January 9, 2024

Stephen Reed
Assistant City Attorney
City of Tupelo
P.O. Box 1485
Tupelo, MS 38802-1485

Re: City of Tupelo, MS Municipal Depository Bids

Dear Mr. Reed:

Our office has received and reviewed the sealed bids for the selection of a depository for the City of Tupelo for a term of two years beginning on February 1, 2024. Per MISS. ANN. CODE § 27-105-305, we have made the following determination regarding the award of City depository funds:

Cadence Bank has been selected as your depository for City's demand deposit (checking) accounts for a term of two years beginning on February 1, 2024, under its proposal to pay a variable rate equal to Fed Funds target less 50 basis points with a floor of 0.05%. The variable currently equals 5.00%. Based upon the uncertain timing and magnitude of potential interest rate cuts and the length of the term the depository will serve, we opted for the variable rate option.

Please note that although Cadence Bank has been awarded the City's funds for the period of February 1, 2024, through January 31, 2026, the City is not precluded from utilizing the other five banks that participated in the bidding process— BankPlus, BNA Bank, Regions, Renasant, and Trustmark Bank— for the investment of excess funds as they are also qualified depositories of the State of Mississippi.

Our comprehensive analysis is enclosed for your review. Please feel free to call Justin Smith, Chief Investment Officer, with any questions at (601) 359-3536.

Sincerely,

David McRae
State Treasurer

City of Tupelo
Depository Bid Results
Analysis as of 1/09/24

Fed Funds Target Range 5.25 - 5.50%
Current 3 mo Treasury Rate 5.37%

	Interest Checking				Money Market				Additional Comments
Institution	**Term of Bid**	**Bid Rate**	**Rate Type**	**Current Rate Calculation**	**Term of Bid**	**Bid Rate**	**Rate Type**	**Current Rate Calculation**	
BankPlus	2-year	Fed Funds Target less 200 bps	Variable	3.50%	2-year	Fed Funds Target less 200 bps	Variable	3.50%	
BNA Bank	2-year	N/A	Fixed	N/A	2-year	Fed Funds Target less 100 bps	Variable	4.50%	
Cadence	2-year	3.71%	Fixed	3.710%	2-year	Fed Funds Target less 50 bps; Floor: .05%	Variable	5.00%	$500 monthly flat fee; Min Avg $50mm; Max Avg Balance $85mm Min avg Balance $30mm
Regions	2-year	N/A	Fixed	N/A	2-year	75% of Fed Funds Target	Variable	4.13%	Earnings Credit Rate 0.75%
Renasant	2-year	3.10%	Fixed	3.100%	2-year	Fed Funds Target less 215 bps; Floor: .05%	Variable	3.35%	Fee waived w/Min avg balance $50mm; option for transition assitance approx $25k but lower rate
Trustmark	2-year	3.35%	Fixed	3.350%	2-year	3.10%	Fixed	3.10%	Higher rate of 3.35% included fees; 3.10 rates will waive all fees

FDTR **5.50%** For Dec 13 Next Release 31 Jan 13:00 Survey 5.50%
Federal Funds Target Rate - Upper Bound Federal Reserve

Fed Balance Sheet — Federal Reserve

Policy

Policy | Members

Contact FED

Activity
Calendar
Statements
Minutes
Beige Book
FOMC Policy
FOMC Decisions
Monetary Policy Releases
Speeches & Testimony
FOMC Speak
Website

Aggregates
Balance Sheet
Money Supply
Reserves
Reserve Balance Factors
Bank Assets
Dealer Positions
Consumer Credit
Foreign Holdings
Debt Outstanding

Latest FOMC Decision
December 13, 2023

Funds Rate Upper Bound	5.50 (No Chang...
Funds Rate Lower Bound	5.25
Discount Rate	5.50
Policy Concern	- -
FOMC Vote	12:0
Side-by-Side Statements	
Interest Rates on Reserve Balances	
IORB	5.40

