

**FY 2021 Third Quarter: April 1, 2021 – June 30, 2021**

**Quarter - At a Glance**

- Total available Investable funds \$259,624,927.43 (See Exhibit A)  
(Excludes 10 Million set aside for nearby obligations.)
- Total Interest Received 3rd Quarter \$216,303.32 (See Exhibit B)
- Yield to Maturity (YTM) (See Exhibit C)
  - Cash Accounts 0.398%
  - Gov't Pools 0.061%
  - Money Market Accts 0.400%
- Total Collateral as of Third Quarter End (June 30, 2021)  
**(See Exhibit D)**
  - Moody - 147%
  - Texas First Bank - 153%
  - Prosperity Bank - 118%



**Galveston County  
Quarterly Investment Report  
April 1, 2021 to June 30, 2021**



This report is prepared for Galveston County in accordance with Chapter 2256 of the Public Funds Investment Act (PFIA). Section 2256.023 (a) of the PFIA states that "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Investment Officer and includes the disclosures required in the PFIA. Market prices were obtained from the Custodial Bank, JP Morgan Chase.

Month	Market Value	Book Value	Unrealized Gain/Loss	YTM @ Cost	Treasury 3 Month	Interest Earned	Days To Maturity
4/30/2021	244,991,174.02	244,991,174.02	0.00	0.35	0.02	71,492.94	1
5/31/2021	240,122,603.54	240,122,603.54	0.00	0.34	0.02	69,558.04	1
6/30/2021	269,624,927.43	269,624,927.43	0.00	0.35	0.04	75,252.34	1
<b>Total / Average</b>	<b>251,579,568.33</b>	<b>251,579,568.33</b>	<b>0.00</b>	<b>0.35</b>	<b>0.03</b>	<b>216,303.32</b>	<b>1</b>

Kevin Walsh, Treasurer

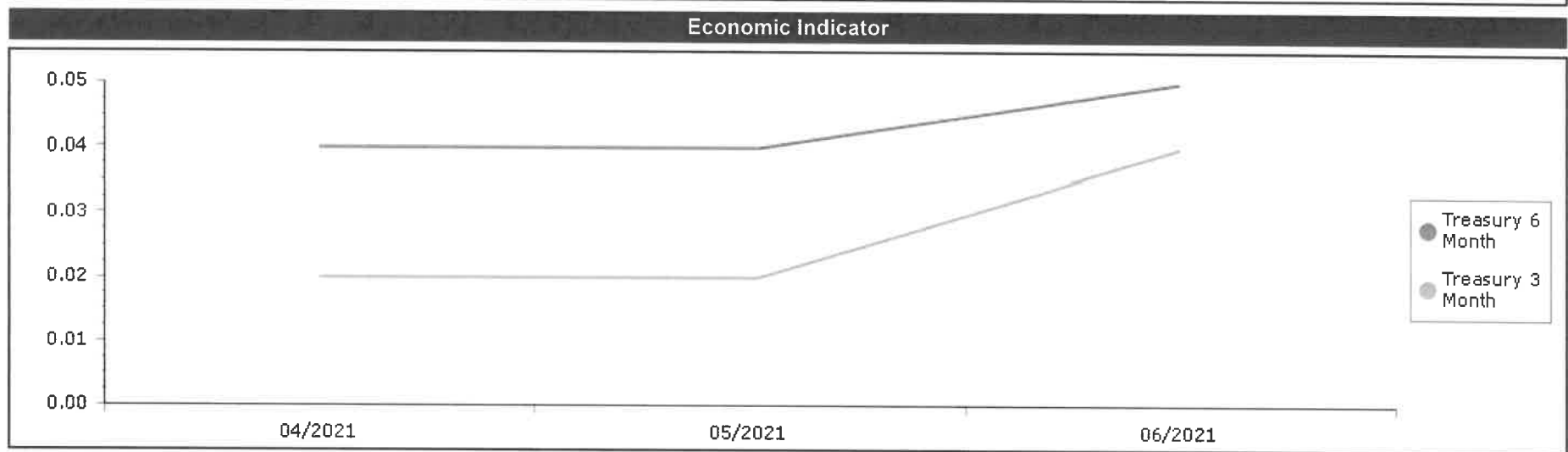
Date



## Galveston County Economic Indicator Treasury 6 Month vs. Treasury 3 Month

Begin Date: 4/30/2021, End Date: 6/30/2021

Economic Indicator			
Date	Treasury 6 Month	Treasury 3 Month	Spread
4/30/2021	0.04	0.02	-0.02
5/31/2021	0.04	0.02	-0.02
6/30/2021	0.05	0.04	-0.01



Date To Date  
MONTHLY Proof for Accuracy: MM, LGIP, Cash  
Report Format: By CUSIP / Ticker  
Group By: Portfolio Name  
Portfolio / Report Group: All Portfolios  
Begin Date: 3/31/2021, End Date: 6/30/2021

Description	CUSIP / Ticker	Beginning Face Amount/Shares	Buy Principal	Sell Principal	Interest	Ending Face Amount	End YTM
0002 General Fund							
Prosperity Bank Cash	02PRS081	193,727.95	207,280.22	418.17	195.59	400,590.00	0.400
Prosperity Bank Cash	02PRS161	629,280.28	443,131.13	357,217.00	762.14	715,194.41	0.400
Prosperity Bank Cash	02PRS321	293,831.64	274,980.16	392,478.60	285.23	176,333.20	0.400
Prosperity Bank Cash	02PRS431	2,386,600.82	84,943,246.47	85,108,017.30	3,184.23	2,221,829.99	0.400
Prosperity Bank Cash	02PRS481	848.94	412.98	476.85	0.88	785.07	0.400
Prosperity Bank Cash	02PRS511	165,459,179.85	10,898,655.74	27,000,000.00	154,103.88	149,357,835.59	0.400
Prosperity Bank Cash	02PRS561	2,942.11	3,306.23	3,261.99	2.39	2,986.35	0.400
Prosperity Bank Cash	02PRS591	999,297.49	408,430.46	672,484.36	1,154.33	735,243.59	0.400
Prosperity Bank Cash	02PRS751	0.01	-	-	-	0.01	0.000
Prosperity Bank Cash	02PRS781	845,653.68	24,067,954.45	22,653,805.22	1,171.89	2,259,802.91	0.400
Prosperity Bank Cash	02PRS831	1,112,796.52	880,440.12	1,112,549.52	968.86	880,687.12	0.400
Prosperity Bank Cash	02PRS861	3,875,678.39	19,679,945.08	21,011,736.75	3,226.29	2,543,884.72	0.400
Prosperity Bank Cash	02PRS911	101,674.82	141,485.29	121,796.18	100.57	121,363.93	0.400
Prosperity Bank Cash	02PRS941	26,089.23	136,779.29	119,521.88	41.29	43,346.64	0.400
Prosperity Bank MM	02PRS709	27,418,931.42	33,259,239.34	33,228,245.00	30,994.34	27,449,925.76	0.400
Texas CLASS LGIP	TXCL0004	41,222,573.88	7,620.14	4,046,580.97	6,656.53	37,183,613.05	0.061
Texas First Bank Cash	02JP600	235,127.14	243,133.96	133,990.01	-	344,271.09	0.000
Texas First Bank Cash	02TFB2PARKS	120,805.60	399,475.00	122,112.41	-	398,168.19	0.000
Texas Term LGIP	TXTM112406	627.62	0.07	-	0.07	627.69	0.030
<b>Sub Total/Average 0002 General Fund</b>		<b>244,925,665.39</b>	<b>175,995,516.13</b>	<b>196,084,692.21</b>	<b>202,848.51</b>	<b>224,836,489.31</b>	<b>0.343</b>
2901 ARP Stimulus							
Prosperity Bank MM	2901PRS617	-	33,232,978.89	-	4,733.89	33,232,978.89	0.400
<b>Sub Total/Average 2901 ARP Stimulus</b>		<b>-</b>	<b>33,232,978.89</b>	<b>-</b>	<b>4,733.89</b>	<b>33,232,978.89</b>	<b>0.400</b>
2902 ERA # 2							
Prosperity Bank MM	2902PRS609	-	3,272,490.67	-	466.15	3,272,490.67	0.400
<b>Sub Total/Average 2902 ERA # 2</b>		<b>-</b>	<b>3,272,490.67</b>	<b>-</b>	<b>466.15</b>	<b>3,272,490.67</b>	<b>0.400</b>

