

Shelby County Trustee
November 2010 Market Analysis Report

November closed with an unexpected increase in the unemployment rate from 9.6% to 9.8%. Payrolls increased with a net gain of 39,000 jobs, but that figure was lower than the most conservative estimate. The underemployment rate held at 17.0%. The number of people unemployed for 27 weeks or more increased as a percentage of all people who are jobless to 41.9%, up from 41.8% in October. The GDP for the second quarter increased to 2.5%, yet durable goods fell to -3.3% which was lower than forecasted. Sales of existing homes increased and mortgage rates climbed to a five-month high. The average 30-year fixed mortgage rate was 4.61% and the average 15-year fixed mortgage rate was to 3.96%. The stock market closed at 11006.0, which was a decrease from the end of October.

Market Indicators:	<u>November</u>	<u>October</u>	<u>September</u>	<u>August</u>	<u>July</u>
DOW	11006.0	11118.5	10788.0	10014.7	10465.9
Fed Funds Rate	.25%	.25%	.25%	.25%	.25%

Global Market Pricing:	<u>November</u>	<u>October</u>	<u>September</u>	<u>August</u>	<u>July</u>
China (RenMinBi) (weaker)	\$1=6.6673	\$1=6.6705	\$1=6.6921	\$1=6.8078	\$1=6.7745
Japan (Yen) (stronger)	\$1=83.69¥	\$1=80.40¥	\$1=83.53¥	\$1=84.20¥	\$1=86.47¥
Europe (Euro) (weaker)	1€=\$1.2983	1€=\$1.3947	1€=\$1.3634	1€=\$1.268	1€=\$1.3052

Trends for economic indicators:

	<u>November</u>	<u>October</u>	<u>September</u>	<u>August</u>	<u>July</u>
ISM Manufacturing	56.6	56.9	54.4	56.3	55.5
ISM Non-Manufacturing	55.0	54.3	53.2	51.5	54.3
Durable Goods	-3.3%	4.9%r	-0.8%r	1.2%r	-0.2%r
Consumer Confidence	54.1	49.9r	48.6r	53.2r	51.0r
Building Permits	550K	547Kr	571Kr	559Kr	583Kr
Existing Home Sales	4.43M	4.53M	4.12Mr	3.84Mr	5.26Mr
New Home Sales	283K	308Kr	288K	288Kr	315Kr
Leading Indicators	0.5%	0.5%r	0.1%r	0.1%	-0.3%r
PPI (MOM)	0.4%	0.4%	0.4%	0.2%	-0.5%
CPI (MOM)	0.2%	0.1%	0.3%	0.3%	-0.1%
GDP Annualized	2.5%	2.0%	1.7%	1.6%	2.4%
Unemployment	9.8%	9.6%	9.6%	9.6%	9.5%

Trustee Portfolio Opportunities:

The Local Government Investment Pool (LGIP) rate remained at 0.23% at the end of November. The Trustee security earnings rate of 0.81% exceeded the LGIP benchmark by 58 basis points. At the end of the month, 51.3% of the Trustee portfolio was invested at LGIP with 17.0% held in Public Funds Deposit Accounts.

