.05%

Interest Rates
June 1–30 4.05%

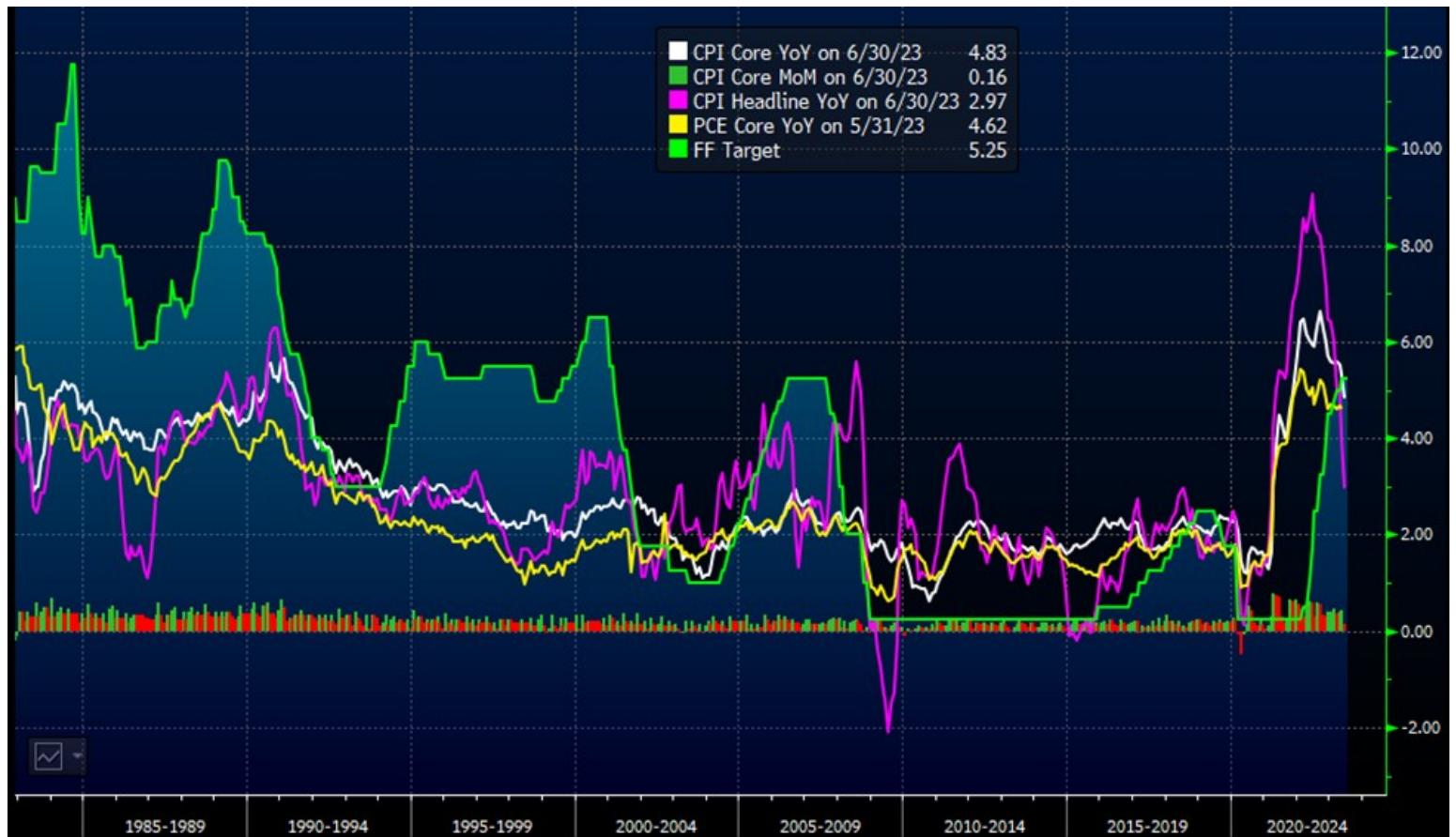
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Impact on Markets