Exhibit A (Cont'd)

Description	CUSIP / Ticker	Beginning Face Amount/Shares	Buy Principal	Sell Principal	Interest	Ending Face Amount	End YTM
3120 Lmt Tx Cnty Bld Bd 09B							
Prosperity Bank MM	3120PRS111	64,582.42	64.43	-	64.43	64,646.85	0.400
<b>Sub Total/Average 3120 Lmt Tx Cnty Bld Bd 09B</b>		<b>64,582.42</b>	<b>64.43</b>	<b>-</b>	<b>64.43</b>	<b>64,646.85</b>	<b>0.400</b>
3307 2003 Road Bonds							
Prosperity Bank MM	3307PRS811	1,972,631.44	1,967.88	-	1,967.88	1,974,599.32	0.400
<b>Sub Total/Average 3307 2003 Road Bonds</b>		<b>1,972,631.44</b>	<b>1,967.88</b>	<b>-</b>	<b>1,967.88</b>	<b>1,974,599.32</b>	<b>0.400</b>
3308 2001 Road Bonds							
Prosperity Bank MM	3308PRS731	142,434.43	142.09	-	142.09	142,576.52	0.400
<b>Sub Total/Average 3308 2001 Road Bonds</b>		<b>142,434.43</b>	<b>142.09</b>	<b>-</b>	<b>142.09</b>	<b>142,576.52</b>	<b>0.400</b>
33102007 Limited Tax Bonds							
Prosperity Bank MM	3310PRS571	3,851,609.91	3,842.33	-	3,842.33	3,855,452.24	0.400
<b>Sub Total/Average 33102007 Limited Tax Bonds</b>		<b>3,851,609.91</b>	<b>3,842.33</b>	<b>-</b>	<b>3,842.33</b>	<b>3,855,452.24</b>	<b>0.400</b>
3312 Unlm Tx Rd Bd 09A							
Prosperity Bank MM	3312PRS031	1,527,670.85	1,523.99	-	1,523.99	1,529,194.84	0.400
<b>Sub Total/Average 3312 Unlm Tx Rd Bd 09A</b>		<b>1,527,670.85</b>	<b>1,523.99</b>	<b>-</b>	<b>1,523.99</b>	<b>1,529,194.84</b>	<b>0.400</b>
3370 Lmt Tx Fld Cntl Bd 09C							
Prosperity Bank MM	3370PRS381	393,177.86	392.23	-	392.23	393,570.09	0.400
<b>Sub Total/Average 3370 Lmt Tx Fld Cntl Bd 09C</b>		<b>393,177.86</b>	<b>392.23</b>	<b>-</b>	<b>392.23</b>	<b>393,570.09</b>	<b>0.400</b>
3373 COB Series 2008							
Prosperity Bank MM	3373PRS461	322,606.88	321.82	-	321.82	322,928.70	0.400
<b>Sub Total/Average 3373 COB Series 2008</b>		<b>322,606.88</b>	<b>321.82</b>	<b>-</b>	<b>321.82</b>	<b>322,928.70</b>	<b>0.400</b>
<b>Total / Average</b>		<b>253,200,379.18</b>	<b>212,509,240.46</b>	<b>196,084,692.21</b>	<b>216,303.32</b>	<b>269,624,927.43</b>	<b>0.352</b>
Less Funds Set Aside for nearby Obligations						-10,000,000.00	
Total Investable Funds						259,624,927.43	

Galveston County  
Date To Date  
TEXAS Earnings and Yields Summary Report  
Report Format: By Totals  
Group By: Security Type  
Portfolio / Report Group: All Portfolios  
Begin Date: 3/31/2021, End Date: 6/30/2021

**Exhibit B**

Description	Interest/Dividends	Ending YTM @ Cost
Cash	165,197.57	0.398
Local Government Investment Pool	6,656.60	0.061
Money Market	44,449.15	0.400
<b>Total / Average</b>	<b>216,303.32</b>	<b>0.352</b>

