

MONTHLY FINANCIAL REPORT

PERFORMANCE SUMMARY

June 2018

	Current Month	Year to Date	Chart
GENERAL FUND			
Total Revenues as a % of Budget Compared to Prior Year	N/A	POSITIVE	A
Total Expenditures as a % Budget Compared to Prior Year	N/A	POSITIVE	B
Property Tax Collection Analysis	NEGATIVE	POSITIVE	C
Sales Tax Collection Analysis	POSITIVE	POSITIVE	D
Expenditure Analysis	POSITIVE	POSITIVE	E
ENTERPRISE FUND			
Water Billing Analysis	POSITIVE	POSITIVE	F
Sewer Billing Analysis	POSITIVE	POSITIVE	G
Expense Analysis	POSITIVE	POSITIVE	H
HOTEL OCCUPANCY TAX REVENUE			
Hotel Tax Revenue Analysis (most recent quarter)	N/A	N/A	I
Hotel Tax Revenue Analysis (quarterly comparison for year)	N/A	N/A	J
SEDC			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	J
Expenditure Analysis	POSITIVE	POSITIVE	K
CRIME DISTRICT			
Sales Tax Collection Analysis	NEUTRAL	POSITIVE	L
Expenditure Analysis	POSITIVE	POSITIVE	M
INVESTMENTS			
Investment Report	N/A	N/A	N

PERFORMANCE INDICATORS:

POSITIVE
NEGATIVE
NEUTRAL

Positive = Positive variance as compared to seasonal trend.

Negative = Negative variance as compared to seasonal trend.

Neutral = Variance is less than 1%

GENERAL FUND



CHART A

TOTAL REVENUE THROUGH JUNE 2018

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	5,123,473	4,989,378	97.38%	98.81%
Penalties & Interest	39,000	34,721	89.03%	73.56%
Sales Tax	1,789,038	1,380,846	77.18%	73.85%
Franchise Tax	750,000	629,065	83.88%	74.61%
Other Tax	133,500	75,320	56.42%	41.82%
License & Permits	300,000	305,777	101.93%	63.85%
Charges for Services	65,500	3,182	4.86%	59.86%
DOT Fines	90,000	54,224	60.25%	73.03%
Other Municipal Court Fees	414,000	277,424	67.01%	73.32%
Interest Income	58,656	87,801	149.69%	68.83%
Intergovernmental	378,604	282,947	74.73%	68.66%
Other Revenue	619,173	1,069,504	172.73%	84.55%
Transfers from Enterprise Fund	1,822,415	1,366,811	75.00%	75.00%
Payment for Services-EDC	<u>227,542</u>	<u>170,657</u>	<u>75.00%</u>	<u>75.00%</u>
Total Revenues	11,810,901	10,727,656	90.83%	83.63%

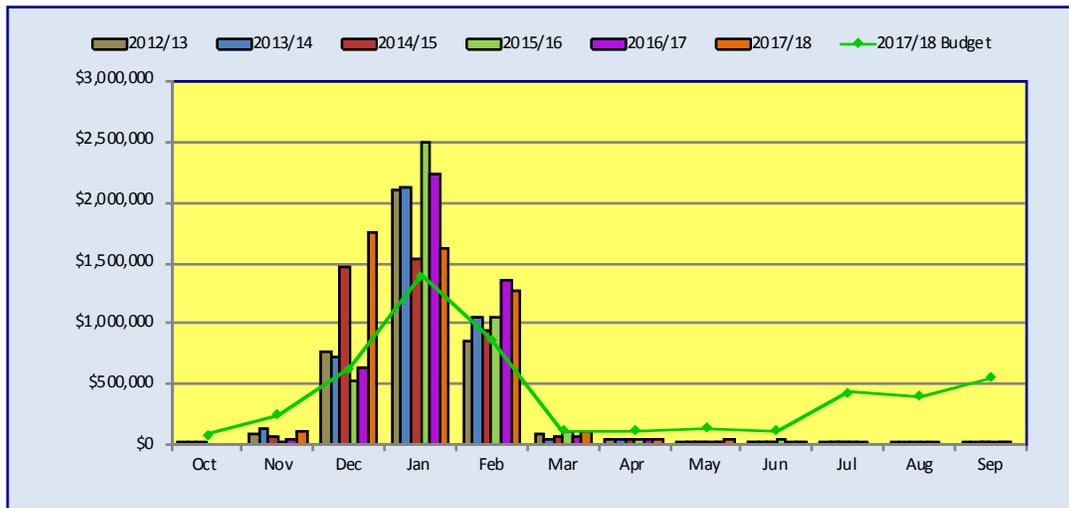
CHART B

TOTAL EXPENDITURES THROUGH JUNE 2018

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	7,565,275	5,310,441	70.19%	72.78%
Supplies	294,300	150,894	51.27%	59.64%
Services	2,774,207	2,061,185	74.30%	76.09%
Capital	<u>662,435</u>	<u>400,217</u>	<u>60.42%</u>	<u>27.40%</u>
Total Expenditures	11,296,217	7,922,736	70.14%	71.56%

CHART C

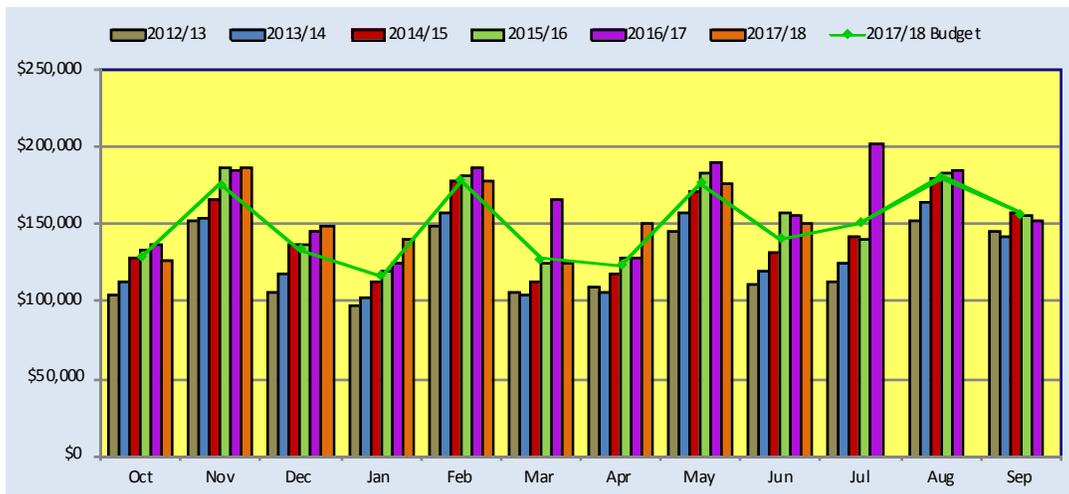
PROPERTY TAX ANALYSIS



Budget is divided into months based on the monthly percentages of the last 5 years' collections.
 2014/15 December collections were higher than the trend but were offset by lower collections in January