Temporary Open Market Operations

Award Rate (%)	5.30
Total Bids Accepted	72.00
Total Accepted Amount ...	676.05

Next FOMC Decision
January 31, 2024
at 13:00

Delayed Rates	
Fed Funds Effective ...	5.33
ICAP Market O/N Ra...	5.31
Overnight Bank Fun...	5.32
Futures Implied Rate	
March 2024	5.260
June 2024	4.800
September 2024	4.400
Forward Guidance	
Board of Gov. Fed Funds F...	
Forward Guidance Chart B...	
BE U.S. Primer	

4) Events | 5) News | 6) Research | 7) Blogs | 8) Releases

News

100)	Markets Get Ready for Risk-Free Fed Arbitra...	BN	14:52
101)	Fed's Barr Signals Emergency Loan Program ...	BN	14:00
102)	Fed's Michael Barr Is Open to Concessions o...	BN	07:00
103)	Stocks Struggle After Tech-Led Bounce; Oil C...	BN	15:02
104)	AsiaEco Brief: Pakistan's Recovery Depends ...	BBF	14:59
105)	Markets Get Ready for Risk-Free Fed Arbitra...	BN	14:52
106)	$ECON: Atlanta Fed's GDPNow was nudged do...	FLY	14:45
107)	Translated: Anderson, First Vice President of...	KYO	14:36
108)	Fed Watch: Interviews, Comments and Policy...	BN	14:34
109)	Treasuries Hold Gains After Solid 3Y Sale; We...	BFW	14:25
110)	Central Bank Watch: Countries, Rates, Chang...	BN	14:04
111)	Fed's Barr Signals Emergency Loan Program ...	BN	14:00
112)	Stocks Flip To Losses, Nvidia Defies Gravity, ...	BZG	13:15

FOMC Forecasts	2019	2020	2021	2022	2023	2024	2025
Real GDP (yoy%)	2.50	-2.20	5.80	1.90	2.60	1.40	1.80
Core PCE (yoy%)	1.65	1.32	3.61	5.24	3.20	2.40	2.20
Unemployment (%)	3.68	8.09	5.35	3.63	3.80	4.10	4.10

Toolbox

COVID-19 QE Measures
ECST Balance Sheet Items
ECST CB Liquidity Swaps
NSN Fed Lending - Key Fea...
HTTP Fed Reports to Congre...
NSN BE Global Stimulus Me...

Fed Bond Holdings
DEBT SOMA Maturity Distribu...
NI MBS Holdings
HTTP MBS Operations Sched...

Fed Funds Analytics
DOTS FOMC Dots Projections
WIRP Probability of Fed Fun...
MIPR Market Implied Policy ...
ECFC Analyst Forecasts
NSN BE Fed Spectrometer

U.S. Interest Rates
BTMM Bond Market
FWCM Fwd Curve Matrix
GC Trs'y Curve
NDX Selected Rates
XLTP OIS Implied Probabilit...
ECST FRB H.15

Leading Indicators
GP Chicago Fed
GP Empire Mfg.
GP Phila Fed
GP NBER Recession
NH NBER Research
HTTP NBER Bus. Cycles
GP Dallas Fed

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Set Default | Export [redacted] World Interest Rate Probability

Show Models

☐ Enable Overrides

Region: United States »

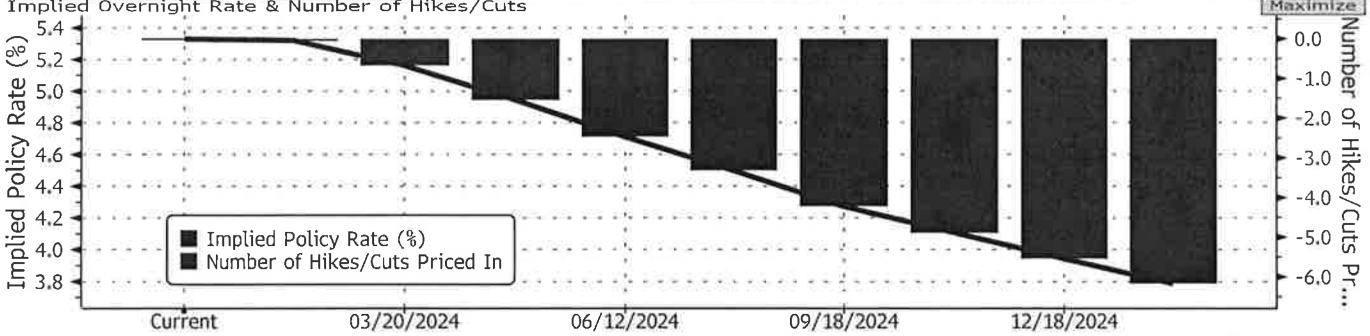
Instrument: Fed Funds Futures »

