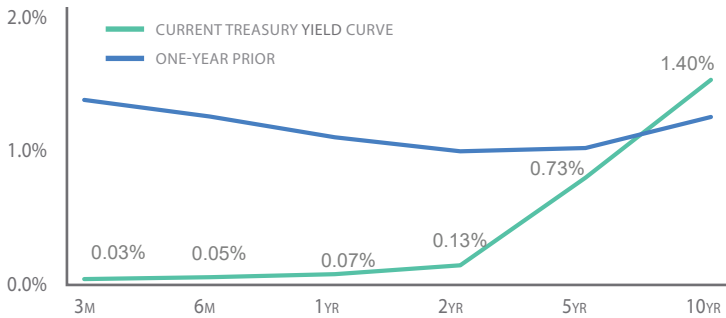




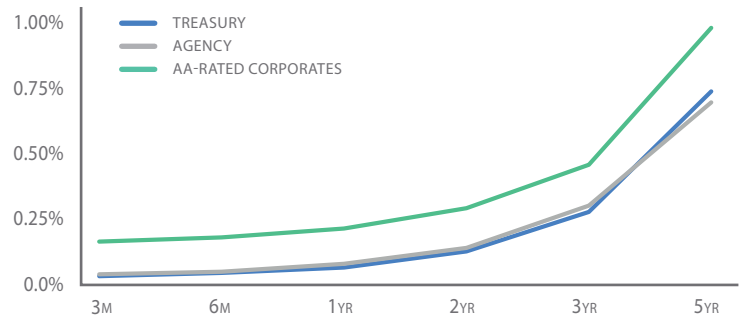
# IPAIT QUARTERLY BULLETIN

## Historical Treasury Yield Curve



Source: Bloomberg Finance L.P. 2/28/21

## Market Yields



Source: Bloomberg Finance L.P. 2/28/21

## FEATURED MARKET DATA

### What is Driving Yields Higher?

Federal Reserve officials are actively working to reassure markets that the recent climb in market yields represents improving expectations for economic growth rather than future inflation. It is clear that the rise in rates is driven by multiple factors ranging from fundamentals supporting stronger growth to technical factors such as banks hedging mortgage portfolios and increased Treasury supply. Looking beyond US Treasuries, at PMA we are watching Eurodollar futures, which are also rising. These contracts provide insight to expected Federal Reserve policy. The table below shows that the market believes the likelihood of a rate hike in 2022 or 2023 increased in the past month as market participants price in a faster recovery fueled by fiscal stimulus and dovish monetary policy.

Source: Wall Street Journal, PMA Asset Management

### Eurodollar Futures

3-Month Rates	3/1/21	2/1/21	Month Δ
6/16/21	0.06%	0.05%	0.01%
12/15/21	0.07%	0.06%	0.01%
6/15/22	0.10%	0.07%	0.03%
12/21/22	0.22%	0.11%	0.11%
6/21/23	0.47%	0.21%	0.26%
12/20/23	0.76%	0.37%	0.39%

Source: Bloomberg

## RECENT NEWS

### Small Investors Moving Markets

As the CEOs of the trading platform Robinhood, hedge fund Citadel LLC and market-maker Citadel Securities testified to Congress in February, market professionals were also examining the impacts of January's GameStop stock frenzy. Many hedge funds pared short selling strategies after recognizing the large impact that organized, small investors can have on the market. Others have noted tools like free trading apps and message boards can promote extreme volatility in less liquid parts of the market. While pure speculation may be driving some traders, the market is also recognizing the influence of small investors may have staying power.

Source: Wall Street Journal

## U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Core CPI (YoY)	02/10/21	JAN	1.5%	1.4%	1.6%
Retail Sales Ex. Auto (MoM)	02/17/21	JAN	1.1%	5.3%	-1.0% (R)
Building Permits	02/18/21	JAN	1.68m	1.88m	1.70m (R)
S&P Case Shiller 20-City Home Price Index (YoY)	02/23/21	DEC	9.90%		9.20% (R)
Consumer Confidence	02/23/21	FEB	90.0	91.3	88.9 (R)
Personal Spending	02/26/21	JAN	2.5%	2.4%	-0.4% (R)
ISM Manufacturing	03/01/21	FEB	58.9	60.8	58.7
Change in Nonfarm Payrolls	03/05/21	FEB	188K	--	49K
Unemployment Rate	03/05/21	FEB	6.3%	--	6.3%

Source: Bloomberg Finance L.P. 3/2/21. Glossary terms on following page.