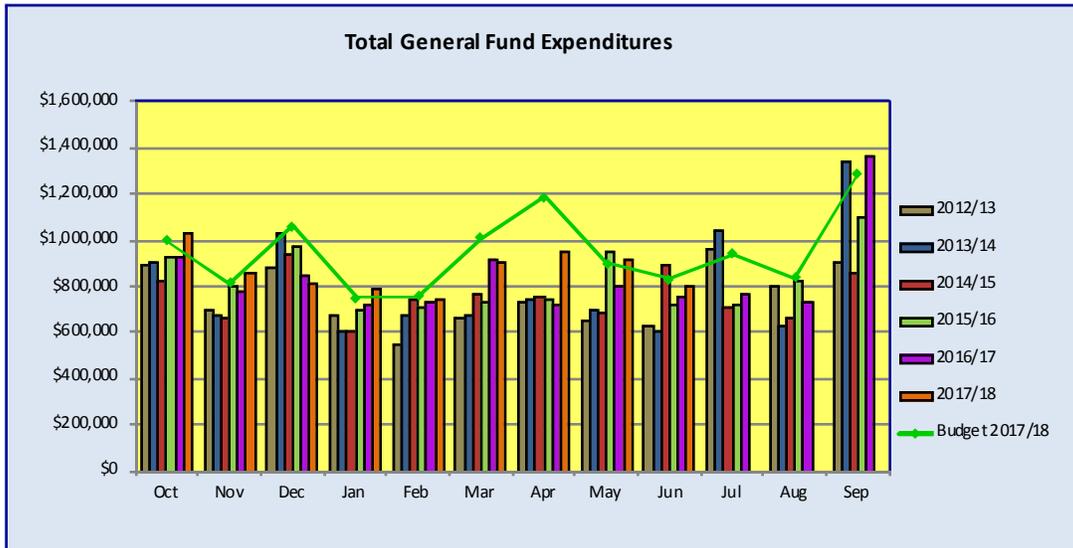
CHART D

SALES TAX ANALYSIS



2017/18 Budget is divided into months based on the monthly percentages of the last 5 years' activity of sales tax revenue.

EXPENDITURE ANALYSIS



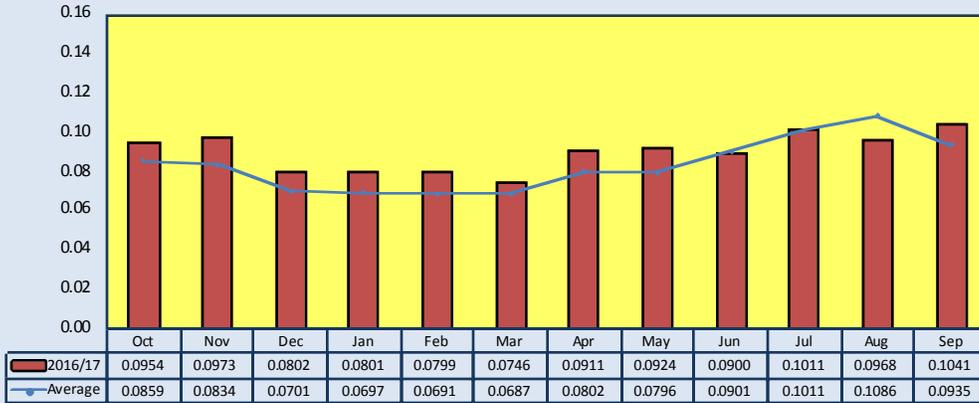
High expenditures in September 2010 are due to city hall A/C replacement.
 High expenditures in September 2014 are due to Seascapes road construction



