

Cash Management & Investment Oversight Commission



Investment Discussion Oklahoma State Treasurer's Office

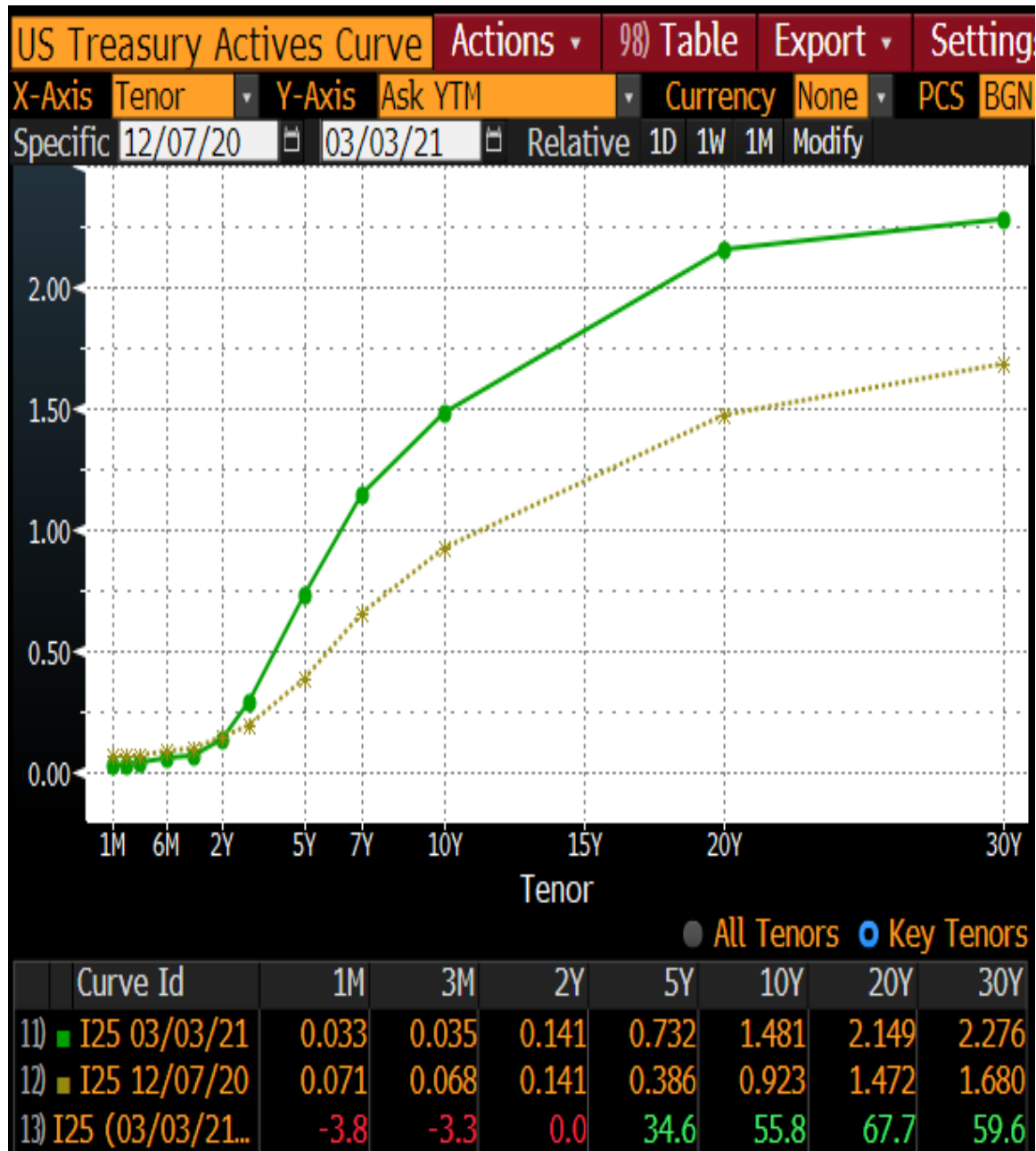
March 5, 2021

Treasury Yields

12/7/20 – 3/3/21

* Curve is steepening in the long end.

* The shape of the 2-year/30-year curve is now over 213 basis points, which is the steepest that it has been since November 2015.



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ICE Bond Indices 1-3 Year US Bullet Agency Index

- * Index Historical Average YTM= 1.29%
- * OST Agency Portfolio Average YTM @ Cost = **0.62%**
(Agency purchases made November 2018 – February 2021)