	3/31/2023	6/30/2023	Delta	Highlights
S&P 500	4,109	4,450	+7.97%	Intraday low: 4,048 on 5/4
30-Year Treasury	3.6510	3.8620	+21.1 bps	Intraday low: 3.524 on 4/6
10-Year Treasury	3.4680	3.8370	+36.9 bps	Intraday low: 3.248 on 4/6
2-Year Treasury	4.0250	4.8950	+87.0 bps	Intraday low: 3.642 on 4/5
3-Month Bills	4.6930	5.2840	+59.1 bps	Intraday low: 4.586 on 4/3

Consumer Price Inflation



LGIP: Audit Confirmation Requests

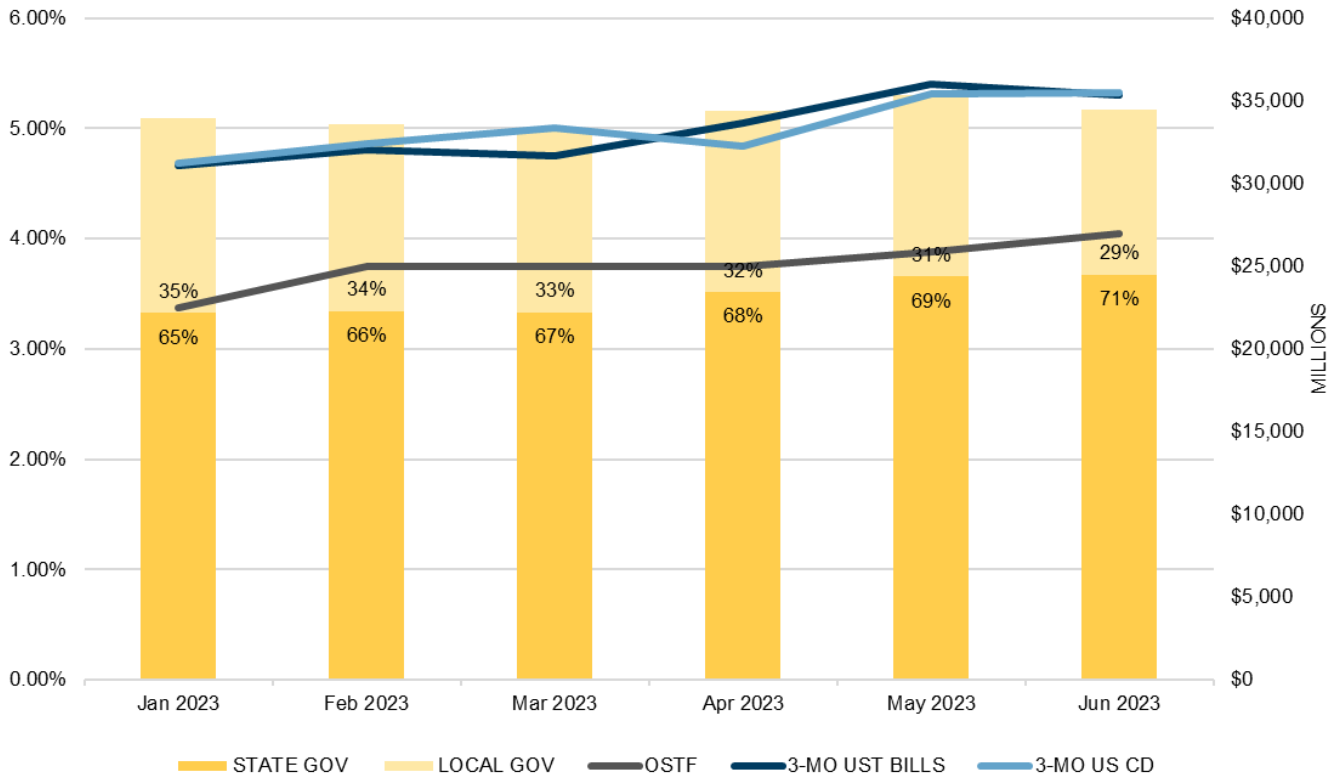
Auditors needing confirmation of Local Government Investment Pool account balances must submit requests in writing to PFMAM Client Services. Requests must include or be accompanied by a release signed by a participant's authorized contact (the contact must be registered in the records of the pool and have permission to view/access pool account information). Requests/releases can be submitted through 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.