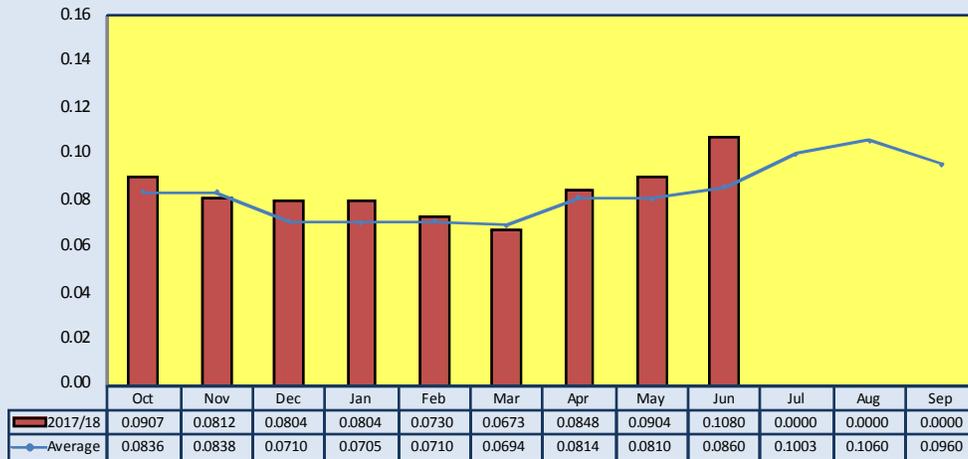
CHART F

WATER BILLING ANALYSIS

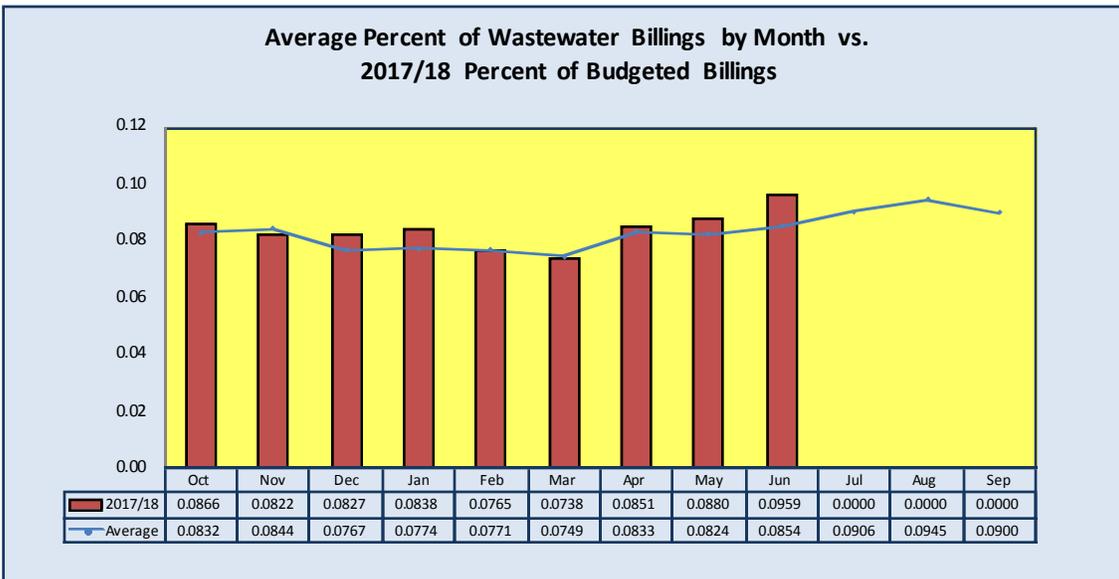
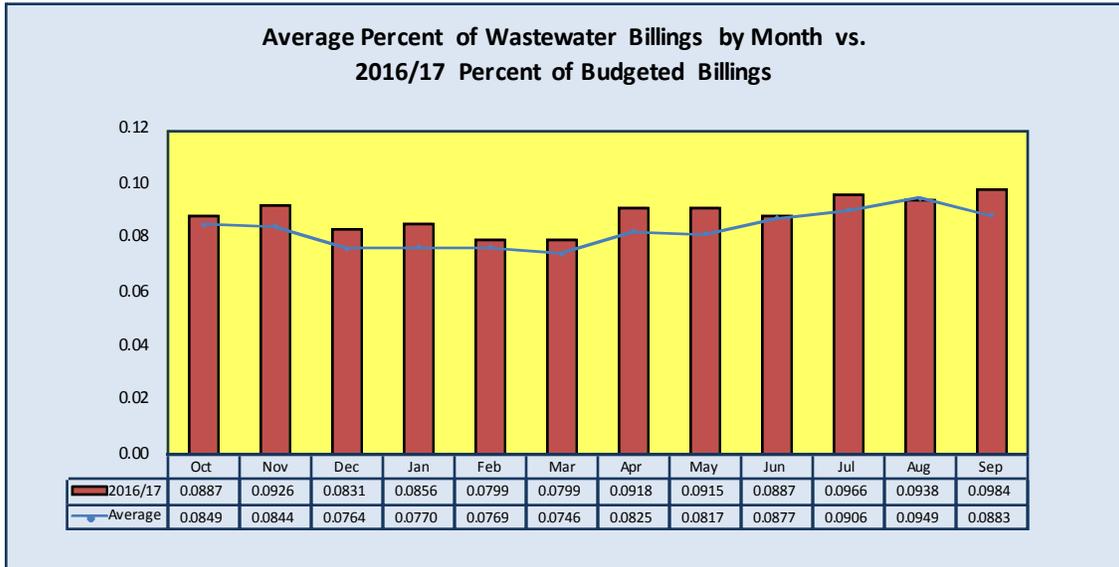
Average Percent of Water Billings by Month vs.
2016/17 Percent of Budgeted Billings



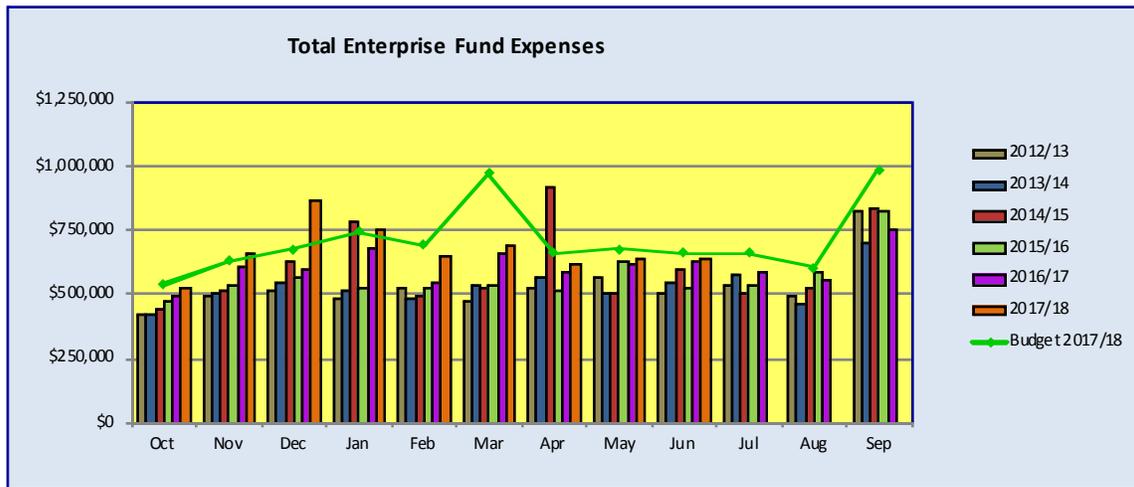
Average Percent of Water Billings by Month vs.
2017/18 Percent of Budgeted Billings



WASTEWATER BILLING ANALYSIS



EXPENDITURE ANALYSIS



Sept 2013 and Nov 2013 EXCLUDE property acquisition

December 2014 & January 2015 expenses much higher than budgeted due to Lakeside lift station repairs