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Total Yields*

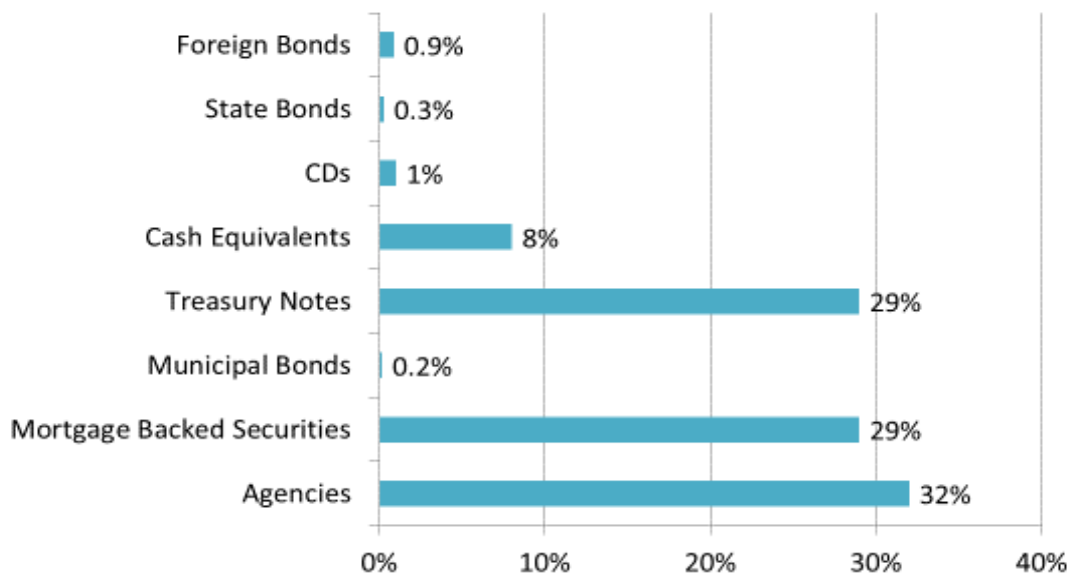
November

	2018	2019	2020
Agencies	2.04%	2.46%	0.96%
Treasury Notes	2.79%	2.25%	1.74%
MBS	2.85%	2.88%	2.63%
Total Portfolio	2.45%	2.52%	1.61%

