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 Manatee County

Monthly Investment Report

Economic Update August 31, 2023

- The Federal Open Market Committee is expected to maintain their benchmark lending rate at 5.50% ahead of meetings in late September and early November. Fed Chair Jerome Powell indicated that the committee would continue to take a data-dependent approach to any future hikes, which will be highly dependent on the state of the labor market and overall levels of inflation.
- Interestingly, the Fed no longer is forecasting a recession in 2023 or 2024, a substantial upgrade from prior meetings. Furthermore, the committee is expected to announce an upgrade to their growth forecast for the US economy in 2024.
- After the last rate hike, markets are now "on board" with the Fed that there will not be any cuts in 2023. Additionally, markets are also seeing the need for few, if any, cuts in early 2024 as calls for an economic recession wane.
- The central bank has remained committed to its stance that it will keep its policy rate "higher for longer" fueling speculation of whether this will be needed given cooling inflationary pressures.
- Markets are signaling that there will be no hike in September, and roughly a 50/50 chance of a 25 basis point hike for November.
- The US labor market continues to show strength, albeit at a slowing rate of growth. This implies that the Fed is correct, for now, that the US economy could be headed for a "soft landing". This means a slowing economy, but without a recession. The unemployment rate moved up slightly, indicating more individuals participating in the labor market.
- From the US Bureau of Labor Statistics:
- Total nonfarm **payroll employment increased by 187,000 in August**, and the **unemployment rate rose to 3.8 percent**, the U.S. Bureau of Labor Statistics reported today. Employment continued to trend up in health care, leisure and hospitality, social assistance, and construction. Employment in transportation and warehousing declined.

Cash and Investment Balances

Core Investment	Balance	30 - Day Yield	Trailing 12-Month Return	Weighted Average Maturity to Reset (Days)
Cash - Bank of America*	\$10,481,738.94			
Florida Prime (SBA)	\$576,499,538.50	5.58%	4.52%	33
FLGIT - Short-Term Bond Fund	\$505.47	4.81%	1.91%	664
FLGIT - Day to Day Fund	\$264,547,925.63	5.30%	4.25%	45
FL-FIT Cash Pool	\$513,562,872.87	5.45%	4.55%	18
DBIA LT Managed Portfolio**	\$313,449,556.80	5.47%		313
DBIA CP Ladder Managed Portfolio**	\$150,975,439.10	5.38%		157
	Total	Weighted Average	Weighted Average	Weighted Average
	\$1,829,517,577.31	5.47%	4.48%	89

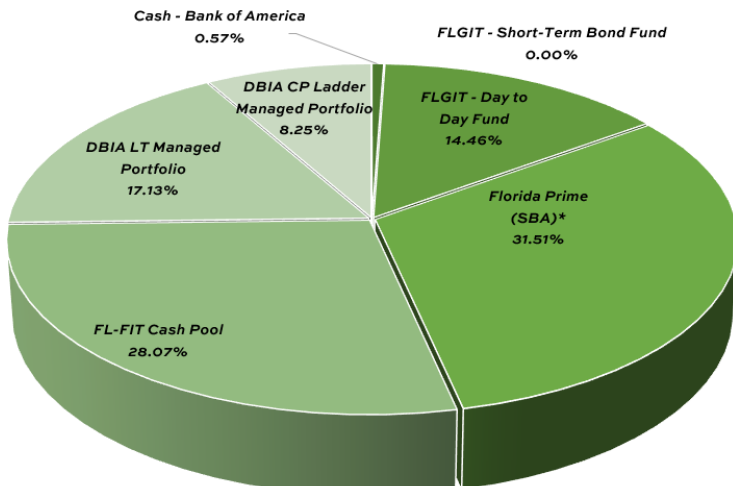
*Cash balances (Bank of America) not included in the weighted average.

**US Bank account ending in 010 is listed as DBIA LT Managed Portfolio. US Bank account ending in 000 is listed as DBIA CP Ladder Managed Portfolio.

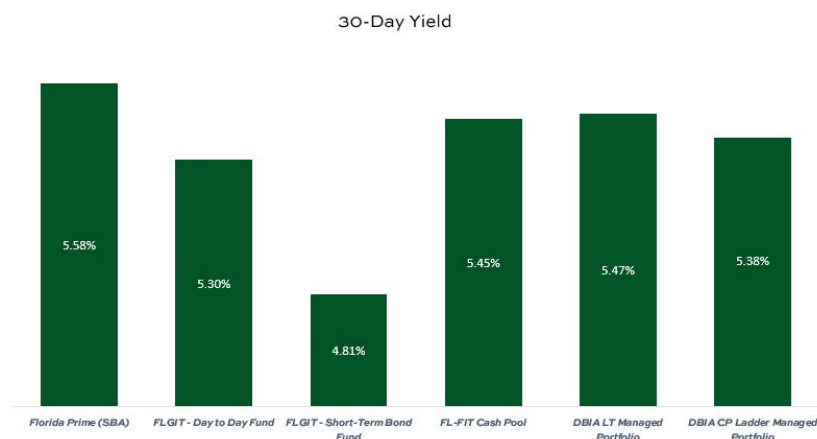
Note: Trailing 12-Month Return rate is not included/used in the weighted average calculation for DBIA LT Managed Portfolio and US Bank. Data in Gray for "30 - Day Yield, Trailing 12 - Month Return, and Weighted Average Maturity to Reset (Days)" is from July 2023 as August 2023 is not yet available.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Pools may be lower or higher than the performance quoted.

Portfolio Allocations



Portfolio Yield



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