



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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3/7/2019	1	Board of Commissioners	Published and Filed	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF MARCH 7, 2019

COMMITTEE ON FINANCE

Mr. Brian A. Perkovich, Executive Director

Report on the investment interest income during December 2018

Dear Sir:

Attached is a report of cash investment interest income received by the District for the month of December 2018 and a comparison of income for the same period in 2017.

The District's inventory of investments at December 31, 2018, consisted of 171 items having a total par value of \$673,980,555.27, an average annual yield of 2.472%, and total interest income to maturity of approximately \$19.6 million. Inventory figures at the same date in 2017 were of 175 items having a total par value of \$724,012,110.13, an average annual yield of 1.396%, and total interest income to maturity of approximately \$11 million.

Interest Forecast for 2019:

On December 19, 2018, the Federal Reserve raised the target range for the federal funds rate to 2.25% to 2.50%. This decision was based on a moderately positive economic outlook that considered a marked improvement in labor market conditions and confidence that inflation will rise to its 2% objective over the medium term. The timing and size of future adjustments to the target range will be determined based upon realized and expected economic conditions relative to the Fed's objectives of maximum employment and 2 percent inflation. The Federal Reserve decided in late January 2019 to pause their steady campaign to raise interest rates as the global economic outlook became less certain.

Respectfully Submitted, Mary Ann Boyle, Treasurer, MAB:st

Attachment