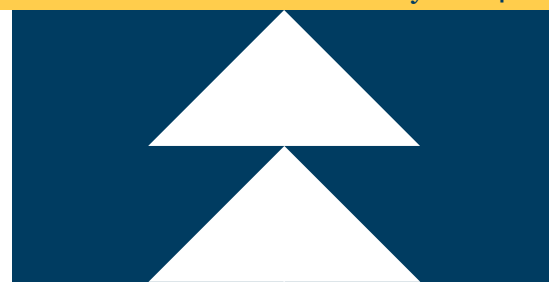
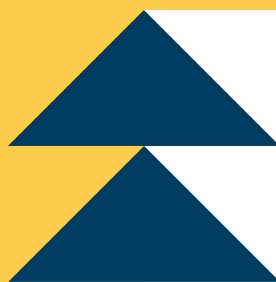




**OREGON  
STATE  
TREASURY**



# Inside the Vault

**Local Government Edition**

## Market Update

December marched higher in terms of returns across fixed income sectors. Ten-year interest rates ended the 2023 at 3.88% with tighter credit spreads. However, 10-year rates have slowly crept back toward 4% this month. Remarks from the Federal Reserve last month indicated a willingness to cut rates, and it cemented the market view that there will be interest rate cuts this year, though the timing and magnitude remain to be seen. January has started off with a fresh perspective regarding inflation, growth, and longer rates, but consensus remains that shorter rates are done moving up, and the Fed is done raising rates. Economic data continues to be mixed with positive jobs and lower inflation numbers. Spreads have widened with an onslaught of corporate issuance so far in January. Floating rate securities continue to be relatively attractive, but opportunities are harder to find.

## Oregon Short Term Fund

The OSTF's paid rate remains at 5% 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.

*(Continued on page 2)*



## Upcoming Holiday

The pool will be closed on Monday, January 15, for Martin Luther King, Jr. Day. Connect will be available but the system will not allow transactions to settle on the holiday.

## Interest Rates

Average Annualized Yield	
December	5.00%
Interest Rates	
December 1–31	5.00%

(Continued from page 1)

**Impact on Markets**

	11/30/2023	12/29/2023	Delta	Highlights
S&P 500	4,568	4,770	4.33%	Intraday low: 4,537 on 11/30
30-Year Treasury	4.4950	4.0290	-46.6 bps	Intraday low: 3.939 on 12/27
10-Year Treasury	4.3260	3.8790	-44.7 bps	Intraday low: 3.781 on 12/27
2-Year Treasury	4.6800	4.2500	-43.0 bps	Intraday low: 4.229 on 12/27
3-Month Bills	5.3880	5.3320	-5.6 bps	Intraday low: 5.322 on 12/29

**New E-mail Address for PFMAM Client Services**

Due to realignment within PFM Asset Management’s operations, the Client Services Group has a new e-mail address: [csgmww@pfmam.com](mailto:csgmww@pfmam.com). Messages sent to [csgmwwregion@pfmam.com](mailto:csgmwwregion@pfmam.com) will continue to be received and processed, but messages from the Client Services Group will come from the new address. To ensure that you continue to receive messages from the Client Services Group timely, update your contacts and safe senders lists. Some e-mail programs may put messages from the new address in your ‘junk’ or ‘spam’ folder, so check there if you do not receive a message you are expecting.

**LGIP: Audit Confirmation Requests**

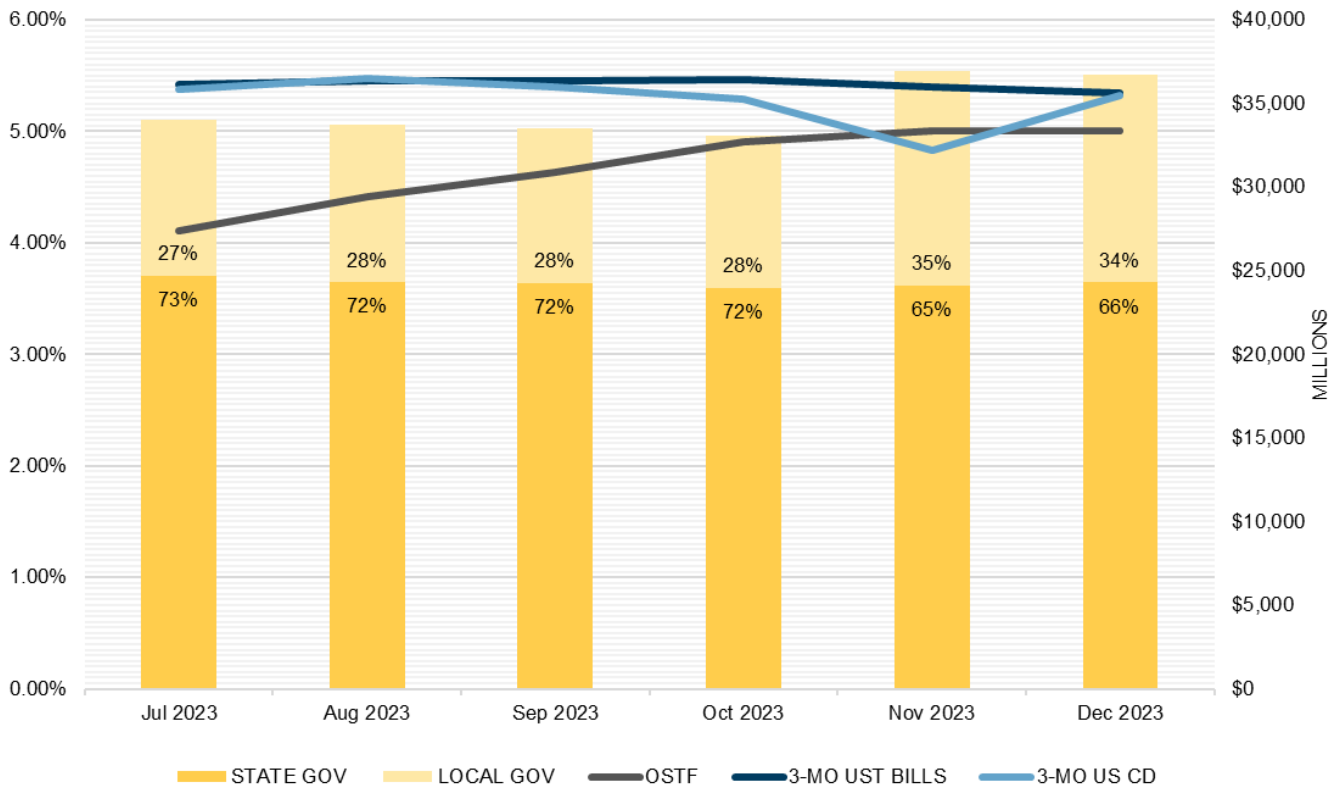
Auditors needing confirmation of Local Government Investment Pool account balances must submit requests in writing to PFMAM Client Services. Requests must include or be accompanied by a release signed by a participant’s authorized contact (the contact must be registered in the records of the pool and 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