**Shelby County Trustee
Total Investments by Fund**

11/30/2010

	Prior Month	Current Month				
	<u>Amortized Cost</u>	<u>Amortized Cost</u>	<u>Par Value</u>	<u>Actual Cost</u>	<u>Avg. Yield</u>	<u>Avg. Maturity</u>
County Operating Funds						
2010 QSCB Payments	\$1,207,865	\$911,462	\$911,462	\$911,462	0.23%	1
Shelby County Government	\$147,561,441	\$138,241,890	\$138,241,890	\$138,241,890	0.62%	59
County Operating Funds	\$148,769,306	\$139,153,352	\$139,153,352	\$139,153,352	0.62%	59
Bond Proceeds						
2008A EMCP	\$14,989,020	\$10,142,445	\$10,142,445	\$10,142,445	0.23%	1
2009 B GO Bond	\$3,146,218	\$3,146,218	\$3,146,218	\$3,146,218	0.23%	1
Bond Proceeds	\$18,135,238	\$13,288,663	\$13,288,663	\$13,288,663	0.23%	1
Other Entities/Elected Officials						
Car Rental Tax	\$168,282	\$152,183	\$152,183	\$152,183	0.23%	1
Chancery Court Clerk	\$5,599,396	\$5,762,148	\$5,762,148	\$5,762,148	0.67%	60
Circuit Court Clerk	\$3,570,709	\$3,964,459	\$3,964,459	\$3,964,459	0.49%	36
County Clerk	\$5,456,724	\$4,392,499	\$4,392,499	\$4,392,499	0.40%	44
County Schools Gen'l Gov't	\$34,888,180	\$25,619,361	\$25,619,361	\$25,619,361	0.67%	139
Criminal Court Clerk	\$1,128,927	\$1,282,713	\$1,282,713	\$1,282,713	0.23%	1
Criminal Court Computer Fund	\$65,965	\$66,711	\$66,711	\$66,711	0.23%	1
DA Federal Asset Forf 650	\$10,073	\$11,121	\$11,121	\$11,121	0.23%	1
DA Fraud & Econ. Crime 654	\$59,190	\$67,624	\$67,624	\$67,624	0.23%	1
DTF Agency Share Award 656	\$93,296	\$115,165	\$115,165	\$115,165	0.23%	1
DTF Escrow Dep Fund 660	\$1,183,730	\$1,286,245	\$1,286,245	\$1,286,245	0.23%	1
DTF Forfeiture Award Acct 674	\$1,445,322	\$1,450,944	\$1,450,944	\$1,450,944	0.23%	1
Escrow Account-Sheriff	\$865,998	\$669,767	\$669,767	\$669,767	0.23%	1
General Sessions Civil-Computer F	\$643,680	\$654,226	\$654,226	\$654,226	0.23%	1
General Sessions Criminal-Comput	\$243,943	\$252,496	\$252,496	\$252,496	0.23%	1
General Sessions-Civil	\$7,515,939	\$7,534,474	\$7,534,474	\$7,534,474	0.37%	3
General Sessions-Criminal	\$1,684,158	\$1,560,769	\$1,560,769	\$1,560,769	0.48%	4
Juvenile Cr - Gen. Welfare	\$270,129	\$263,695	\$263,695	\$263,695	0.23%	1
Juvenile Cr - Op & Rev	\$155,929	\$123,902	\$123,902	\$123,902	0.23%	1
Law Library	\$109,968	\$105,929	\$105,929	\$105,929	0.23%	1

	Prior Month	Current Month				
	<u>Amortized Cost</u>	<u>Amortized Cost</u>	<u>Par Value</u>	<u>Actual Cost</u>	<u>Avg. Yield</u>	<u>Avg. Maturity</u>
Probate Court Clerk	\$770,883	\$803,956	\$803,956	\$803,956	0.23%	1
Register	\$1,332,866	\$1,387,090	\$1,387,090	\$1,387,090	0.23%	1
Register Computer Acct.	\$196,530	\$217,796	\$217,796	\$217,796	0.23%	1
Rural School Bonds	\$7,658,548	\$6,195,761	\$6,195,761	\$6,195,761	0.68%	77
Shelby Co Board of Ed - Hlth.	\$3,810,619	\$6,415,514	\$6,415,514	\$6,415,514	0.57%	120
Shelby Co Board of Ed - Ins.	\$2,260,704	\$2,284,589	\$2,284,589	\$2,284,589	0.23%	1
Sheriff Alert Fund Escrow	\$45,584	\$46,287	\$46,287	\$46,287	0.23%	1
Trustee Transactions	\$1,418,639	\$338,921	\$338,921	\$338,921	0.70%	290
Uptown Redevelopment	\$4,215,715	\$4,219,862	\$4,219,862	\$4,219,862	0.23%	1
Other Entities/Elected Officials	\$86,869,603	\$77,246,210	\$77,246,210	\$77,246,210	0.52%	73
Total All Funds	\$253,774,147	\$229,688,224	\$229,688,224	\$229,688,224	0.56%	60