*Yields are at purchase and do not reflect total return

Portfolio Allocation

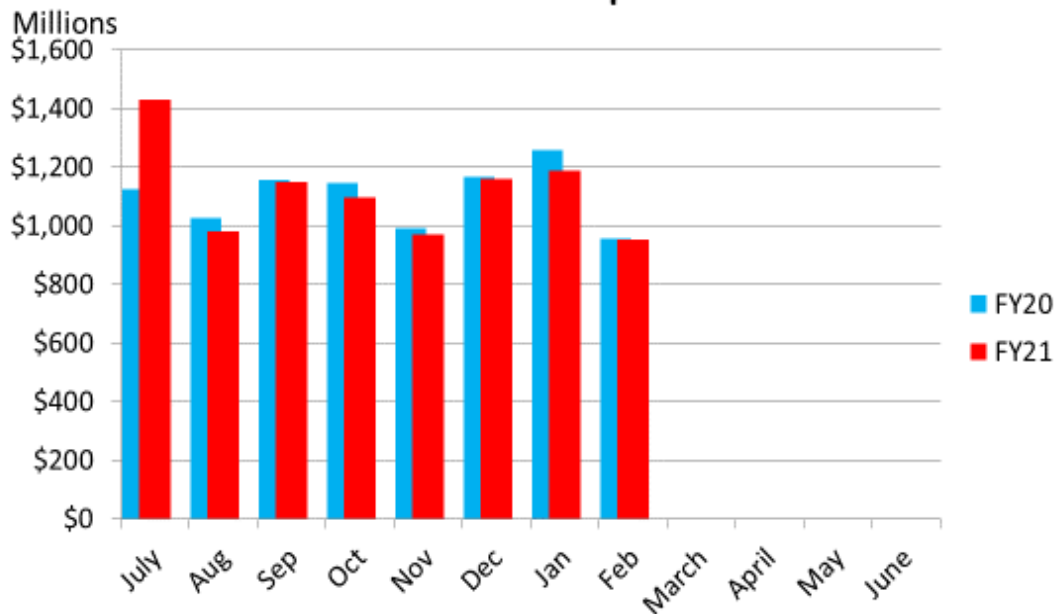
As of 11-30-20



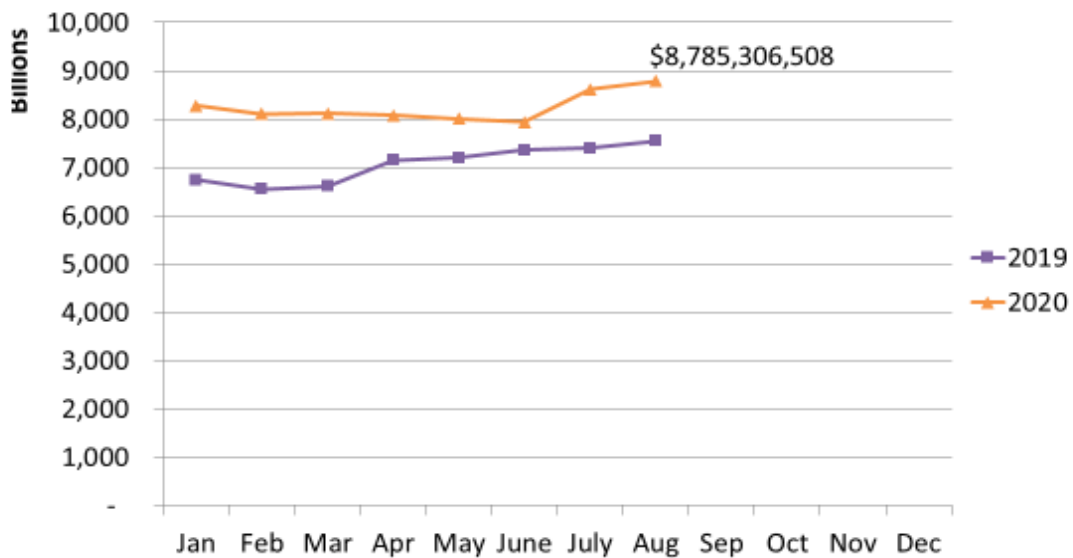
Weighted Average Maturity 2020



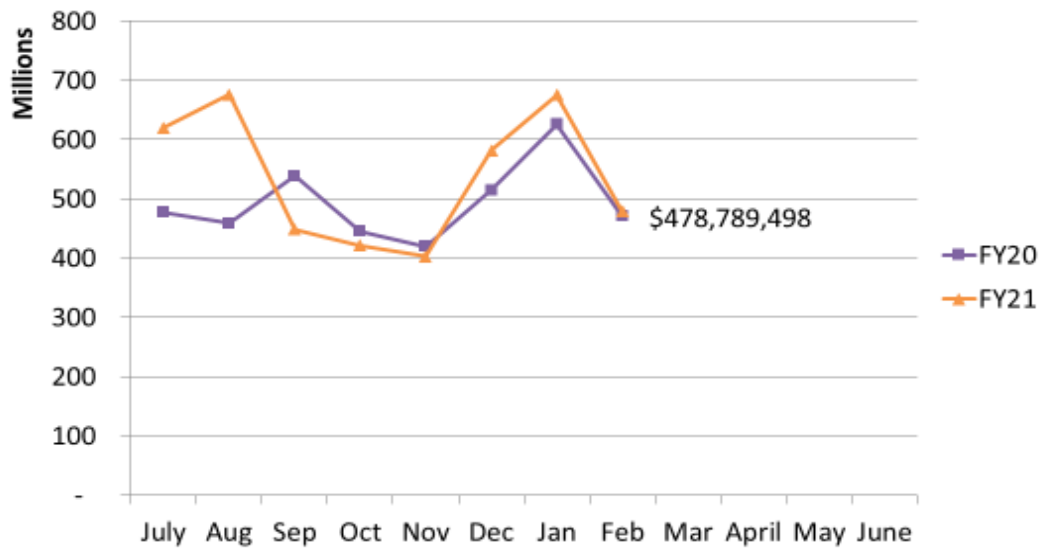