Exhibit C

Exhibit C

Portfolio Holdings

Portfolio Holdings / by Security Type

Report Format: By CUSIP / Ticker

Group By: Security Type

Average By: Face Amount / Shares

Portfolio / Report Group: All Portfolios

As of 6/30/2021

Description	CUSIP/Ticker	Face Amount/Shares	Market Value	Book Value	YTM @ Cost	Coupon Rate	% of Portfolio
<b>Cash</b>							
Prosperity Bank Cash	02PRS321	176,333.20	176,333.20	176,333.20	0.400	0.400	0.07
Prosperity Bank Cash	02PRS481	785.07	785.07	785.07	0.400	0.400	0.00
Prosperity Bank Cash	02PRS781	2,259,802.91	2,259,802.91	2,259,802.91	0.400	0.400	0.84
Prosperity Bank Cash	02PRS591	735,243.59	735,243.59	735,243.59	0.400	0.400	0.27
Prosperity Bank Cash	02PRS941	43,346.64	43,346.64	43,346.64	0.400	0.400	0.02
Prosperity Bank Cash	02PRS431	2,221,829.99	2,221,829.99	2,221,829.99	0.400	0.400	0.82
Prosperity Bank Cash	02PRS911	121,363.93	121,363.93	121,363.93	0.400	0.400	0.05
Prosperity Bank Cash	02PRS511	149,357,835.59	149,357,835.59	149,357,835.59	0.400	0.400	55.39
Prosperity Bank Cash	02PRS751	0.01	0.01	0.01	0.000	0.000	0.00
Prosperity Bank Cash	02PRS831	880,687.12	880,687.12	880,687.12	0.400	0.400	0.33
Prosperity Bank Cash	02PRS861	2,543,884.72	2,543,884.72	2,543,884.72	0.400	0.400	0.94
Prosperity Bank Cash	02PRS561	2,986.35	2,986.35	2,986.35	0.400	0.400	0.00
Prosperity Bank Cash	02PRS161	715,194.41	715,194.41	715,194.41	0.400	0.400	0.27
Prosperity Bank Cash	02PRS081	400,590.00	400,590.00	400,590.00	0.400	0.400	0.15
Texas First Bank Cash	02JP600	344,271.09	344,271.09	344,271.09	0.000	0.000	0.13
Texas First Bank Cash	02TFB2PARKS	398,168.19	398,168.19	398,168.19	0.000	0.000	0.15
<b>Sub Total / Average Cash</b>		<b>160,202,322.81</b>	<b>160,202,322.81</b>	<b>160,202,322.81</b>	<b>0.398</b>	<b>0.398</b>	<b>59.42</b>
<b>Local Government Investment Pool</b>							
Texas CLASS LGIP	TXCL0004	37,183,613.05	37,183,613.05	37,183,613.05	0.061	0.061	13.79
Texas Term LGIP	TXTM112406	627.69	627.69	627.69	0.030	0.030	0.00
<b>Sub Total / Average Local Government Investment Pool</b>		<b>37,184,240.74</b>	<b>37,184,240.74</b>	<b>37,184,240.74</b>	<b>0.061</b>	<b>0.061</b>	<b>13.79</b>
<b>Money Market</b>							
Prosperity Bank MM	3373PRS461	322,928.70	322,928.70	322,928.70	0.400	0.400	0.12
Prosperity Bank MM	3120PRS111	64,646.85	64,646.85	64,646.85	0.400	0.400	0.02
Prosperity Bank MM	2901PRS617	33,232,978.89	33,232,978.89	33,232,978.89	0.400	0.400	12.33
Prosperity Bank MM	3307PRS811	1,974,599.32	1,974,599.32	1,974,599.32	0.400	0.400	0.73
Prosperity Bank MM	2902PRS609	3,272,490.67	3,272,490.67	3,272,490.67	0.400	0.400	1.21
Prosperity Bank MM	3308PRS731	142,576.52	142,576.52	142,576.52	0.400	0.400	0.05
Prosperity Bank MM	3370PRS381	393,570.09	393,570.09	393,570.09	0.400	0.400	0.15
Prosperity Bank MM	3312PRS031	1,529,194.84	1,529,194.84	1,529,194.84	0.400	0.400	0.57
Prosperity Bank MM	3310PRS571	3,855,452.24	3,855,452.24	3,855,452.24	0.400	0.400	1.43
Prosperity Bank MM	02PRS709	27,449,925.76	27,449,925.76	27,449,925.76	0.400	0.400	10.18
<b>Sub Total / Average Money Market</b>		<b>72,238,363.88</b>	<b>72,238,363.88</b>	<b>72,238,363.88</b>	<b>0.400</b>	<b>0.400</b>	<b>26.79</b>
<b>Total / Average</b>		<b>269,624,927.43</b>	<b>269,624,927.43</b>	<b>269,624,927.43</b>	<b>0.352</b>	<b>0.352</b>	<b>100</b>

**Collateral Statement**As of June 30, 2021  
Galveston County, Texas

Exhibit D

Location of Investment	Description of Allowable Investment Options	Allowable Collateral	Safekeeping Agent	Minimum Contracted Collateral Percentage	Total* Funds Invested or on Deposit	Total Collateral-Lwr FMV or Book	Actual Collateral Percentage
Moody National Bank	Demand Deposits & Time Deposits	US Treasury Obligations, US Agencies, GNMA's	Federal Reserve Bank, or Chase Bank	110%	\$ 170,423	\$ 250,000	147%
Texas First Bank Hitchcock/Santa Fe/Texas City	Time Deposits	US Treasury Obligations, US Agencies, GNMA's	Federal Reserve Bank, or Chase Bank	110%	\$ 822,119	\$ 1,253,863	153%
Prosperity Bank	Time Deposits	US Treasury Obligations, US Agencies, GNMA's Agency Letters of Credit	Federal Reserve Bank, or Chase Bank	110%	\$ 259,437,084	\$ 305,322,740	118%
Totals:					<u>\$ 260,429,626</u>	<u>\$ 306,826,603</u>	118%

\*The first \$250,000.00 of all bank deposits are insured by FDIC. Moody National has coverage for \$250,000.00. Each TFB Branch has \$250K FDIC coverage. Texas First Bank Galveston has merged into Texas First Bank Texas City. Amegy Bank has FDIC coverage for \$250,000.



# Pledge Security Listing

June 30, 2021

ID	CUSIP	Description	Safekeeping Location	Safekeeping Receipt	Coupon	Maturity Date	Call Date	Moody	S&P	Fitch	ASC 320	Face Amount	Current Par	Current Book Value	Market Value	Gain(Loss)
<b>746000908-Galveston County</b>																
238	31401HTG7	FN #708951	Frost Bank		4.50	06/01/2033		AAA	AA+	AAA	HTM	1,000,000	26,645.83	26,659.31	28,469.55	1,810.25
268	31407A5N7	FN #825353	Frost Bank		5.00	04/01/2035		AAA	AA+	AAA	HTM	1,125,000	33,611.77	33,549.87	35,591.76	2,041.89
341	3128MMKW2	FHLMC #G18308	Frost Bank -		4.00	05/01/2024		AAA	AA+	AAA	AFS	1,000,000	11,111.18	11,111.18	11,350.34	239.16
623	36212YWS8	GN #547957	Frost Bank -		6.00	11/15/2031		AAA	AA+	AAA	AFS	1,000,000	25,072.45	25,039.36	27,767.80	2,728.44
637	31287MRW2	FG #C62301	Frost Bank -		5.50	01/01/2032		AAA	AA+	AAA	AFS	1,000,000	29,266.29	29,187.53	31,230.74	2,043.21
662	31371NH81	FNMA #256855	Frost Bank		5.50	08/01/2027		AAA	AA+	AAA	HTM	1,015,000	12,071.88	12,071.89	12,988.14	916.25
667	3128P7FZ1	FG #C91084	Frost Bank		5.50	07/01/2027		AAA	AA+	AAA	HTM	1,125,059	41,036.74	41,037.31	43,931.25	2,893.94
966	31417ER52	FNMA #AB7707	Frost Bank		2.00	01/01/2028		AAA	AA+	AAA	HTM	5,000,000	1,032,212.45	1,040,492.43	1,062,533.69	22,041.26
<b>Total for 746000908-Galveston County</b>												<b>12,265,059</b>	<b>1,211,028.59</b>	<b>1,219,148.88</b>	<b>1,253,863.27</b>	<b>34,714.40</b>

Although the information in this report has been obtained from sources believed to be reliable, its accuracy cannot be guaranteed.