Oregon Short Term Fund Analysis



	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023
TOTAL OSTF AVG DOLLARS INVESTED (MM)	33,929	33,603	33,356	34,418	35,349	34,465
STATE GOV PORTION (MM)	22,185	22,282	22,223	23,443	24,380	24,492
LOCAL GOV PORTION (MM)	11,744	11,321	11,133	10,975	10,969	9,973
OSTF ANNUAL YIELD (ACT/ACT)	3.37	3.75	3.75	3.75	3.88	4.05
3-MO UST BILLS (BOND EQ YLD)	4.665	4.812	4.749	5.046	5.403	5.298
3-MO US CD (ACT/360)*	4.69	4.86	5.01	4.84	5.31	5.32

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

	6/30/2023	1 Month	3 Months	12 Months		6/30/2023	1 Month	3 Months	12 Months
7-Day Agency Discount Note**	4.90	5.06	4.59	1.32	Bloomberg Barclays 1-3 Year Corporate YTW*	5.59	5.27	5.03	3.82
30-Day Agy Nt Disc**	5.05	5.04	4.65	1.37	Bloomberg Barclays 1-3 Year Corporate OAS*	0.72	0.89	1.01	0.93
90-Day Agy Nt Disc**	5.15	5.18	4.74	1.79	Bloomberg Barclays 1-3 Year Corporate Modified Duration*	1.86	1.87	1.88	1.95
180-Day Agy Nt Disc**	5.21	5.17	4.72	2.18	7-Day Muni VRDN Yield**	4.01	3.56	3.97	0.91
360-Day Agy Nt Disc**	4.87	4.63	4.58	2.07	O/N GGC Repo Yield**	5.17	5.18	4.88	1.47
30-Day Treasury Bill**	5.02	4.93	4.34	0.85	Secured Overnight Funding Rate (SOFR)**	5.09	5.08	4.87	1.50
60-Day Treasury Bill**	5.16	5.03	4.53	1.40	US 10 Year Inflation Break-Even**	2.23	2.18	2.32	2.34
90-Day Treasury Bill**	5.22	5.15	4.64	1.68	1-Day CP (A1/P1)**	5.01	5.03	4.79	1.51
6-Month Treasury Yield**	5.43	5.44	4.88	2.49	7-Day CP (A1/P1)**	5.02	5.03	4.82	1.53
1-Year Treasury Yield**	5.42	5.18	4.62	2.78	30-Day CP (A1/P1)**	5.12	5.17	4.95	1.71
2-Year Treasury Yield**	4.90	4.41	4.03	2.96	30-Day CD (A1/P1)**	5.20	5.22	4.86	1.72
3-Year Treasury Yield**	4.53	4.05	3.79	3.01	90-Day CD (A1/P1)**	5.44	5.47	5.08	2.25
1-Month LIBOR**	5.22	5.19	4.86	1.79	6-Month CD (A1/P1)**	5.35	5.60	5.14	2.87
3-Month LIBOR**	5.55	5.52	5.19	2.29	1-Year CD (A1/P1)**	6.19	5.72	5.13	3.57
6-Month LIBOR**	5.76	5.65	5.31	2.94					
12-Month LIBOR**	6.04	5.72	5.31	3.62					

Sources: *Bloomberg Index Services, **Bloomberg

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