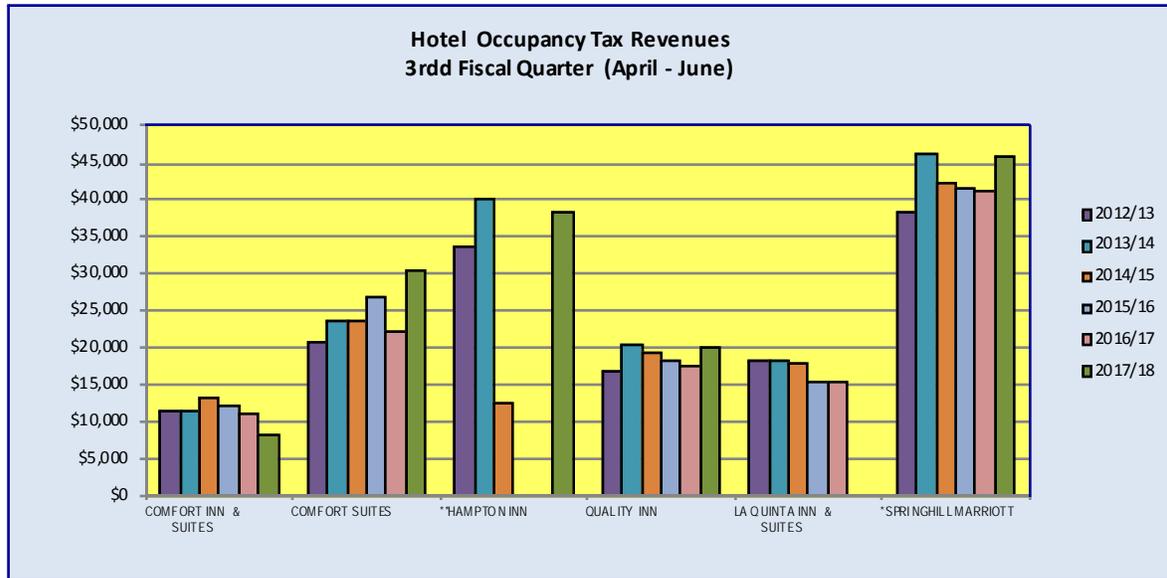
April 2015 expenses due to wastewater treatment plant upgrades