**Moody Bank**   
MEMBER FDIC

Galveston County

Summary Reports for June 2021

Table of Contents

- List of accounts and end of month balances
- Pledge securities listing – The Baker Group
- TIB Holding Statement



# Moody Bank

MEMBER FDIC

County of Galveston

06/30/2021

Account Number	Account Description	Current Balance	Type
■ 8564	Adult Probation	168,008.52	N
■ 4442	Galveston County Sheriff Dept	2,413.68	D
■ 3352	Justice Court	0.56	D
■ 2239	Dwight Sullivan County Clerk Registry Interest	0.00	N
	Total	\$170,422.76	

N=Now Account  
M=Money Market Account  
D=Demand Account

## Pledges By Pledgee And Maturity



**Pledged To: GALVESTON COUNTY**

**Moody National Bank - Galveston, TX**

**As Of 6/30/2021**

Page 6 of 26

Receipt# Safekeeping Location	CUSIP	ASC 320	Description Maturity Prerefund	Pool/Type Coupon	Moody S&P	Original Face Pledged Percent	Pledged			
							Original Face	Par	Book Value	Market Value
TIB: TIB	067167ZN9	AFS	BARBERS HILL ISD TX 40 02/15/40	3.00	Aaa AAA	300,000.00 100.00%	300,000.000	300,000.000	334,557.430	338,361.000
<b>1 Securities Pledged To: CNTY - GALVESTON COUNTY</b>							<b>300,000.000</b>	<b>300,000.000</b>	<b>334,557.430</b>	<b>338,361.000</b>

Although the information in this report has been obtained from sources believed to be reliable, its accuracy cannot be guaranteed.

As of Date: 06/30/21

PLEDGED TO: GCY GALVESTON COUNTY		Safekeeping Agent			Original Face	S&P	
Cusip	Security Description 1	Rate	Maturity	Type	Par/Curr Face	Moody	Date Plgd
Loc Ticket	Security Description 2						
067167ZN9	BARBERS HILL TEX INDPT SCH DIS	TIB	THE INDEPENDENT BANKERSBANK		300,000.00		
202 245044393	UNLTD TAX BLDG BDS 2020	3.00000000	02/15/2040	200	300,000.00	Aaa	04/01/2021

TOTAL FOR PLEDGE ID: GCY

Pledged: 1 Orig Face: 300,000.00 Current Face: 300,000.00

[crystal.cooper@co.galveston.tx.us](mailto:crystal.cooper@co.galveston.tx.us)  
[kevin.walsh@co.galveston.tx.us](mailto:kevin.walsh@co.galveston.tx.us)

TIN# 74-6000908  
TO: County of Galveston - Treasury Department

PREPARED BY: Amanda Tinnin

Date: June 30, 2021

SUBJECT: TOTAL DEPOSITS vs TOTAL COLLATERAL

DEPOSITS:

Total Demand Deposits:	\$822,119.45
LESS FDIC COVERAGE Demand	(\$250,000.00)
	\$572,119.45
Total Savings-Time-NOW Deposits:	\$0.00
LESS FDIC COVERAGE SV-Time	(\$250,000.00)
	(\$250,000.00)
Total	\$572,119.45
110% OF DEPOSITS not covered	\$629,331.40

COVERAGE:

TOTAL PLEDGED SECURITY	\$1,211,028.59	
BOOK VALUE	\$1,219,148.88	
MARKET VALUE	\$1,253,863.27	
Market Value		\$1,253,863.27
EXCESS COLLATERAL		\$624,531.88

PREPARED BY: Amanda Tinnin  
[amanda.tinnin@texasfirstbank.com](mailto:amanda.tinnin@texasfirstbank.com)  
409-978-2250



## **PROSPERITY BANK®**

July 1, 2021

Galveston County Treasurer  
722 Moody Ave. 4<sup>th</sup> Floor  
Galveston, TX 77550

RE: Balance Confirmation

Please accept the following as confirmation of total deposit balances.

\$259,437,084.09

Please let me know if you need any additional information. I can be reached at (979) 541-4227.

Sincerely,

***Lindsey Blezinger***

**Prosperity Bank**  
Banking Officer  
Accounting - Treasury

1301 N. Mechanic  
P O Drawer G  
El Campo, TX 77437

(979) 541-4227 Direct  
[lindsey.blezinger@prosperitybanktx.com](mailto:lindsey.blezinger@prosperitybanktx.com)