Gross Receipts FY20-21 Comparison



Investable Base Market Value



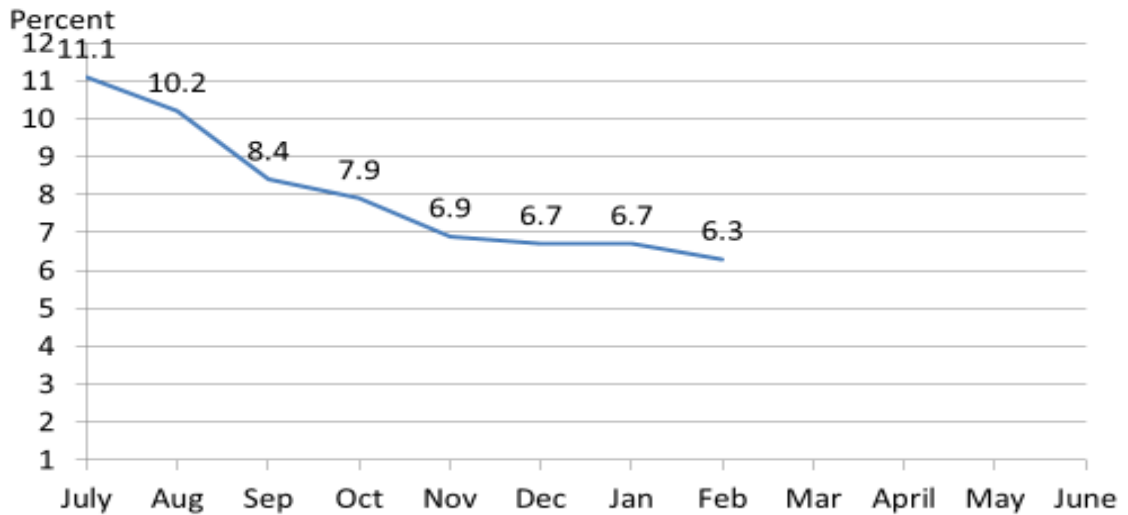
Average Overnight Liquidity FY20-21



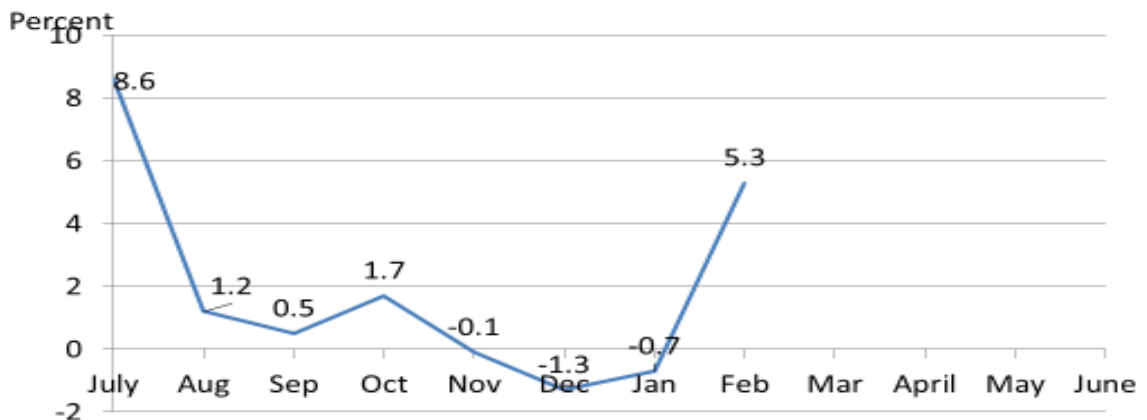
Money Market Funds (Excludes Covid Fed Stimulus)