HOTEL TAX FUND



CHART I

HOTEL TAX REVENUE ANALYSIS

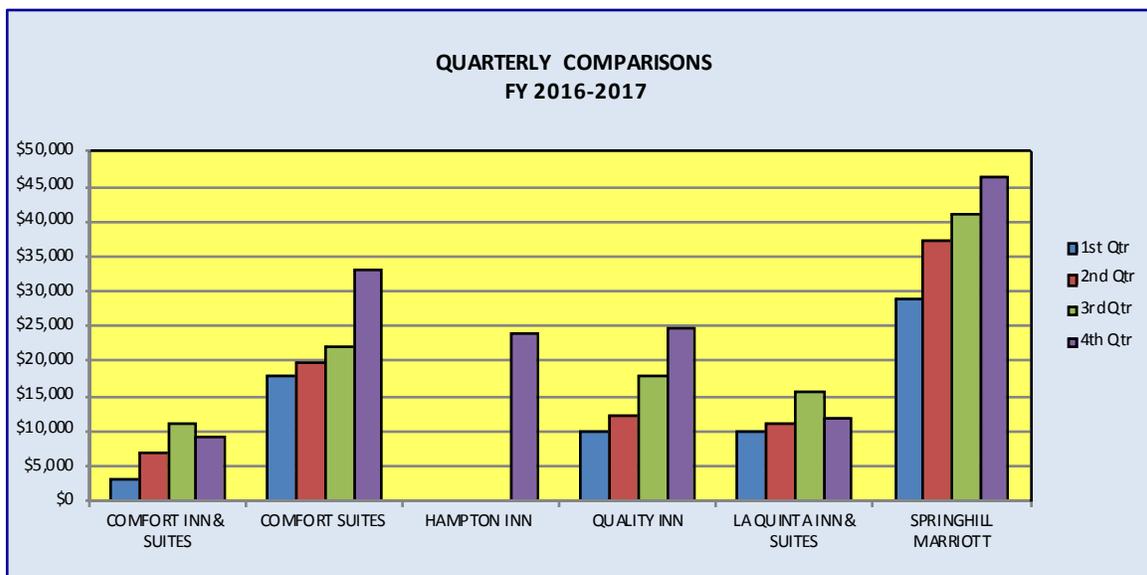


*Springhill Marriott opened last quarter 2010

** Hampton Inn closed 3rd quarter 2015 due to fire

CHART J

HOTEL TAX REVENUE



** Hampton Inn closed 3rd quarter 2015 due to fire reopened in 4th quarter 2017

SEABROOK EDC



CHART K

SALES TAX REVENUE ANALYSIS

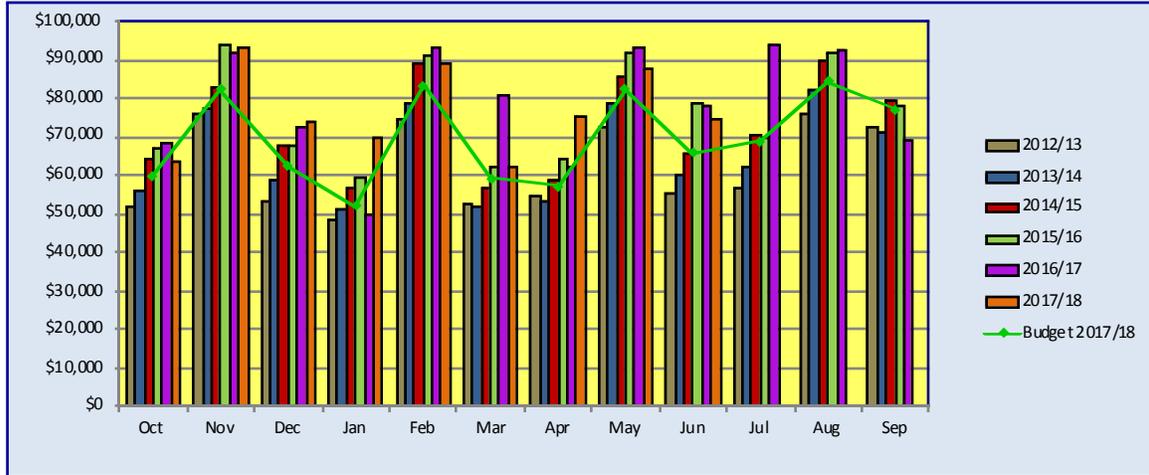
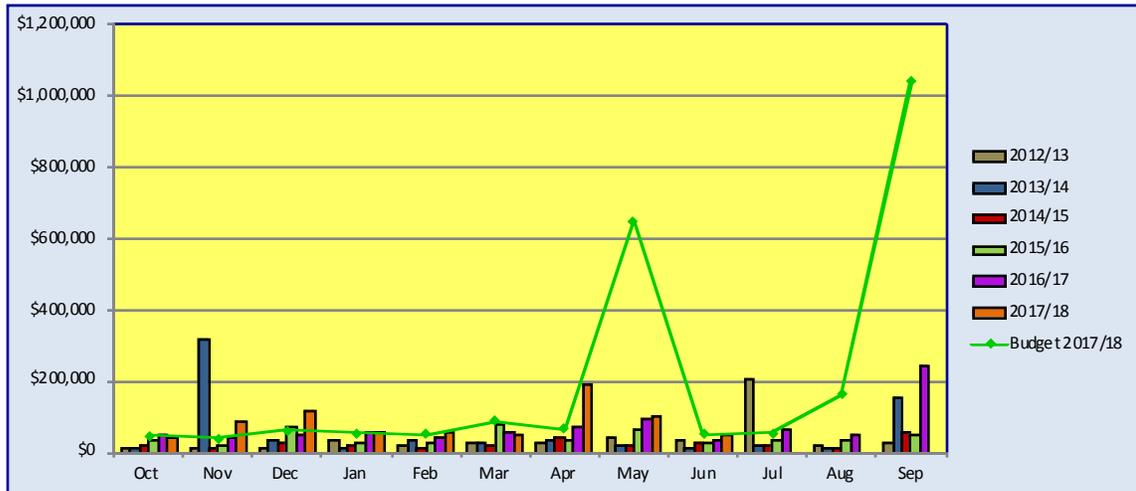


CHART L

EXPENDITURE ANALYSIS



2015/16 September budget reflects appropriations for incentives and Business relocation off HWY 146
 High exp in Nov 2011 was due to Gateway sign. High exp Nov 2014 was for the waterfront project July expenditures prior to 2013/14 included debt service payments.

CRIME DISTRICT



CHART M

SALES TAX REVENUE ANALYSIS

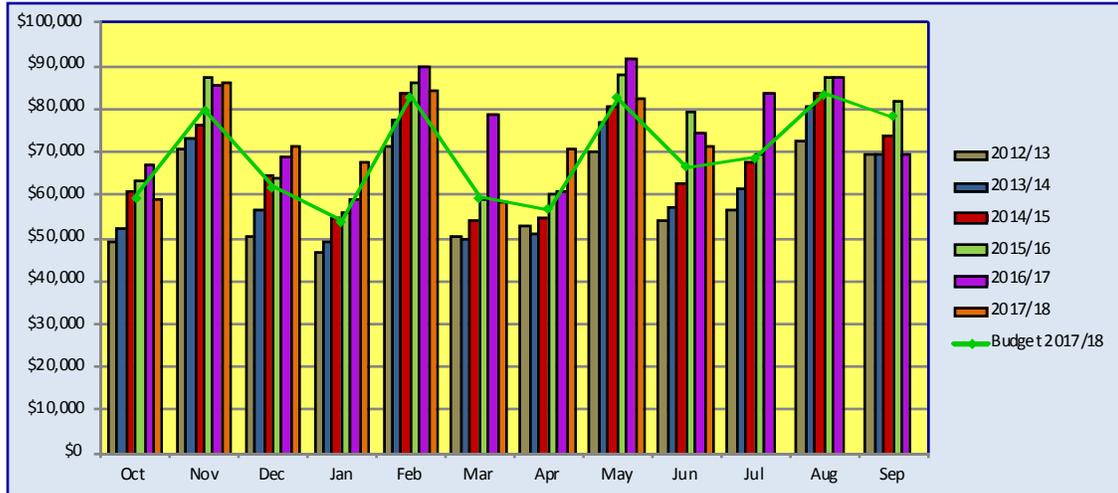
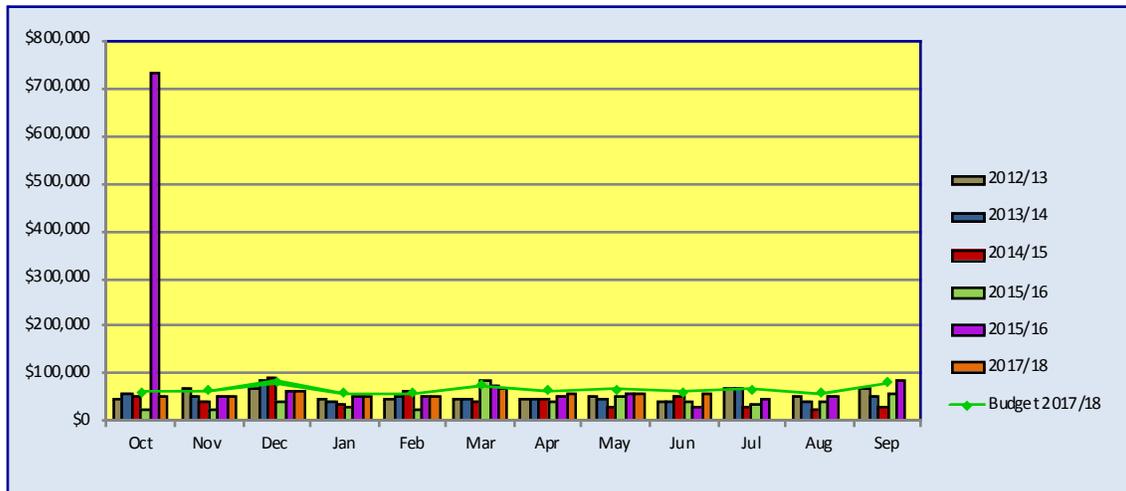


CHART N

EXPENDITURE ANALYSIS



Large December expenditures included vehicles. March 2016 includes reallocation of personnel expense.
 Large October expenditure includes initial payment to PSVERF.