# Pledge Security Listing

June 30, 2021

ID	CUSIP	Description	Safekeeping Location	Safekeeping Receipt	Coupon	Maturity Date	Call Date	Moody	S&P	Fitch	ASC 320	Face Amount	Current Par	Current Book Value	Market Value	Gain(Loss)
<b>GALVESTON COUNTY TREASURER</b>																
2466	31294MCF6	FHLMC #E02770	FHLB		3.00	11/01/2025		AAA	AA+	AAA	HTM	25,000,000	1,111,626.75	1,112,001.47	1,141,141.92	29,140.45
2467	31294MCF6	FHLMC #E02770	FHLB		3.00	11/01/2025		AAA	AA+	AAA	HTM	25,000,000	1,111,626.75	1,111,646.51	1,141,141.92	29,495.41
2486	31416Y4Y1	FNMA #AB3538	FHLB		3.00	09/01/2021		AAA	AA+	AAA	HTM	100,000,000	154,201.00	154,222.12	154,221.14	(0.98)
2519	31418AB31	FNMA #MA0957	FHLB		3.00	01/01/2022		AAA	AA+	AAA	HTM	24,548,494	141,435.17	141,510.49	141,862.14	351.65
3541	31417DY49	FNMA #AB7030	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	39,632,406	7,199,698.57	7,248,169.02	7,411,189.72	163,020.70
3544	31417DRU9	FNMA #AB6798	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	50,060,360	10,416,054.60	10,484,706.76	10,722,026.21	237,319.45
3546	31410LKN1	FNMA #890501	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	22,500,000	4,631,664.38	4,663,022.83	4,767,719.52	104,696.68
3608	3128MDNB5	FHLMC #G14686	FHLB		2.00	03/01/2028		AAA	AA+	AAA	HTM	72,530,991	16,687,007.82	16,741,462.38	17,177,188.67	435,726.29
3660	31307BBG4	FHLMC #J22739	FHLB		2.50	03/01/2028		AAA	AA+	AAA	HTM	11,250,000	2,212,278.98	2,212,278.98	2,300,770.13	88,491.16
4214	3138EPD27	FNMA #AL6420	FHLB		2.00	01/01/2030		AAA	AA+	AAA	HTM	43,500,000	12,952,546.52	13,061,987.94	13,333,027.57	271,039.64
4259	3138WFAL0	FNMA #AS5410	FHLB		2.50	07/01/2030		AAA	AA+	AAA	HTM	52,501,812	15,840,316.45	15,900,596.12	16,473,929.11	573,332.98
4304	3128MMT86	FHLMC #G18574	FHLB		2.50	11/01/2030		AAA	AA+	AAA	HTM	10,000,000	3,020,671.20	3,045,346.59	3,141,498.05	96,151.46
4873	3128P8AQ4	FHLMC #C91815	FHLB		3.00	03/01/2035		AAA	AA+	AAA	HTM	13,000,000	3,285,367.93	3,422,349.54	3,416,782.65	(5,566.89)
4876	3138WJEB0	FNMA #AS8229	FHLB		2.50	10/01/2031		AAA	AA+	AAA	HTM	50,000,000	19,124,983.50	19,620,679.79	19,889,982.84	269,303.05
4881	3138WJAC2	FNMA #AS8102	FHLB		2.50	10/01/2031		AAA	AA+	AAA	HTM	40,000,000	14,520,262.80	14,820,366.70	15,101,073.31	280,706.61
4955	3128MFAL2	FHLMC #G16111	FHLB		3.00	04/01/2032		AAA	AA+	AAA	HTM	85,512,164	36,723,841.88	37,544,762.61	38,560,033.97	1,015,271.36
4960	3138ERCB4	FNMA #AL9065	FHLB		3.00	09/01/2031		AAA	AA+	AAA	HTM	69,800,000	21,336,121.98	21,597,946.12	22,402,928.08	804,981.96
4961	31418CUL6	FNMA #MA3286	FHLB		3.00	02/01/2028		AAA	AA+	AAA	HTM	25,000,000	9,594,681.75	9,716,328.80	9,965,325.46	248,996.66
5524	31418DUD2	FNMA #MA4179	FHLB		2.00	11/01/2035		AAA	AA+	AAA	HTM	32,500,000	29,043,258.40	30,046,463.46	29,896,404.12	(150,059.34)
5530	31418DV25	FNMA #MA4232	FHLB		2.00	01/01/2041		AAA	AA+	AAA	HTM	90,000,000	86,508,393.30	89,639,143.90	88,184,493.42	(1,454,650.48)
<b>Total for GALVESTON COUNTY TREASURER</b>												<b>882,336,227</b>	<b>295,616,039.73</b>	<b>302,284,992.13</b>	<b>305,322,739.95</b>	<b>3,037,747.82</b>



# **MARKET UPDATE**



# Monthly Market Review

Information provided by TexasTERM's Investment Advisor PFM Asset Management LLC

"A familiar conviction that life is beginning over again."

## Economic Highlights

- The U.S. economy continued to recover from the COVID-19 recession as the virus infection rate declined from early 2021, while fiscal and monetary stimulus set the pace. Most states are fully reopened which should drive strong gross domestic product (GDP) growth in the second half of 2021.
- U.S. job growth accelerated in June. The economy added 850,000 jobs, with strong gains in leisure and hospitality amid the economy's reopening. So far in 2021, the service sector has led the job recovery, with leisure and hospitality accounting for almost half of the year's payroll gains. The unemployment rate rose slightly to 5.9%.
- Retail sales declined in May following stimulus-fueled spending in earlier months. But, total sales over the trailing three months were 36% more than a year ago. The details reflected the ongoing shift in consumer preferences away from goods and toward services as the economy reopens. Meanwhile, consumer sentiment has improved considerably since the start of this year.
- Inflation continues to run hot, with substantial price increases in energy, housing, commodities and consumer goods. The June Consumer Price Index posted its largest one-month increase since 2008, rising 5.4% over the past year.
- Federal Reserve (Fed) policymakers signaled an intention to accelerate a possible post-pandemic interest rate rise as the U.S. makes strong progress on vaccination efforts and inflation heats up. In its updated June projections, 13 of 18 Fed officials indicated they expect to lift short-term rates by the end of 2023, up from only seven in March. Furthermore, seven officials expect rates to rise by the end of 2022 and none projected any rate changes this year. More immediately, the Fed may soon begin discussing the timing of tapering its large-scale bond purchase program.

## Bond Markets

- Despite higher inflation and the possible acceleration of Fed actions to tighten monetary policy, long-term Treasury yields declined — the 10-year Treasury fell 13 basis points (bps) (0.13%) — and the yield curve flattened over the month. The market is grappling with various uncertainties, including concerns about the Delta COVID variant, downward growth momentum, short covering in the bond market, foreign demand, a more hawkish Fed and reduced expectations for additional fiscal stimulus.
- Short-term Treasury yields rose from near zero in response to the Fed's five bps increase in rates, paying for excess reserves and overnight repurchase agreements. As a result, the Fed's overnight reverse repurchase agreement facility surged to a record high of \$991 billion at quarter-end. The pull-forward of the Fed rate hike expectations into 2023 pushed the yield on the 2-year Treasury up by 11 bps to 0.25%.

- The rise in short-term government bond yields resulted in negative monthly returns on short-term benchmarks, while the sharp fall in yields on longer-dated Treasuries led to strong absolute returns. The 3-month Treasury index performance was essentially flat in June, while the 10-year Treasury index advanced 1.5%.

## Equity Markets

- U.S. equity markets closed out the first half of the year with exceptional gains. The S&P 500 advanced 2.3% in June to bring its year-to-date (YTD) return to 15.2%. In the same period, the Nasdaq advanced an impressive 5.5%, lifting YTD performance to 12.9%. The Dow Jones Industrial Average was marginally positive at 0.02%, leaving YTD returns at 13.8%.
- Developed market equities lagged with the ACWI ex-U.S. index down 0.65% on the month and up 9.16% YTD. However, developing market indices bested returns on U.S. equity indices. The U.S. Dollar Index (DXY) appreciated in June in response to the shift in the Fed's interest rate outlook.