Economic Indicators

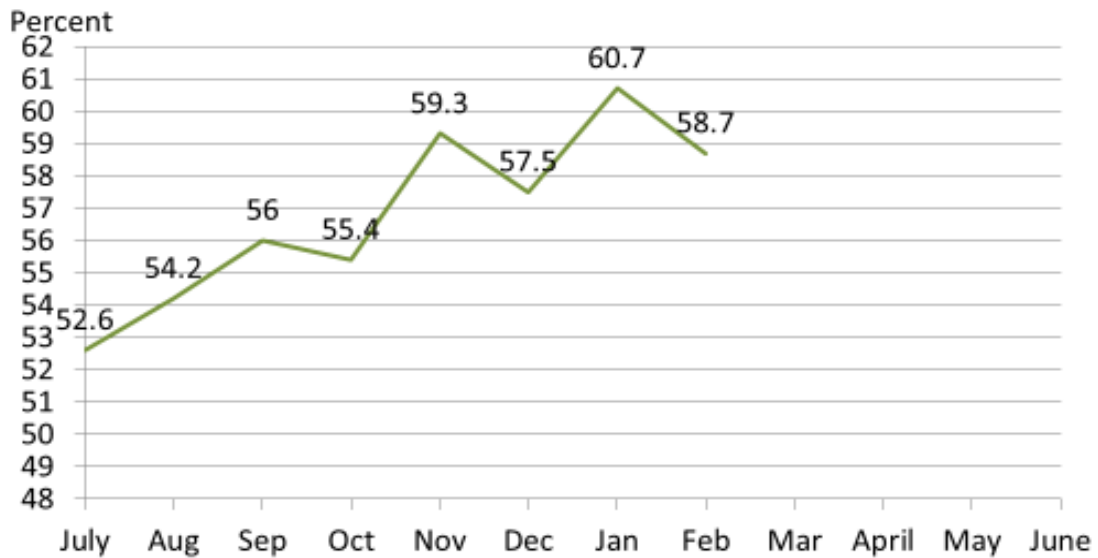
Unemployment Rate FY21



Retail Sales FY21



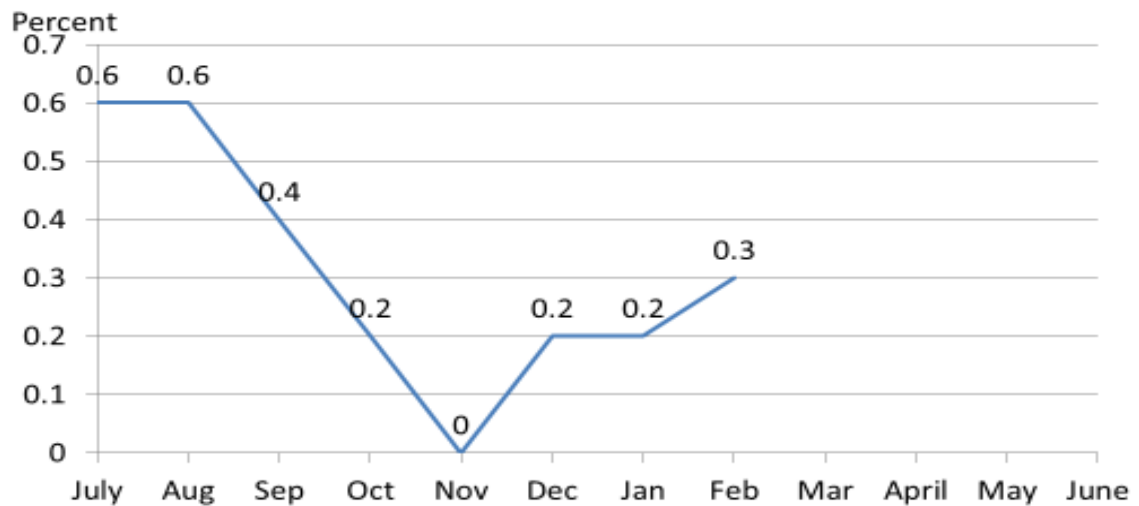
ISM Manufacturing Index FY21



Institute for Supply Management (ISM) Index-

Reading over 50 indicates more manufacturers are expanding instead of contracting

Consumer Price Index (CPI) FY21



AVERAGE MONTHLY OVERNIGHT LIQUIDITY

FY20-21 COMPARISONS:

Month	FY20 Aver MMF	FY20 DDA Aver Balance (ECR)	FY21 Aver MMF	FY21 DDA Aver Balance (ECR)	FY20/FY21 Aver MMF Difference	% Change	Change in Interest Earnings
July	477,030,859	17,741,781	620,505,056	10,909,091	143,474,197	30%	(17,060)
Aug	459,029,376	13,760,625	675,894,261	10,000,000	216,864,885	47%	(27,628)
Sep	538,492,130	14,081,276	448,011,490	10,000,000	-90,480,640	-17%	13,064
Oct	445,379,158	13,414,000	421,370,108	10,000,000	-24,009,050	-5%	4,078
Nov	419,381,101	13,423,241	402,596,173	10,000,000	-16,784,928	-4%	2,994
Dec	514,951,183	14,778,952	581,535,320	10,000,000	66,584,137	13%	(10,745)
Jan	625,842,767	15,295,095	675,439,062	10,000,000	49,596,295	8%	(7,161)
Feb	470,438,127	13,813,212	478,789,498	10,000,000	8,351,371	2%	(1,206)
Mar							
April							
May							
June							
Average	493,818,088	14,538,523	538,017,621	10,113,636	44,199,533	9%	-5,458

(Aver/Mo)

FY21 Yield Assumptions:

	MMF Average Monthly Yield	Aver/Month Agency & Treas YTM @ Cost
July	0.10%	0.24%
Aug	0.06%	0.21%
Sep	0.03%	0.20%
Oct	0.02%	0.22%
Nov	0.02%	0.23%
Dec	0.03%	0.22%
Jan	0.03%	0.20%
Feb	0.03%	0.20%
Mar		
Apr		
May		
June		

NOTES:

- a) If no agencies/treasuries were purchased during month, then previous month's average yield-at-cost will be used
- b) FY21 Early Sales: None
- c) MMF average monthly current yield- represent averages for JPMorgan, Goldman and Invesco government money markets
- d) Average/month agency & treasury yield at cost- obtained from Tracker report
- e) FY21 Average MMF excludes Covid Federal Stimulus Funds

O/Secops/CIO/CMIOC/FY21 overnight liquidity reduction

State of Oklahoma
Transactions Summary
E R C Monthly Report
Portfolio / Report Group: Lisa: Agency/ Treas/ M B S/ Muni/ Foreign/ State Bds
Begin Date: 11/30/2020, End Date: 02/28/2021