## Investment Yield Summary as of 3/2/21

Daily Yield	0.01%
7-Day Average	0.01%

For current rates, a 12-month history of our daily rates, or investment assistance, please visit our website or call us toll free. The above daily rate is calculated based on a 365-day annualized factor. Past performance does not guarantee future results.

## FEATURED ARTICLE

### It's Almost Tax Time

Wow, where did 2020 go? I've heard that so many times, and it really is a good question. If you're like me, it doesn't seem like the last 11 months happened. My "normal" year would have included meeting friends for a St. Patrick's Day celebration, running the Dam to Des Moines 20K race, the Franklin County Fair, RAGBRAI, the Iowa State Fair, tailgating before football games and on and on.

What did you miss? Family reunions, weddings, your county fair, summer vacations, grilling out with friends, a big Super Bowl party? I'm sure everyone missed events that occur every year. I told a client the other day – it feels like 2020 never happened. Let's just hope that 2021 is the year things go back to the way they used to be.

One thing we can count on is property tax season and, believe it or not, it will be upon us in March. As mentioned in our previous quarterly bulletin, we've heard from a number of clients that their local banks weren't necessarily looking for public funds. Well, due to another round of COVID-19 payments, and now with tax receipts flowing in, we've seen this issue compounded even more.

Maybe your local bank is accepting public funds as usual, and that's fantastic news- congratulations! But we've fielded a number of calls and emails from clients concerned that may not be the case with their local institution and are asking for their user ID and passwords to check if their local bank is still the depository they set up when they passed the IPAIT resolution.

Chances are pretty good that your entity has passed the Iowa Public Agency Investment Trust (IPAIT)-enabling resolution and you're already set up to move funds to IPAIT. As I mentioned earlier, you may just need to update your authorized personnel or update your local bank so funds can be transferred ACH to and from your local bank.

If you're unsure if your council or board has passed the IPAIT resolution, give me a call and we can check to see if you're set up. If you know they have not passed the resolution and have questions, or would like me to meet with you, your finance committee, board or council, let me know and we can set up a meeting.

Remember, IPAIT is endorsed by the Iowa League of Cities, the Iowa Association of Municipal Utilities and the Iowa State Association of Counties. Any public body, as a member of any of these associations, can benefit by investing in IPAIT or just by utilizing the Fund to perhaps get a better rate locally. And as I alluded to earlier, IPAIT can be a great option for investing funds, whether in the daily fund or by investing funds in the Fixed Term program. I look forward to hearing from you.

## IPAIT Sponsors



## UPCOMING EVENTS

March 2-25	ISAC Virtual Spring Conference
April 15	HFMA Spring Meeting-Johnston
April 22-23	IMFOA Spring Conference-Des Moines
July 29	ISAC Scholarship Fundraiser-Pleasant Hill

## UPCOMING HOLIDAYS

Fund closed to transactions and participant inquiries:

Friday, April 2	Good Friday
Monday, May 31	Memorial Day
Monday, July 5	Independence Day (Observed)
Monday, September 6	Labor Day

## About IPAIT

Established in 1987, IPAIT offers a unique online proprietary reporting system with real-time account inquiry and transaction capabilities via the internet. Participants may invest, withdraw funds, check balances and transaction history, and make vendor payments through this system. There is no limit to the number of individual accounts, no minimum balance requirement, and no limit to the number of transactions per month.

Participants enjoy toll-free access to experienced administrators for personalized service regarding their IPAIT account. Contact IPAIT today to learn more about the additional benefits IPAIT offers.

## Contact

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Please note that Dan Zomermaand is now an IPAIT Participant! While we're sad to see him leave PMA's Iowa team, we appreciate his tireless efforts for Iowa communities. We wish him the best of luck as Sioux County Treasurer!

[www.ipait.org](http://www.ipait.org) | (800) 872-4024

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