## PFM Strategy Recap

- U.S. economic growth has accelerated while the labor market is also gaining strength. Inflation has picked up markedly, but investors largely discount the rise in inflation as transitory.
- Traditional historical analysis would point to an expected curve steepening on the back of economic recovery. Still, the market seems more focused on a return to slow growth in 2022 and 2023 and thus has recently pushed long-maturity rates lower. Our duration stance is neutral as the direction of long-term yields remains uncertain.
- Spreads across other fixed income sectors remain quite narrow. There is limited opportunity to add yield in the Agency or asset-backed sectors.
- Investment-grade (IG) corporate spreads remain near record tights, but there are opportunities for extensions, particularly into new issues.
- Mortgage-backed securities (MBS) spreads widened with concerns about any future Fed tapering and slowing prepayments, which lagged the higher rate move in the first quarter. But, MBS spreads remain narrow on both a nominal and option-adjusted basis.
- In the money markets, short-term rates moved modestly higher after the Fed's technical rate adjustments. Short-term credit remains attractive relative to short-term government securities.

---

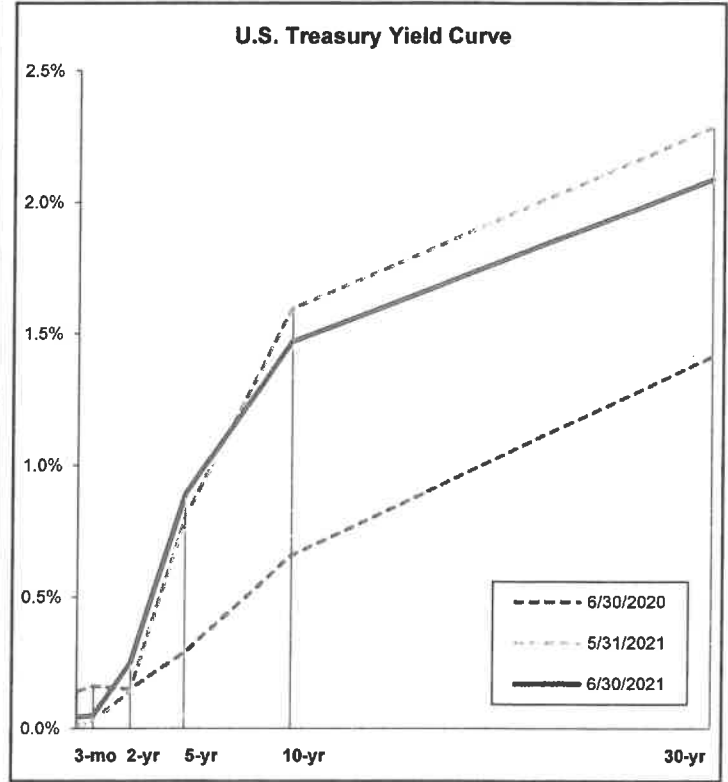
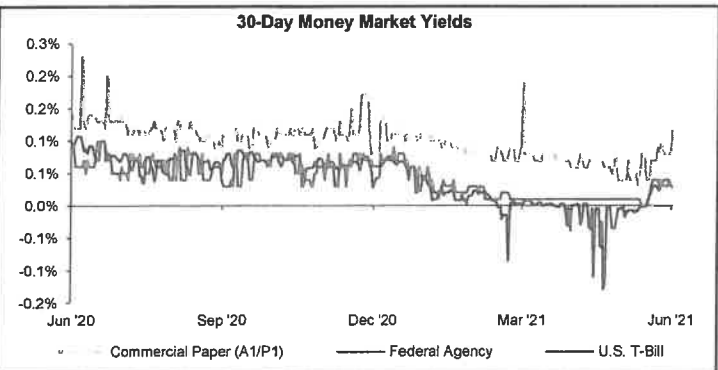
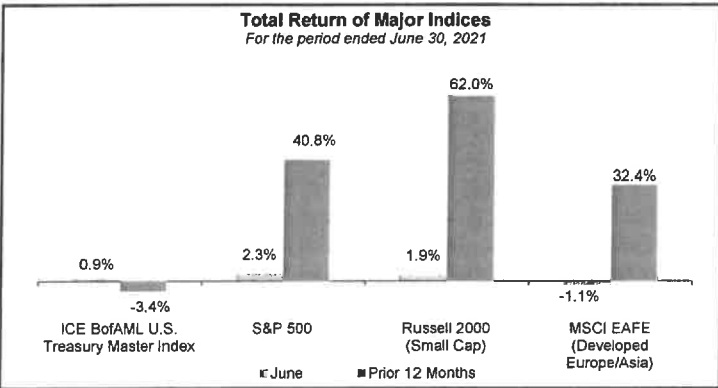
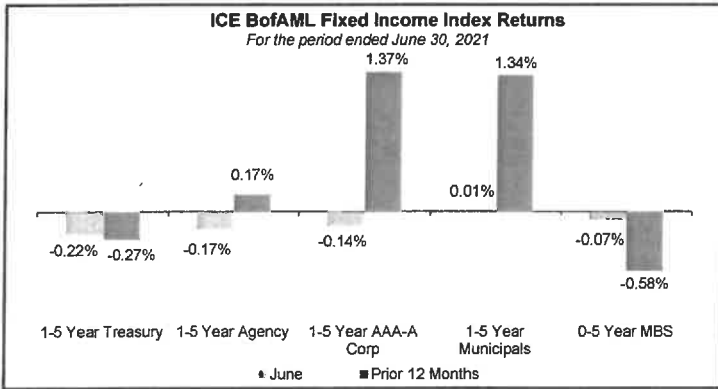
*This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Pool's investment objectives, risks, charges, and expenses before investing. This and other information about the Pool is available in the Pool's Information Statement, which should be read carefully before investing. A copy of the Pool's Information Statement may be obtained by calling 1-866-839-8376 or is available on the Pool's website at [www.texasterm.net](http://www.texasterm.net). While TexasDAILY seeks to maintain a stable net asset value of \$1.00 per share and TexasTERM seeks to achieve a net asset value of \$1.00 per share at its stated maturity, it is possible to lose money investing in the Pool. An investment in the Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Pool are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (FINRA) ([www.finra.org](http://www.finra.org)) and Securities Investor Protection Corporation (SIPC) ([www.sipc.org](http://www.sipc.org)). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC.*

U.S. Treasury Yields				
Duration	Jun 30, 2020	May 31, 2021	Jun 30, 2021	Monthly Change
3-Month	0.14%	0.01%	0.04%	0.03%
6-Month	0.16%	0.03%	0.05%	0.02%
2-Year	0.15%	0.14%	0.25%	0.11%
5-Year	0.29%	0.80%	0.89%	0.09%
10-Year	0.66%	1.60%	1.47%	-0.13%
30-Year	1.41%	2.28%	2.09%	-0.19%

Yields by Sector and Maturity as of June 30, 2021				
Maturity	U.S. Treasury	Federal Agency	Corporates-A Industrials	AAA Municipals
3-Month	0.04%	0.03%	0.18%	--
6-Month	0.05%	0.03%	0.20%	--
2-Year	0.25%	0.24%	0.35%	0.21%
5-Year	0.89%	0.89%	1.13%	0.52%
10-Year	1.47%	1.54%	2.05%	1.24%
30-Year	2.09%	2.09%	2.89%	1.79%

