



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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10/18/2018	1	Board of Commissioners	Published and Filed	Pass
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TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 18, 2018

COMMITTEE ON FINANCE

Mr. John P. Murray, Acting Executive Director

Report on the investment interest income during September 2018

Dear Sir:

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

The District's inventory of investments at September 30, 2018, consisted of 204 items having a total par value of \$850,901,544.86, an average annual yield of 2.076%, and total interest income to maturity of approximately \$11.4 million. Inventory figures at the same date in 2017 were of 265 items having a total par value of \$899,459,831.30, an average annual yield of 1.165%, and total interest income to maturity of approximately \$12.6 million.

Interest Forecast for 2018:

On September 26, 2018, the Federal Reserve raised the target range for the federal funds rate to 2.00% to 2.25%. 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. It expects that economic conditions will evolve in a manner that will warrant further gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run.

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

Attachment