DECEMBER-

Description	CUSIP/Ticker	Settlement Date	Maturity Date	YTM @ Cost	Face Amount/Shares	Original Principal	Broker/Dealer	Transaction ID	Action
FHLMC 0.25 11/6/2023	3137EAEZ8	12/02/2020	11/06/2023	0.271	25,000,000	24,985,000	Wells Fargo	21-0076	Buy
FHLMC 0.25 8/24/2023	3137EAEV7	12/02/2020	08/24/2023	0.253	25,000,000	24,998,000	Morgan Stanley	21-0075	Buy
FHLMC 0.375 5/5/2023	3137EAER6	12/02/2020	05/05/2023	0.226	25,000,000	25,089,750	Wells Fargo	21-0074	Buy
FFCB 0.25 11/27/2023	3133EMHR6	12/08/2020	11/27/2023	0.260	25,000,000	24,992,500	Morgan Stanley	21-0077	Buy
FHLMC 0.25 12/4/2023	3137EAF2	12/08/2020	12/04/2023	0.252	25,000,000	24,998,750	Wells Fargo	21-0078	Buy
FHLMC 0.25 12/4/2023	3137EAF2	12/11/2020	12/04/2023	0.248	25,000,000	25,001,500	Morgan Stanley	21-0080	Buy
FNMA 0.25 11/27/2023	3135G06H1	12/11/2020	11/27/2023	0.244	25,000,000	25,004,750	Wells Fargo	21-0079	Buy
FHLMC 0.25 12/4/2023	3137EAF2	12/14/2020	12/04/2023	0.217	25,000,000	25,024,500	Morgan Stanley	21-0082	Buy
FNMA 0.25 11/27/2023	3135G06H1	12/14/2020	11/27/2023	0.218	25,000,000	25,023,520	Wells Fargo	21-0081	Buy
FHLMC 0.25 12/4/2023	3137EAF2	12/16/2020	12/04/2023	0.221	25,000,000	25,021,500	Morgan Stanley	21-0084	Buy
FNMA 0.25 11/27/2023	3135G06H1	12/16/2020	11/27/2023	0.221	25,000,000	25,021,250	Morgan Stanley	21-0083	Buy
FFCB 0.75 3/13/2023	3133ELSP0	12/18/2020	03/13/2023	0.153	25,000,000	25,333,000	Wells Fargo	21-0085	Buy
FNMA 0.25 11/27/2023	3135G06H1	12/18/2020	11/27/2023	0.228	25,000,000	25,016,000	Morgan Stanley	21-0086	Buy
FNMA 0.25 11/27/2023	3135G06H1	12/21/2020	11/27/2023	0.221	25,000,000	25,021,250	Wells Fargo	21-0088	Buy
T-Bond 0.125 10/15/2023	91282CAP6	12/21/2020	10/15/2023	0.164	25,000,000	24,972,650	Hilltop	21-0087	Buy
T-Bond 0.125 12/15/2023	91282CBA8	12/21/2020	12/15/2023	0.179	25,000,000	24,959,961	Morgan Stanley	21-0089	Buy
FNMA 0.25 11/27/2023	3135G06H1	12/23/2020	11/27/2023	0.212	25,000,000	25,027,900	Wells Fargo	21-0092	Buy
FNMA 2.875 9/12/2023	3135G0U43	12/23/2020	09/12/2023	0.194	25,000,000	26,816,725	Wells Fargo	21-0090	Buy
T-Bond 0.125 10/15/2023	91282CAP6	12/23/2020	10/15/2023	0.156	25,000,000	24,978,000	UMB Bank	21-0091	Buy
GNMA MBS 2 12/20/2050	36179VZQ6	12/30/2020	12/20/2050	0.977	50,000,000	52,230,469	Commerce Bank	21-0093	Buy
GNMA MBS 2 12/20/2050	36179VZQ6	12/30/2020	12/20/2050	0.977	50,000,000	52,230,469	Commerce Bank	21-0094	Buy
				0.290	575,000,000	581,747,443			

JANUARY-

Description	CUSIP/Ticker	Settlement Date	Maturity Date	YTM @ Cost	Face Amount/Shares	Original Principal	Broker/Dealer	Transaction ID	Action
FHLB 0.25 12/8/2023	3130AKK21	01/08/2021	12/08/2023	0.237	25,000,000	25,009,750	Wells Fargo	21-0096	Buy
FNMA 0.25 11/27/2023	3135G06H1	01/08/2021	11/27/2023	0.249	25,000,000	25,000,750	Morgan Stanley	21-0095	Buy
FHLB 0.25 12/8/2023	3130AKK21	01/11/2021	12/08/2023	0.247	25,000,000	25,002,250	Morgan Stanley	21-0098	Buy
FNMA 0.25 11/27/2023	3135G06H1	01/11/2021	11/27/2023	0.258	25,000,000	24,994,250	Morgan Stanley	21-0097	Buy
FHLB 0.25 12/8/2023	3130AKK21	01/15/2021	12/08/2023	0.237	25,000,000	25,009,500	Morgan Stanley	21-0100	Buy
FHLMC 0.125 10/16/2023	3137EAEY1	01/15/2021	10/16/2023	0.206	25,000,000	24,944,000	Wells Fargo	21-0099	Buy
FFCB 0.23 1/19/2024	3133EMNG3	01/19/2021	01/19/2024	0.237	25,000,000	24,994,500	Wells Fargo	21-0102	Buy
FHLMC 0.25 9/8/2023	3137EAEW5	01/19/2021	09/08/2023	0.196	25,000,000	25,035,225	Wells Fargo	21-0101	Buy