Spot Prices and Benchmark Rates				
Index	Jun 30, 2020	May 31, 2021	Jun 30, 2021	Monthly Change
1-Month LIBOR	0.16%	0.09%	0.10%	0.01%
3-Month LIBOR	0.30%	0.13%	0.15%	0.02%
Effective Fed Funds Rate	0.08%	0.05%	0.08%	0.03%
Fed Funds Target Rate	0.25%	0.25%	0.25%	0.00%
Gold (\$/oz)	\$1,801	\$1,903	\$1,772	-\$131
Crude Oil (\$/Barrel)	\$39.27	\$66.32	\$73.47	\$7.15
U.S. Dollars per Euro	\$1.12	\$1.22	\$1.19	-\$0.03

Economic Indicators				
Indicator	Release Date	Period	Actual	Survey (Median)
Retail Sales Advance MoM	15-Jun	May	-1.3%	-0.8%
Consumer Confidence	29-Jun	Jun	127.3	119.0
GDP Annualized QoQ	24-Jun	1Q T	6.4%	6.4%
PCE Core Deflator YoY	25-Jun	May	3.4%	3.4%
ISM Manufacturing	1-Jul	Jun	60.6	60.9
Change in Non-Farm Payrolls	2-Jul	Jun	850k	720k
Unemployment Rate	2-Jul	Jun	5.9%	5.6%



Source: Bloomberg. Data as of June 30, 2021, unless otherwise noted. The views expressed constitute the perspective of PFM Asset Management LLC at the time of distribution and are subject to change. The content is based on sources generally believed to be reliable and available to the public; however, PFM cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. Investment advisory services are provided by PFM Asset Management LLC, which is registered with the SEC under the Investment Advisers Act of 1940. For more information regarding PFM's services or entities, please visit [www.pfm.com](http://www.pfm.com).



# The Market Today

[View on the Web](#)

**Good Morning, Crystal Cooper**

July 01, 2021

## Jobless Claims Show Noisy State-Level Numbers, but Generally Better Results

---

by Craig Dismuke, Dudley Carter

### TODAY'S CALENDAR

**Jobless Claims Show Noisy State-Level Numbers, but Generally Better Results:** Initial jobless claims fell better than expectations falling 51k to 364k, the lowest level of the pandemic, as 35 states reported improvement. Initial claims rose 3k to 115k. Traditional, state-level continuing claims for the week ending June 19 disappeared. However, 34 states reported lower continuing claims but were offset by a 72k increase reported by related continuing claims programs fell 27k to 11.2 million for the week ending June 12. The states opting to end their pandemic programs early generally saw their pandemic-program totals decline, particularly those with earlier expiration dates. California, which is scheduled to end their programs June 26, reported a 270k increase between the two programs (Friday ending their pandemic-programs early also saw generally better results, although volatility in California's results was noisy).

**Manufacturing, Construction, and Auto Sales:** The June ISM Manufacturing Index (9:00 a.m. CT) is expected to remain elevated. If correct, the focus will be on the price indices and the indicators of the supply chain. The ISM spending data (9:00 a.m.) are expected to increase 0.4% MoM. While residential construction has been strong, non-residential construction has continued lower. And still hampered by scant supply, May's auto sales are expected to remain flat.

### 24 HOURS OF MARKET ACTIVITY

**Stocks and Yields Were Mixed Wednesday, Closing Out Month Impacted by Fed's Pivot Toward Normalization:** The major U.S. equity indices capped off another solid quarterly gain with a mixed finish. The Dow led Wednesday with a 0.6% gain but trailed for the month with a marginal 0.1% decline. The S&P 500 rode off a 2.2% monthly gain. The Nasdaq, which outperformed in June with a 5.5% gain, slipped 0.2% to end the month. However, the Dow, S&P 500, and Nasdaq all posted solid gains, rising 4.6%, 8.2%, and 9.5%, respectively. Another solid month of recovery for the labor market in June and showed an unexpected bounce for the month. Quarterly trading results reflected a strengthening recovery amid strong fiscal support and an easing pandemic. Treasury yields ended with little change. The 2-year yield rose 10.7 bps to 0.25%, near its highest level since March 2020, while the 10-year yield slipped to the bottom of a four-month trading range. The monthly flattening of the 2-year, 10-year Treasury spread reflected the Fed's pivot towards contemplating normalizing policy as the U.S. recovery gains steam.

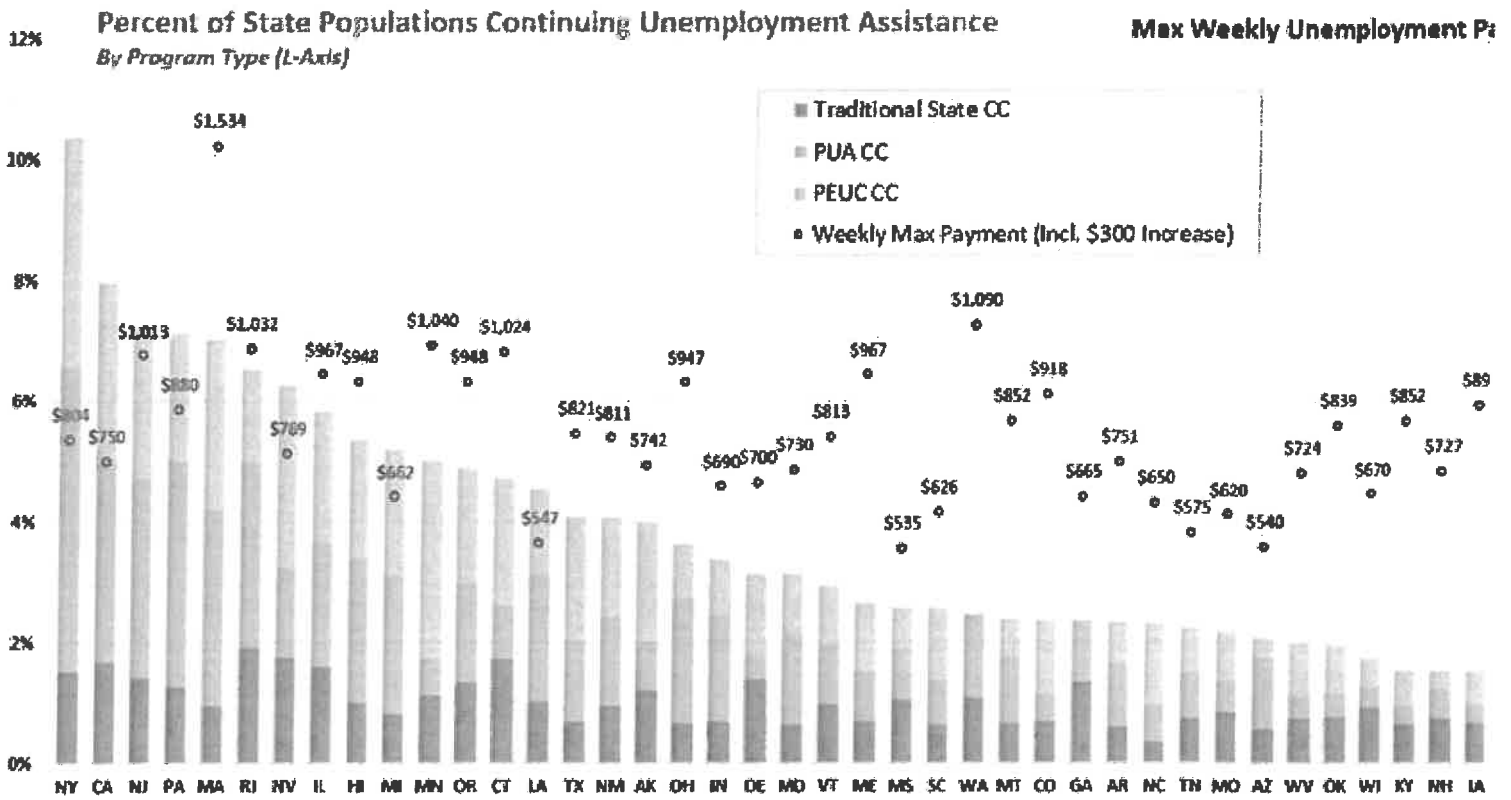
Global equities continue to produce mixed results Thursday as the second half of the year gets underway. Most were mostly lower while Europe's Stoxx 600 had added 0.4% around 7 a.m. CT. A second survey showed manufacturing slowed from May to June. However, Markit's preliminary estimate of manufacturing activity in Europe, stretching back to 1997, was revised up 0.3 to 63.4. Sovereign yields made mixed moves heading into the week and Treasuries were essentially flat on the day. Despite a lack of excitement in those markets, oil prices had to send U.S. WTI above \$75 a barrel, its highest level since October 2018. OPEC is currently meeting to discuss with early reports of gradual, and potentially conditional, increases giving prices some support.