INVESTMENTS



CHART O

MONTHLY INVESTMENT REPORT

TEXPOOL REPORT

MONTH OF JUNE 2018
1.8110%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Dec)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	8,200,251.12	(466,250.73)	14,079.33	7,748,079.72	Working capital
GENERAL FUND - RESTRICTED	1,600,000.00	0.00	incl in above	1,600,000.00	
ENTERPRISE FUND - UNRESTRICTED	2,545,831.23	374,395.59	4,262.88	2,924,489.70	Working capital
ENTERPRISE FUND - RESTRICTED	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,895,921.03	110,000.00	4,316.39	3,010,237.42	Water & sewer lines extensions & expansions
PARK FEES	79,861.52	0.00	118.87	79,980.39	Reserved for acquisition & development of park land
SEIZURE	34,102.75	0.00	50.76	34,153.51	Solely to purchase equipment for Law Enforcement
CHILD SAFETY PROGRAMS	31,746.93	0.00	47.26	31,794.19	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	15,299.36	0.00	22.77	15,322.13	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	1,098,687.84	44,000.00	1,637.72	1,144,325.56	Restricted for promotion of tourism
DEBT SERVICE FUND	3,351,737.38	12,267.37	4,989.73	3,368,994.48	Restricted for General fund reserves & yearly debt service
CAPITAL PROJECT BONDS	6,232,661.92	(255,000.00)	9,263.95	5,986,925.87	2016A CO WW Plant, Clarifier & Todville 2016 Sewer
WTR/SWR BONDS	1,032,064.14	(295,000.00)	1,520.71	738,584.85	Funds transferred from Bond Mkt Acct to allow liquidity
IT BONDS	48,557.99	0.00	72.28	48,630.27	Fiber Optics
PD & GF BONDS	0.00	0.00	0.00	0.00	Public Works Facility
PD & GF BONDS (GEN FUND Reser	52,046.26	0.00	77.47	52,123.73	Public Works Facility funds provided by GF Reserve
FIRE BONDS	25,638.66	0.00	38.16	25,676.82	Fire Engine
LAKESIDE DRIVE CERT DEP	(0.00)	0.00	0.00	(0.00)	
CAROTHERS	77,866.87	0.00	115.91	77,982.78	Carother Facility & Park
ANIMAL	761.79	0.00	1.13	762.92	Animal Shelter Needs - Donation
CRIME DISTRICT	655,642.67	6,593.42	957.03	663,193.12	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	3,168,139.66	9,587.77	5,053.02	3,182,780.45	Seabrook Economic Development Corporation II
SEDC II - RESTRICT FOR EMERG	180,000.00	0.00	incl in above	180,000.00	Emergency Reserve
STEP FUND	13,570.22	0.00	20.20	13,590.42	
PUBLIC SAFETY	229,419.06	0.00	341.49	229,760.55	Public Safety Needs
MUNI COURT - SECURITY FUND	19,851.27	0.00	29.55	19,880.82	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	15,229.97	0.00	22.67	15,252.64	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	6,806.28	0.00	10.13	6,816.41	Fund court on technology
PUBLIC SAFETY VERF	535,027.73	9,406.58	816.14	545,250.45	Public Safety Vehicle Equipment Replacement
PEG Fund	114,675.97	0.00	170.70	114,846.67	Public Education and Government Access
STABILIZATION FUND	817,188.78	0.00	1,216.39	818,405.17	Highway 146 Project
WATER RATE STABILIZATION	176,706.61	0.00	263.03	176,969.64	
TOTAL TEXPOOL FUND	33,555,295.01	(450,000.00)	49,515.67	\$33,154,810.68	

The investment portfolio of the City of Seabrook is in compliance with the investment strategies expressed in the City's Investment Policy and relevant provisions of Chapter 2256 of the Local Government Code.

Michael Gibbys

Finance Director



Monthly Newsletter: July 2018

ANNOUNCEMENTS

We welcome the following entities who joined TexPool in June 2018:

TexPool
 Travis County ESD 4
 KI Charter Academy
 Rowlett Housing Finance Corporation
 Harris County WCID 161
 City of Colleyville
 Dewitt County Drainage District No. 1
 Brazoria County ESD 2
 Shepherd ISD

TexPool Prime
 Travis County ESD 4
 Rowlett Housing Finance Corporation
 Upper Brushy Creek WCID
 Winkler County
 Dewitt County Drainage District No. 1
 Florence ISD
 Shepherd ISD

Upcoming Events

- Jul 08, 2018 - Jul 10, 2018, Gaylord Texan Resort & Convention Center, Grapevine
- 2018 TASSCUBO Summer Conference
- Aug 29, 2018 - Aug 31, 2018, Fairmont, Austin
- 2018 TAC Legislative Conference
- Sep 28, 2018 - Sep 30, 2018, Austin Convention Center, Austin
- 2018 TASA/TASB Annual Convention
- Oct 10, 2018 - Oct 12, 2018, Fort Worth Convention Center, Ft. Worth
- 2018 Texas Municipal League Conference

TexPool Advisory Board Members

Jose Elizondo, Jr.	Vivian Wood
Belinda Weaver	Jerry Dale
Patrick Krishock	Sharon Matthews
Michele Turtle	David Landeros

Overseen by the State of Texas Comptroller of Public Accounts Glenn Hegar.

Operated under the supervision of the Texas Treasury Safekeeping Trust Company

Economic and Market Commentary: No more normal?

July 1, 2018

For the Federal Reserve over the last 2½ years, business as normal has been the business of normalizing policy. It looks as if the Fed has finally shifted to tightening.

In mid-June, it raised rates to a target range of 1.75-2%, closer than the Fed has been in more than a decade to its comfort zone. With its summary of economic projections now indicating two more hikes in 2018 (our house call, as well) and three in 2019, quantitative tapering (QT) set to expand to \$40 billion per month in July and Chair Jerome Powell's upbeat assessment of the economy, it appears expansionary policy will soon run its course. We likely are near a bona-fide tightening cycle.

