

Market Indicators

	September	August	July
DOW	27,781.70	28,430.05	26,428.32
Fed Funds Rate	0.25%	0.25%	0.25%

Global Marketing Pricing:

	September	August	July
China (RenMinBi)	\$1=6.7905	\$1=6.8484	\$1=6.4075
Japan (Yen)	\$1=105.59¥	\$1=105.83¥	\$1=109.66¥
British Pound	\$1=0.7741£	\$1=0.7475£	\$1=0.7511£
Europe (Euro)	\$1=0.8530€	\$1=0.8366€	\$1=0.8550€

Trustee Portfolio PERFORMANCE:

The Local Government Investment Pool (LGIP) rate came in at .25%. The Trustee security earnings rate reported 1.61% and the Trustee's concentration interest reported 0.62%, leading the LGIP benchmark by 37 basis points. The Trustee Overall Portfolio rate came in at 0.51% leading LGIP by 26 basis points.

At the end of the month, (0%) of the Trustee portfolio was invested in Commercial Paper, (0%) was in Agencies, (77.87%) was at LGIP, (2.77%) was in Liquid CDARs, (10.95%) was in Certificate of Deposits (8.40%) was in CDARs and the remaining (0%) was in PFD.

Interest earnings for the month was \$260K. The Year to Date interest earnings are \$912K.

Shelby County Trustee Market Analysis Report September 2020

September's national unemployment rate fell .5% to 7.9%. For August, the TN State and Shelby County unemployment rates were reported as 8.6% and 13.40% respectively. September had another hurricane, wildfires, a European second Covid-19 wave, international and financial drama. The Dow Jones ended September down 2.3% at 27,781.70. The month started with an active tech sell off, but slowly recovered. An international money laundering scandal broke, including North Korea, China, and Russia. Of five primary banks, Deutsche Bank moved 1.2 of two trillion in suspect funds. The House Finance Committee urged expansion of the Fed's Main Street lending program, but Chairman Powell stated that Congress should fund via the Small Business Administration. Locally, the TN State Comptroller warned Nashville about a takeover due to a possible \$332 million budget shortfall. Hurricane Sandy brought record flooding to Gulf Shores, AL, parts of Mississippi and the Florida Panhandle. Wildfires burned millions of acres in Oregon and California. Covid-19 vaccine trials started. Pfizer enrolled 30K people. Johnson & Johnson and AstraZeneca are also testing. Roche' created a 15-minute rapid test. A second virus wave hit Italy, France, Spain and Britain. In Britain no more than 6 people can gather with fines and jail time for violators. British Parliament passed legislation to break parts of the Brexit plan. The European Union is threatening breach of international law. Europe hardened its stance with China over Hong Kong independence. US sanctions on Chinese chipmaker SMIC, plunged its value by 23%. A deal was approved involving US TicTok operations being sold to Oracle and Walmart, avoiding data security concerns. Congress is still negotiating further stimulus relief, amid nominations of a new Supreme Court justice. US troops in Iraq were reduced by 2,200 to 3,000. Microsoft confirmed escalated Russian, Chinese, and Iranian cyberattacks on the Presidential campaigns. Weak demand kept oil prices down. Disney is laying off 28K of its staff. Housing is strong. Consumer confidence jumped 17 points. New business applications rose 45% (vs 2019 3rd quarter.)

Trends for economic indicators:

	September	August	July
ISM Manufacturing (Oct #s rls 11/2)	55.40%	56.00%	54.20%
ISM Non-Manufacturing (Oct #s rls 11/4)	57.80%	56.90%	58.10%
Durable Goods (Sept #s rls 10/27)	0.40%	0.40%	11.20%
Consumer Confidence (Oct #s rls 10/27)	101.8	84.8	92.6
Housing Starts (Sept #'s rls 10/20)	1.416M	1.416M	1.496M
Existing Home Sales (Sept #s rls 10/22)	6.000M	6.000M	5.860M
New Home Sales (Sept #s rls 10/26)	1,011K	1,011K	901K
Leading Indicators (Sept #s rls 10/22)	1.20%	1.20%	1.40%
PPI (MOM) (Sept #s rls 10/14)	0.30%	0.30%	0.60%
CPI (MOM) (Sept #s rls 10/13)	0.40%	0.40%	0.60%
FOMC 2020 GDP forecast (Qtrly)	-3.70%	-6.50%	-6.50%
Unemployment (Oct #s rls 11/6)	7.90%	8.40%	10.20%



Shelby Co Trustee Investments
 Portfolio Management
 Portfolio Summary
 September 30, 2020

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
LGIP	435,092,443.34	435,092,443.34	435,092,443.34	77.87	1	1	0.250
Liquid CDARs	15,503,584.26	15,503,584.26	15,503,584.26	2.77	1	1	0.280
CDARs	46,954,000.00	46,954,000.00	46,954,000.00	8.40	410	272	1.304
Certificate of Deposit	61,170,000.00	61,170,000.00	61,170,000.00	10.95	626	307	1.845
Investments	558,720,027.60	558,720,027.60	558,720,027.60	100.00%	104	57	0.514
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Cash							
Passbook/Checking (not included in yield calculations)	15,484,930.22	15,484,930.22	15,484,930.22		1	1	0.000
Total Cash and Investments	574,204,957.82	574,204,957.82	574,204,957.82		104	57	0.514

Investment Policy Statement

 Regina Morrison Newman, Shelby County Trustee

SEPTEMBER 2020 PORTFOLIO

■ CDARs ■ CDs ■ Commercial Paper ■ Liquid CDARs ■ LGIP ■ PFDs ■ Agencies