	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
TOTAL OSTF AVG DOLLARS INVESTED (MM)	34,006	33,709	33,531	33,073	36,918	36,700
STATE GOV PORTION (MM)	24,701	24,322	24,270	23,964	24,110	24,315
LOCAL GOV PORTION (MM)	9,305	9,387	9,261	9,109	12,808	12,385
OSTF ANNUAL YIELD (ACT/ACT)	4.11	4.42	4.63	4.90	5.00	5.00
3-MO UST BILLS (BOND EQ YLD)	5.416	5.451	5.451	5.469	5.394	5.344
3-MO US CD (ACT/360)*	5.38	5.47	5.40	5.29	4.83	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

	12/29/2023	1 Month	3 Months	12 Months		12/29/2023	1 Month	3 Months	12 Months
7-Day Agency Discount Note**	5.22	5.26	5.21	3.90	Bloomberg Barclays 1-3 Year Corporate YTW*	4.97	5.45	5.87	5.12
30-Day Agency Discount Note**	5.24	5.28	5.27	4.01	Bloomberg Barclays 1-3 Year Corporate OAS*	0.67	0.75	0.84	0.73
90-Day Agency Discount Note**	5.22	5.25	5.32	4.41	Bloomberg Barclays 1-3 Year Corporate Modified Duration*	1.75	1.81	1.83	1.83
180-Day Agency Discount Note**	5.04	5.23	5.31	5.03					
360-Day Agency Discount Note**	866.22	866.22	5.16	4.21	7-Day Muni VRDN Yield**	3.87	3.30	3.98	3.66
					O/N GGC Repo Yield**	5.42	5.44	5.38	4.34
30-Day Treasury Bill**	5.31	5.28	5.26	3.92					
60-Day Treasury Bill**	5.27	5.29	5.33	4.11	Secured Overnight Funding Rate (SOFR)**	5.38	5.33	5.31	4.30
90-Day Treasury Bill**	5.26	5.30	5.36	4.31					
6-Month Treasury Yield**	5.26	5.40	5.55	4.76	US 10 Year Inflation Break-Even**	2.17	2.25	2.34	2.30
1-Year Treasury Yield**	4.77	5.13	5.46	4.71					
2-Year Treasury Yield**	4.25	4.68	5.05	4.43	1-Day CP (A1/P1)**	5.30	5.26	5.31	4.37
3-Year Treasury Yield**	4.01	4.44	4.80	4.23	7-Day CP (A1/P1)**	5.26	5.27	5.26	4.37
					30-Day CP (A1/P1)**	5.33	5.38	5.38	4.41
1-Month SOFR**	5.35	5.34	5.32	4.36					
3-Month SOFR**	5.33	5.37	5.40	4.59	30-Day CD (A1/P1)**	5.40	5.51	5.42	4.23
6-Month SOFR**	5.16	5.33	5.47	4.78	90-Day CD (A1/P1)**	5.32	5.72	5.60	4.53
12-Month SOFR**	4.77	5.11	5.47	4.87	6-Month CD (A1/P1)**	5.40	5.71	5.83	4.99
					1-Year CD (A1/P1)**	4.21	5.80	5.83	5.34

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**Newsletter Questions**

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**Local-Gov-News Mailing List**

[omls.oregon.gov/mailman/listinfo/  
local-gov-news](https://omls.oregon.gov/mailman/listinfo/local-gov-news)

**Local Government Investment Pool**

[oregon.gov/lqip](https://oregon.gov/lqip)

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[csgmww@pfmam.com](mailto:csgmww@pfmam.com)

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- ▲ Transactions
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- ▲ Account/User Maintenance
- ▲ Eligibility

**Treasury**

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- ▲ Investment Management
- ▲ Statutory Requirements
- ▲ Service Provider Issues
- ▲ General Program Inquiries

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503.431.7900

**Public Funds Collateralization Program**

[oregon.gov/pfcp](https://oregon.gov/pfcp)  
503.378.3400  
[public.funds@ost.state.or.us](mailto:public.funds@ost.state.or.us)



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