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 Manatee County

Monthly Investment Report

Economic Update April 30, 2024

- When will the Fed begin cutting rates, and by how much? Is inflation headed back to the target level of 2%, or is there some work still to be done? These are the two major questions to be answered in 2024. As of early May, it appears inflation has flattened as economic growth continues to surprise to the upside.
- Longer-term rates not only reflect current economics but need to factor in additional uncertainty surrounding geopolitical events, inflation, employment, consumer spending, and concerns that the US government will continue to borrow money, thereby adding to an already large fiscal deficit.
- Since the start of the year, interest rates have risen, primarily driven by positive economic data and expectations of delayed rate cuts. The Fed acknowledges the next move is unlikely to be a rate hike, but remains committed to its data dependency, aka "wait and see". Market expectations have adjusted accordingly. (see chart on next slide).
- On May 1st, 2024, Federal Reserve policymakers opted to keep rates unchanged, maintaining the target rate at 5.25%-5.50%. Fed Chair Jerome Powell noted a "lack of further progress" on inflation. Despite recent market speculation, Powell emphasized that a rate hike remains unlikely, despite ongoing robust economic indicators.
- A growing number of Fed officials have begun signaling the possibility of maintaining higher interest rates for an extended period, with expectations of a longer-run policy rate potentially reaching 3%.
- Market sentiment has experienced a significant shift in rate cut expectations. In January, investors were pricing in over five 25-basis point cuts. However, current market consensus suggests only one rate cut by December, marking a notable departure from the initial expectation of five cuts at the year's outset.
- Initial jobless claims continue to remain very low, coming in at 208k for the week ending April 27, flat from the prior week. Initial jobless claims have remained low for quite some time now, not exceeding ~260k since early 2022.
- Although continuing unemployment claims rose off of historically low levels from late 2022 through the first half of 2023, they have since leveled off for almost a year now. Continuing claims for the week ending April 20 came in at 1,774k, below expectations of 1,790k.

Cash and Investment Balances

Core Investment	Balance	30 - Day Yield	Trailing 12-Month Return	Weighted Average Maturity to Reset (Days)
Cash – Bank of America*	\$ 10,661,119.46	2.59%		1
Florida Prime (SBA)	\$ 635,913,621.67	5.52%	5.39%	40
FLGIT - Short-Term Bond Fund	\$ 521.71	4.59%	4.03%	695
FLGIT - Day to Day Fund	\$ 274,296,703.12	5.44%	5.49%	20
FL-FIT Cash Pool	\$ 532,725,017.79	5.47%	5.43%	65
FL-FIT Cash Pool - Utilities Revenue Improvement Bonds, Series 2023	\$ 30,017,764.50	5.47%	5.43%	65
DBIA LT Managed Portfolio**	\$ 324,706,235.61	5.40%		378
DBIA CP Ladder Managed Portfolio**	\$ 407,756,786.04	5.26%		209
	Total	Weighted Average	Weighted Average	Weighted Average
	TOTAL \$ 2,216,077,769.90	5.42%	5.42%	125

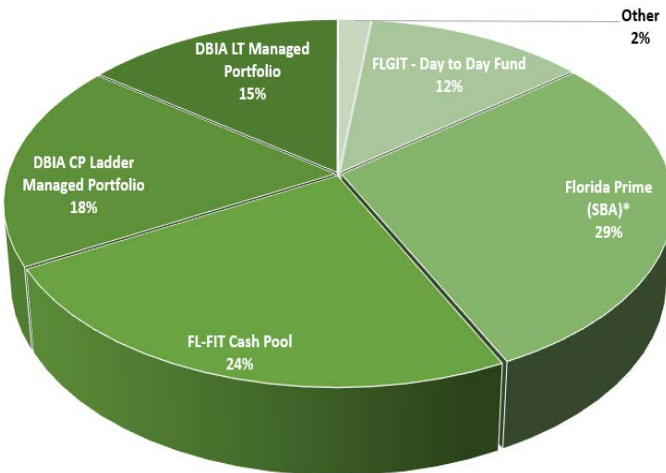
*Cash balances (Bank of America) not included in the Trailing 12-Month Return and Weighted Average Maturity to Reset (Days) weighted average.

**US Bank account ending in 010 is listed as DBIA LT Managed Portfolio (Inception Date: 3/21/2023). US Bank account ending in 000 is listed as DBIA CP Ladder Managed Portfolio (Inception Date: 8/10/2023). The balances listed are the account Book Value and the Trailing 12-Month Return rate is not included/used in the weighted average calculation for DBIA Managed Portfolios.

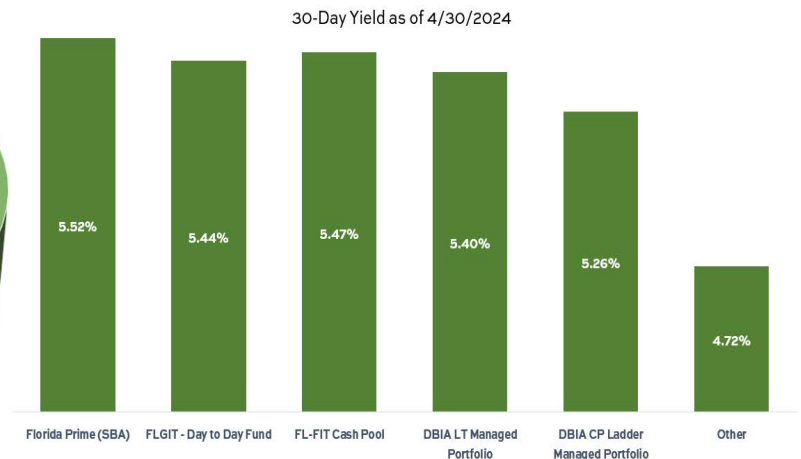
Trailing 12-Month Return rate is not included/used in the weighted average calculation for DBIA LT Managed Portfolio and US Bank.

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



Other: Cash - Bank of America, FL-FIT Cash Pool - Utilities Revenue Improvement Bonds Series 2023, and FLGIT - Short-Term Bond Fund.

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