FFCB 0.12 1/12/2023	3133EMML3	01/21/2021	01/12/2023	0.142	25,000,000	24,989,389	Hilltop	21-0104	Buy
FFCB 0.23 1/19/2024	3133EMNG3	01/21/2021	01/19/2024	0.223	25,000,000	25,005,250	Wells Fargo	21-0105	Buy
FHLB 1.875 12/9/2022	313381BR5	01/21/2021	12/09/2022	0.142	25,000,000	25,814,500	Morgan Stanley	21-0103	Buy
FFCB 0.23 1/19/2024	3133EMNG3	01/22/2021	01/19/2024	0.219	25,000,000	25,008,250	Wells Fargo	21-0108	Buy
FHLMC 0.25 8/24/2023	3137EAEV7	01/22/2021	08/24/2023	0.193	25,000,000	25,036,500	Wells Fargo	21-0106	Buy
FHLMC 0.25 9/8/2023	3137EAEW5	01/22/2021	09/08/2023	0.193	25,000,000	25,037,000	Wells Fargo	21-0107	Buy
FFCB 0.23 1/19/2024	3133EMNG3	01/25/2021	01/19/2024	0.214	25,000,000	25,012,000	Morgan Stanley	21-0111	Buy
FHLB 1.875 12/9/2022	313381BR5	01/25/2021	12/09/2022	0.131	25,000,000	25,815,000	Morgan Stanley	21-0109	Buy
FNMA 0.25 7/10/2023	3135G05G4	01/25/2021	07/10/2023	0.167	25,000,000	25,051,000	Morgan Stanley	21-0110	Buy
GNMA MBS 2 1/20/2051	36179V4U1	01/26/2021	01/20/2051	1.191	50,000,000	52,078,125	Commerce Bank	21-0112	Buy
GNMA MBS 2 1/20/2051	36179V4U1	01/26/2021	01/20/2051	1.191	50,000,000	52,078,125	Commerce Bank	21-0113	Buy
GNMA MBS 2 1/20/2051	36179V4U1	01/27/2021	01/20/2051	1.283	50,000,000	52,023,438	Bank of Oklahoma	21-0116	Buy
GNMA MBS 2 1/20/2051	36179V4U1	01/27/2021	01/20/2051	1.283	50,000,000	52,023,438	Bank of Oklahoma	21-0015	Buy
GNMA MBS 2 1/20/2051	36179V4U1	01/27/2021	01/20/2051	1.283	50,000,000	52,023,438	Bank of Oklahoma	21-0114	Buy
FHLMC 0.25 6/26/2023	3137EAES4	01/28/2021	06/26/2023	0.156	25,000,000	25,056,500	Morgan Stanley	21-0118	Buy
FHLMC 0.375 3/10/2023	3137EAEQ8	01/28/2021	03/10/2023	0.134	25,000,000	25,127,250	Morgan Stanley	21-0117	Buy
FNMA 0.25 7/10/2023	3135G05G4	01/28/2021	07/10/2023	0.170	25,000,000	25,048,700	Wells Fargo	21-0119	Buy
				0.407	750,000,000	762,218,127			

FEBRUARY-

Description	CUSIP/Ticker	Settlement Date	Maturity Date	YTM @ Cost	Face Amount/Shares	Original Principal	Broker/Dealer	Transaction ID	Action
OIFA 1.65 11/1/2028	02-0041	02/01/2021	11/01/2028	1.650	10,000,000	10,000,000	Negoitated	21-0120	Buy
OIFA 2.55 11/1/2026	02-0041(OLD2)	02/01/2021	11/01/2026	0.000	10,000,000	10,000,000	Negoitated	02-0041 (OLD)	Sell
FHLB 0.125 3/8/2024	3130AKZB5	02/18/2021	03/08/2024	0.206	21,425,000	21,372,080	Hilltop	21-0122	Buy
FHLMC 0.25 12/4/2023	3137EAFA2	02/18/2021	12/04/2023	0.214	25,000,000	25,025,000	Morgan Stanley	21-0121	Buy
FHLMC 0.25 11/6/2023	3137EAEZ8	02/19/2021	11/06/2023	0.204	25,000,000	25,031,250	Wells Fargo	21-0124	Buy
FNMA 0.25 7/10/2023	3135G05G4	02/19/2021	07/10/2023	0.145	25,000,000	25,062,500	Wells Fargo	21-0123	Buy
FHLB 2.125 6/9/2023	3133834G3	02/22/2021	06/09/2023	0.142	25,000,000	26,136,500	Wells Fargo	21-0125	Buy
FHLMC 0.25 12/4/2023	3137EAFA2	02/22/2021	12/04/2023	0.214	25,000,000	25,025,000	Morgan Stanley	21-0126	Buy
FNMA 1.625 10/15/2024	3135G0W66	02/22/2021	10/15/2024	0.309	25,000,000	26,192,000	Wells Fargo	21-0127	Buy
FHLMC 0.25 12/4/2023	3137EAFA2	02/23/2021	12/04/2023	0.218	25,000,000	25,022,500	Wells Fargo	21-0129	Buy
FNMA 0.25 7/10/2023	3135G05G4	02/23/2021	07/10/2023	0.149	25,000,000	25,060,000	Wells Fargo	21-0128	Buy
				0.314	241,425,000	243,926,830			