In addition to gushing about the economy, Powell announced that starting in July, he would be holding press conferences after every Federal Open Market Committee meeting instead of every other one. This is the culmination of years of trying to make the Fed's decision-making transparent, a far cry from its tradition of keeping monetary policy a secret. Powell's reasoning is that the markets have stopped even considering rate action in meetings when he doesn't speak. That is true, but the extra pressers could result in occasional unintentional transmitting of information. Case in point: June's hike. While the committee simply indicated it expected

(continued page 6)

Performance as of June 30, 2018

	TexPool	TexPool Prime
Current Invested Balance	\$18,198,612,856.87	\$4,975,084,306.61
Weighted Average Maturity	24	35
Weighted Average Life	81	65
Net Asset Value	1.00000	1.00006
Total Number of Participants	2486	321
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$27,562,003.66	\$8,971,476.92
Management Fee Collected	\$679,558.72	\$247,375.80
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$18,541,382,394.06	\$5,197,744,473.26
Average Monthly Rate	1.81%	2.10%
Average Weighted Average Maturity	27	28
Average Weighted Average Life	81	57

*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.
 **See page 2 for definitions.
 Past performance is no guarantee of future results.

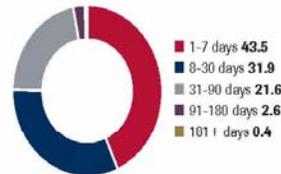
TexPool Participant Services
 1001 Texas Avenue, Suite 1400 · Houston, TX 77002
 Phone: 1-866-TEXPOOL (839-7665) · Fax: 1-866-839-3291 · TexPool.com

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 Serviced by **Federated**
 G35884-24 (7/18)



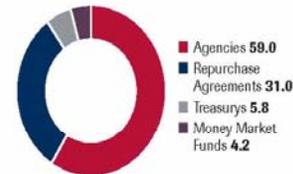
Portfolio by Maturity (%)

As of June 30, 2018



Portfolio by Type of Investment (%)

As of June 30, 2018



Portfolio Asset Summary as of June 30, 2018

	Book Value	Market Value
Uninvested Balance	\$502,384.54	\$502,384.54
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	10,187,786.00	10,187,786.00
Interest and Management Fees Payable	-27,562,047.26	-27,562,047.26
Payable for Investments Purchased	-78,500,000.00	-78,500,000.00
Accrued Expenses & Taxes	-44,418.20	-44,418.20
Repurchase Agreements	5,671,101,000.00	5,671,101,000.00
Mutual Fund Investments	776,022,103.88	776,022,103.88
Government Securities	10,789,947,224.15	10,789,978,701.20
U.S. Treasury Inflation Protected Securities	78,883,367.43	78,885,714.40
US Treasury Bills	727,104,547.22	727,197,501.77
US Treasury Notes	249,080,909.11	249,708,672.00
Total	\$18,198,612,856.87	\$18,198,577,398.23

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

Participant Summary

	Number of Participants	Balance
School District	588	\$5,971,145,027.66
Higher Education	57	\$787,903,102.82
Healthcare	82	\$648,473,644.69
Utility District	790	\$2,728,490,816.76
City	460	\$4,238,892,265.04
County	185	\$1,968,979,961.45
Other	326	\$1,824,448,001.72

****Definition of Weighted Average Maturity and Weighted Average Life**

WAM is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

WAL is calculated in the same manner as WAM, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.

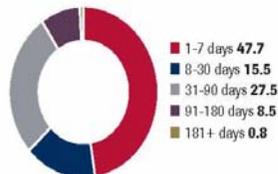


Daily Summary						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
6/1	1.7671%	0.000048414	\$18,743,106,312.49	0.99994	30	84
6/2	1.7671%	0.000048414	\$18,743,106,312.49	0.99994	30	84
6/3	1.7671%	0.000048414	\$18,743,106,312.49	0.99994	30	84
6/4	1.7686%	0.000048454	\$18,749,308,172.42	0.99994	27	82
6/5	1.7542%	0.000048061	\$18,699,261,017.05	0.99994	28	81
6/6	1.7526%	0.000048016	\$18,686,145,432.81	0.99993	28	85
6/7	1.7535%	0.000048040	\$18,572,962,463.30	0.99995	28	85
6/8	1.7479%	0.000047887	\$18,737,471,846.41	0.99995	28	84
6/9	1.7479%	0.000047887	\$18,737,471,846.41	0.99995	28	84
6/10	1.7479%	0.000047887	\$18,737,471,846.41	0.99995	28	84
6/11	1.7464%	0.000047846	\$18,793,401,300.40	0.99995	26	81
6/12	1.7440%	0.000047781	\$18,788,749,727.87	0.99996	26	81
6/13	1.7561%	0.000048113	\$18,674,602,441.40	0.99995	26	80
6/14	1.8207%	0.000049881	\$18,574,912,382.02	0.99997	27	81
6/15	1.8295%	0.000050123	\$18,491,842,249.70	0.99997	29	83
6/16	1.8295%	0.000050123	\$18,491,842,249.70	0.99997	29	83
6/17	1.8295%	0.000050123	\$18,491,842,249.70	0.99997	29	83
6/18	1.8302%	0.000050142	\$18,492,040,345.51	0.99997	26	81
6/19	1.8387%	0.000050376	\$18,511,529,756.83	0.99996	27	80
6/20	1.8326%	0.000050208	\$18,490,812,253.91	0.99996	27	80
6/21	1.8339%	0.000050241	\$18,404,673,750.30	0.99996	27	80
6/22	1.8564%	0.000050859	\$18,327,229,408.47	0.99997	27	80
6/23	1.8564%	0.000050859	\$18,327,229,408.47	0.99997	27	80
6/24	1.8564%	0.000050859	\$18,327,229,408.47	0.99997	27	80
6/25	1.8593%	0.000050939	\$18,495,834,185.00	0.99997	25	77
6/26	1.8574%	0.000050888	\$18,454,355,360.38	0.99998	24	76
6/27	1.8672%	0.000051155	\$18,260,776,248.68	0.99998	25	80
6/28	1.8716%	0.000051277	\$18,295,931,819.01	0.99998	24	79
6/29	1.9206%	0.000052620	\$18,198,612,856.87	1.00000	24	81
6/30	1.9206%	0.000052620	\$18,198,612,856.87	1.00000	24	81
Average	1.8110%	0.000049617	\$18,541,382,394.06	.99996	27	81