## NOTEWORTHY NEWS

**Pending Home Sales Jumped in May After Steady Slowing to Start 2021:** Excluding a surprisingly sharp decline after activity plunged in March and April, May's 8.0% gain to a four-month high, compared with estimates, was the widest beat of expectations since 2008. A steady decline in mortgage purchase applications has unfolded since the continued weakness in home sales in May. Pending sales, however, jumped strongly in all four geographic regions, reflecting strength in monthly demand for housing. The National Association of Realtors' top economist said the surge in prices, "was indeed a surprise." He added, "The housing market is attracting buyers due to the decline from an uptick in listings." After some slowing in sales activity to start 2021, months of supply had eased from January to a still-tight 2.5 as of May.

**Fed's Kaplan (2023 Voter) Sees "Broadening of Price Pressures":** Dallas Fed President Kaplan said the recent rise of inflation to be temporary, but also believes, "We're seeing a broadening of price pressures throughout the range of items." He said the ADP jobs report released earlier Wednesday was in line with his forecasts, claiming the labor market recovery to continue he isn't anticipating "explosive" monthly job gains. He said he would process before the end of the year to allow for a more measured pace and mitigate the risk of having to be

## CORONAVIRUS UPDATE Vining Sparks Coronavirus Chartbook



WATCH IT NOW  
Market Watch

GET IT NOW  
Weekly Market  
Recap

GET IT NOW  
Monthly  
Mont

## Economic Calendar

Date/Time(Central)	Indicator	Period	Estimate	Actual
6/29/2021 8:00 AM	S&P/CaseShiller Comp-20 (YoY)	Apr	14.70%	14.88
6/29/2021 8:00 AM	S&P/CaseShiller US HPI	Apr	--	14.59
6/29/2021 9:00 AM	Consumer Confidence	Jun	119.0	127
6/30/2021 6:00 AM	MBA Mortgage Apps.	25-Jun	--	-6.9
6/30/2021 7:15 AM	ADP Employment Change	Jun	600k	69.

7/1/2021 7:30 AM	Initial Jobless Claims	26-Jun	388k	36
7/1/2021 7:30 AM	Continuing Jobless Claims	19-Jun	3340k	346
7/1/2021 9:00 AM	Construction Spending (MoM)	May	0.4%	
7/1/2021 9:00 AM	ISM Manufacturing	Jun	60.9	
7/1/2021 9:00 AM	ISM Prices Paid	Jun	87.0	
7/1/2021 2:00 PM	Total Vehicle Sales	Jun	16.50m	
7/2/2021 7:30 AM	Change in Nonfarm Payrolls	Jun	615k	
7/2/2021 7:30 AM	Change in Manufact. Payrolls	Jun	25k	
7/2/2021 7:30 AM	Unemployment Rate	Jun	5.7%	
7/2/2021 7:30 AM	Avg. Hourly Earnings (MoM)	Jun	0.4%	
7/2/2021 7:30 AM	Trade Balance	May	-\$71.3b	
7/2/2021 9:00 AM	Factory Orders	May	1.6%	
7/2/2021 9:00 AM	Durable Goods Orders	May F	2.3%	
7/2/2021 9:00 AM	Durable Goods Ex. Trans.	May F	0.3%	

## Market Movements

	Close	Change	Term	Closing Yield	Da Pri Chai
Bond Contract	160.75	0.66			
CRB Index	213.39	2.07			
Dollar Index	92.34	0.27	3MO	0.04%	
Dow Jones	34,502.51	210.22	6MO	0.05%	
Gold	1,770.09	8.56	12MO	0.07%	
1 Month LIBOR	0.10	0.00	2YR	0.25%	
3 Month LIBOR	0.14	-0.01	3YR	0.46%	
Crude Oil	73.47	0.49	5YR	0.89%	
			10YR	1.47%	
			30YR	2.09%	

**INTENDED FOR INSTITUTIONAL INVESTORS ONLY.**

The information included herein has been obtained from sources deemed reliable, but it is not in any way guaranteed, as expressed, is subject to change at any time. Any and all details offered in this publication are preliminary and are therefore This has been prepared for general information purposes only and does not consider the specific investment objectives, needs of any individual or institution. This information is, by its very nature, incomplete and specifically lacks information c decisions. Investors should seek financial advice as to the appropriateness of investing in any securities or inves recommended. The accuracy of the financial projections is dependent on the occurrence of future events which cannot b results achieved during the projection period may vary from the projections. The firm may have positions, long or short, in Member FINRA/SIPC.

**Copyright © 2021  
Member FINRA/SIPC  
This is a publication of Vining-Sparks IBG, L.P.  
775 Ridge Lake Blvd., Memphis, TN 38120**

Unsubscribe