OST MORTGAGED-BACKED SECURITY PORTFOLIO
ICE Bond Indices
1/31/2021

MBS Index	PORTFOLIO COMPARISONS					
	YIELD to MATURITY			COUPON RATE		
	OST	Index	Diff	OST	Index	Diff
Jan-21	1.12	0.90	0.22	3.24	3.08	0.16
Dec-20	1.22	0.85	0.37	3.37	3.13	0.24
Nov-20	1.29	0.94	0.35	3.44	3.20	0.24
Oct-20	1.38	1.39	-0.01	3.50	3.26	0.24
Sep-20	1.39	1.45	-0.06	3.50	3.31	0.19
Aug-20	1.35	1.47	-0.12	3.56	3.41	0.15
Jul-20	1.46	1.44	0.02	3.46	3.45	0.01
Jun-20	1.45	1.44	0.01	3.57	3.48	0.09
May-20	1.41	1.37	0.04	3.57	3.51	0.06
Apr-20	1.46	1.34	0.12	3.58	3.54	0.04
Mar-20	1.66	1.63	0.03	3.58	3.54	0.04
Feb-20	1.97	1.92	0.05	3.61	3.56	0.05
AVERAGE	1.43	1.35	0.09	3.50	3.37	0.13

RISK CHARACTERISTICS								
Effective Duration			Spread Duration			Modified Duration		
OST	Index	Diff	OST	Index	Diff	OST	Index	Diff
2.45	2.44	0.01	3.16	4.09	-0.93	3.25	3.52	-0.27
2.29	2.13	0.16	3.10	3.83	-0.73	3.17	3.26	-0.09
2.24	2.09	0.15	3.09	3.77	-0.68	3.15	3.24	-0.09
2.18	2.42	-0.24	3.02	4.34	-1.32	3.08	3.99	-0.91
2.15	2.34	-0.19	3.01	4.37	-1.36	3.06	4.06	-1.00
2.03	2.15	-0.12	2.98	4.31	-1.33	3.03	4.02	-0.99
2.07	1.87	0.2	2.99	4.16	-1.17	3.03	3.90	-0.87
2.07	2.13	-0.06	3.00	4.28	-1.28	3.04	3.86	-0.82
2.50	1.96	0.54	3.54	4.27	-0.73	3.29	3.83	-0.54
2.51	1.82	0.69	3.51	4.17	-0.66	3.29	3.70	-0.41
2.63	2.24	0.39	3.59	4.28	-0.69	3.34	3.89	-0.55
2.71	2.35	0.36	3.55	4.25	-0.70	3.32	3.98	-0.66
2.32	2.16	0.16	3.21	4.18	-0.97	3.17	3.77	-0.60

Constrained Duration MBS Index	PORTFOLIO COMPARISONS					
	YIELD to MATURITY			COUPON RATE		
	OST	Index	Diff	OST	Index	Diff
Jan-21	1.12	1.28	-0.16	3.24	4.45	-1.21
Dec-20	1.22	1.29	-0.07	3.37	4.47	-1.10
Nov-20	1.29	1.31	-0.02	3.44	4.51	-1.07
Oct-20	1.38	1.59	-0.21	3.50	4.04	-0.54
Sep-20	1.39	1.64	-0.25	3.50	4.11	-0.61
Aug-20	1.35	1.65	-0.30	3.56	4.17	-0.61
Jul-20	1.46	1.53	-0.07	3.46	3.99	-0.53
Jun-20	1.45	1.63	-0.18	3.57	4.04	-0.47
May-20	1.41	1.60	-0.19	3.57	4.06	-0.49
Apr-20	1.46	1.56	-0.10	3.58	3.94	-0.36
Mar-20	1.66	1.79	-0.13	3.58	3.94	-0.36
Feb-20	1.97	1.91	0.06	3.61	3.95	-0.34
AVERAGE	1.43	1.57	-0.14	3.50	4.14	-0.64

RISK CHARACTERISTICS								
Effective Duration			Spread Duration			Modified Duration		
OST	Index	Diff	OST	Index	Diff	OST	Index	Diff
2.45	3.57	-1.12	3.16	4.16	-1.00	3.25	3.95	-0.70
2.29	3.51	-1.22	3.10	4.10	-1.00	3.17	3.91	-0.74
2.24	3.5	-1.26	3.09	4.11	-1.02	3.15	3.92	-0.77
2.18	3.68	-1.5	3.02	4.46	-1.44	3.08	4.31	-1.23
2.15	3.62	-1.47	3.01	4.45	-1.44	3.06	4.29	-1.23
2.03	3.57	-1.54	2.98	4.44	-1.46	3.03	4.28	-1.25
2.07	3.06	-0.99	2.99	4.14	-1.15	3.03	4.03	-1.00
2.07	3.55	-1.48	3.00	4.24	-1.24	3.04	4.11	-1.07
2.50	3.51	-1.01	3.54	4.22	-0.68	3.29	4.08	-0.79
2.51	3.17	-0.66	3.51	4.11	-0.60	3.29	3.92	-0.63
2.63	3.30	-0.67	3.59	4.14	-0.55	3.34	3.96	-0.62
2.71	3.29	-0.58	3.55	4.13	-0.58	3.32	3.97	-0.65
2.32	3.44	-1.13	3.21	4.23	-1.01	3.17	4.06	-0.89

NOTES:
Reflects comparison closest to OST=
* OST portfolio yields, coupon rates & risk characteristics are obtained from Northern Trust monthly custody reports
* ICE Bond Indices (Index Characteristics report) is obtained from Bloomberg.