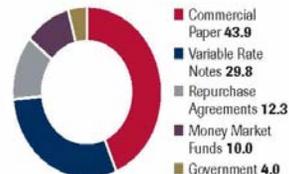


TEXPOOL PRIME

Portfolio by Maturity (%)
As of June 30, 2018



Portfolio by Type of Investment (%)
As of June 30, 2018



Portfolio Asset Summary as of June 30, 2018

	Book Value	Market Value
Uninvested Balance	\$9,258.24	\$9,258.24
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	3,014,769.13	3,014,769.13
Interest and Management Fees Payable	-8,971,478.16	-8,971,478.16
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-15,709.60	-15,709.60
Repurchase Agreements	614,897,000.00	614,897,000.00
Commercial Paper	2,185,392,002.39	2,185,276,381.60
Bank Instruments	0.00	0.00
Mutual Fund Investments	497,099,999.35	497,052,003.75
Government Securities	198,658,465.26	198,697,692.75
Variable Rate Notes	1,485,000,000.00	1,485,417,790.00
Total	\$4,975,084,306.61	\$4,975,377,707.71

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool Prime. The assets of TexPool Prime are the only source of payments to the Participants. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services

Participant Summary

	Number of Participants	Balance
School District	110	\$1,931,607,262.18
Higher Education	15	\$651,789,963.73
Healthcare	12	\$168,250,826.34
Utility District	28	\$315,495,229.20
City	64	\$645,624,455.16
County	35	\$547,467,063.68
Other	57	\$714,850,346.76



TEXPOOL PRIME

Daily Summary

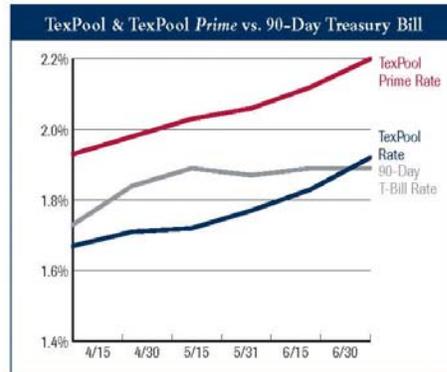
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
6/1	2.0629%	0.000056518	\$5,267,512,585.61	1.00007	29	57
6/2	2.0629%	0.000056518	\$5,267,512,585.61	1.00007	29	57
6/3	2.0629%	0.000056518	\$5,267,512,585.61	1.00007	29	57
6/4	2.0671%	0.000056634	\$5,251,032,250.43	1.00013	29	54
6/5	2.0509%	0.000056432	\$5,242,949,459.96	1.00013	28	54
6/6	2.0533%	0.000056254	\$5,250,424,298.94	1.00013	28	52
6/7	2.0547%	0.000056294	\$5,201,007,523.54	1.00013	27	54
6/8	2.0505%	0.000056177	\$5,258,324,678.42	1.00007	27	53
6/9	2.0505%	0.000056177	\$5,258,324,678.42	1.00007	27	53
6/10	2.0505%	0.000056177	\$5,258,324,678.42	1.00007	27	53
6/11	2.0472%	0.000056087	\$5,272,581,488.45	1.00010	24	50
6/12	2.0553%	0.000056310	\$5,277,534,347.92	1.00010	24	55
6/13	2.0584%	0.000056395	\$5,315,156,268.16	1.00009	24	54
6/14	2.0806%	0.000057002	\$5,280,942,293.82	1.00010	24	56
6/15	2.1169%	0.000057996	\$5,257,907,135.83	1.00003	25	57
6/16	2.1169%	0.000057996	\$5,257,907,135.83	1.00003	25	57
6/17	2.1169%	0.000057996	\$5,257,907,135.83	1.00003	25	57
6/18	2.1090%	0.000057780	\$5,239,133,829.17	1.00009	22	55
6/19	2.1017%	0.000057582	\$5,206,334,246.10	1.00008	23	55
6/20	2.1260%	0.000058246	\$5,146,507,414.80	1.00008	26	59
6/21	2.1216%	0.000058127	\$5,129,811,750.65	1.00008	28	59
6/22	2.1292%	0.000058333	\$5,091,948,826.42	1.00004	28	60
6/23	2.1292%	0.000058333	\$5,091,948,826.42	1.00004	28	60
6/24	2.1292%	0.000058333	\$5,091,948,826.42	1.00004	28	60
6/25	2.1314%	0.000058394	\$5,183,483,171.27	1.00009	28	59
6/26	2.1433%	0.000058721	\$5,189,119,469.69	1.00009	30	60
6/27	2.1509%	0.000058930	\$5,132,973,963.26	1.00009	32	62
6/28	2.1754%	0.000059601	\$5,027,094,099.74	1.00008	35	65
6/29	2.2045%	0.000060396	\$4,975,094,306.61	1.00006	35	65
6/30	2.2045%	0.000060396	\$4,975,094,306.61	1.00006	35	65
Average	2.1008%	0.000057555	\$5,197,744,473.26	1.00008	28	57



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to issue two more 25 basis-point increases this year, Powell painted that info a hawkish hue by using the word “great” to describe the economy when speaking to the press. As the Fed tightens, hikes will become more and more critical and Fed speak more and more scrutinized because too many hikes might precipitate a recession. The “plain-spoken” Powell will need to choose his words carefully.

In June, the 1-month London interbank offered rate (Libor) rose from 1.98% to 2.09%; 3-month increased from 2.31% to 2.34% and 6-month rose from 2.47% to 2.50%. The bump in the short end made floating-rate securities attractive for cash managers. The prime space saw a substantial supply of these and other short-term instruments, such as commercial and bank paper, and even Treasuries fit because of their still attractive yields on elevated supply. The spread between 3-month Libor and the Overnight Index Swap (OIS) remained wide in the month, not due to poor bank credit but excess short-term Treasury issuance from the Treasury Department and supply coming from Fed QT.



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.

Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.

Past performance is no guarantee of future results.