**Shelby County Trustee
Weighted Average Cost and Yield**

Fund	LGIP	Yield	Securities	Yield	Total	Yield
<u>County Operating Funds</u>						
2010 QSCB Payments	\$1,128,937	0.23%			\$1,128,937	0.23%
Debt Service	\$1,977,896	0.23%			\$1,977,896	0.23%
Shelby County Government	\$25,861,940	0.23%	\$111,075,000	0.75%	\$136,936,940	0.65%
County Operating Funds	\$28,968,773	0.23%	\$111,075,000	0.75%	\$140,043,773	0.64%
<u>Bond Proceeds</u>						
2008A EMCP	\$10,305,531	0.23%			\$10,305,531	0.23%
2009 B GO Bond	\$3,146,525	0.23%			\$3,146,525	0.23%
Bond Proceeds	\$13,452,056	0.23%			\$13,452,056	0.23%
<u>Other Entities/Elected Officials</u>						
Car Rental Tax	\$131,662	0.23%			\$131,662	0.23%
Chancery Court Clerk	\$3,610,339	0.23%	\$2,000,000	1.50%	\$5,610,339	0.68%
Circuit Court Clerk	\$2,827,808	0.23%	\$1,000,000	1.25%	\$3,827,808	0.50%
County Clerk	\$3,297,767	0.23%	\$1,750,000	0.65%	\$5,047,767	0.38%
County Schools Gen'l Gov't	\$17,258,101	0.23%	\$12,250,000	1.15%	\$29,508,101	0.61%
Criminal Court Clerk	\$1,282,624	0.23%			\$1,282,624	0.23%
Criminal Court Computer Fund	\$66,344	0.23%			\$66,344	0.23%
DA Federal Asset Forf 650	\$10,321	0.23%			\$10,321	0.23%
DA Fraud & Econ. Crime 654	\$64,357	0.23%			\$64,357	0.23%
DTF Agency Share Award 656	\$114,654	0.23%			\$114,654	0.23%
DTF Escrow Dep Fund 660	\$1,268,145	0.23%			\$1,268,145	0.23%
DTF Forfeiture Award Acct 674	\$1,444,233	0.23%			\$1,444,233	0.23%
Escrow Account-Sheriff	\$832,757	0.23%			\$832,757	0.23%
General Sessions Civil-Compute	\$649,015	0.23%			\$649,015	0.23%
General Sessions Criminal-Com	\$249,377	0.23%			\$249,377	0.23%
General Sessions-Civil	\$6,190,446	0.23%	\$1,350,000	1.00%	\$7,540,446	0.37%
General Sessions-Criminal	\$1,089,287	0.23%	\$500,000	1.00%	\$1,589,287	0.47%
Juvenile Crt - Gen. Welfare	\$276,850	0.23%			\$276,850	0.23%
Juvenile Crt - Op & Rev	\$137,444	0.23%			\$137,444	0.23%
Law Library	\$106,848	0.23%			\$106,848	0.23%
Probate Court Clerk	\$900,129	0.23%			\$900,129	0.23%
Register	\$1,189,741	0.23%			\$1,189,741	0.23%

Fund	LGIP	Yield	Securities	Yield	Total	Yield
Register Computer Acct.	\$208,464	0.23%			\$208,464	0.23%
Rural School Bonds	\$1,159,340	0.23%	\$5,000,000	0.79%	\$6,159,340	0.68%
Shelby Co Board of Ed - Hlth.	\$3,434,845	0.23%	\$3,000,000	0.97%	\$6,434,845	0.57%
Shelby Co Board of Ed - Ins.	\$2,295,996	0.23%			\$2,295,996	0.23%
Sheriff Alert Fund Escrow	\$45,895	0.23%			\$45,895	0.23%
Trustee Transactions	\$1,560,633	0.23%	\$300,000	0.80%	\$1,860,633	0.32%
Uptown Redevelopment	\$4,219,640	0.23%			\$4,219,640	0.23%
Other Entities/Elected Officials	\$55,923,062	0.23%	\$27,150,000	1.05%	\$83,073,062	0.50%
Total	\$98,343,891	0.23%	\$138,225,000	0.81%	\$236,568,891	0.57%