Target Rate	5.50	Pricing Date	01/09/2024
Effective Rate	5.33	Cur. Imp. O/N Rate	5.329

Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Rate	A.R.M.
01/31/2024	-0.045	-4.5%	-0.011	5.318	0.250
03/20/2024	-0.675	-63.0%	-0.169	5.160	0.250
05/01/2024	-1.553	-87.8%	-0.388	4.941	0.250
06/12/2024	-2.479	-92.6%	-0.620	4.709	0.250
07/31/2024	-3.325	-84.6%	-0.831	4.498	0.250
09/18/2024	-4.227	-90.3%	-1.057	4.272	0.250
11/07/2024	-4.896	-66.9%	-1.224	4.105	0.250
12/18/2024	-5.546	-65.0%	-1.387	3.942	0.250
01/29/2025	-6.175	-62.9%	-1.544	3.785	0.250

Implied Overnight Rate & Number of Hikes/Cuts

Maximize



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United States of America | Browse | [redacted] | Treasury & Money Markets

Fed Funds | FOMC »		
FDFD	5.3100	5.3300
OBFR01		5.32
Commercial Paper		
30D		5.310
90D		5.400

Fed O/N Repo	
TGCR	5.30
BGCR	5.30
AFX O/N Rate	
AMERIBOR	5.43

US T-Bill				
4W	5.37	+0.00	5.27	5.27
2M	5.38	-0.02	5.26	5.25
3M	5.37	+0.01	5.24	5.21
6M	5.22	+0.02	5.02	5.01
1Y	4.82	+0.00	4.60	4.59

USD Deposit Rates		
O/N	5.3059	5.4341
1W	5.3025	5.4575
2W	5.2684	5.4466
1M	5.3300	5.5200

Rev Repo (Bid/Ask)		
O/N	5.37	5.33
1W	5.52	5.48
2W	5.53	5.49
1M	5.52	5.48

Dow Jones		
DJIA	37525.16	-157.85

S&P 500 E-Mini Future		
SPX Fut	4792.75	-8.50

NASDAQ Composite Index		
CCMP	14857.71	+13.94

CRB Commodity Index		
CRB	264.69	+3.04

US Bonds | FIT »					
T $4\frac{1}{4}$	12/31/25	4.366	$99\text{-}24\frac{7}{8}$	99-25	+ 00+
T $4\frac{3}{8}$	12/15/26	4.134	$100\text{-}20\frac{3}{4}$	100-21	+ 00+
T $3\frac{3}{4}$	12/31/28	3.973	$98\text{-}31\frac{3}{4}$	99-00	+ 02
T $3\frac{3}{4}$	12/31/30	3.998	98-15+	98-16	+ 03+
T $4\frac{1}{2}$	11/15/33	4.017	103-28	103-28+	+ 03+
T $4\frac{3}{4}$	11/15/43	4.326	105-18+	105-19+	+ 03+
T $4\frac{3}{4}$	11/15/53	4.187	109-16	109-17	+ 03+

S&P 500	
SPX	4756.47
FRAs	
1x4	
2x5	
3x6	
4x7	
5x8	

SOFR FUT	
SFR1	94.638
SFR2	94.920
SFR3	95.340
SFR4	95.740
SFR5	96.085
SFR6	96.370

LIBOR	
1M	5.45
3M	5.59
6M	5.61

BSBY Fix		SOFR Fix
O/N	5.41	5.31
1M	5.36	5.34
3M	5.41	5.32
6M	5.37	5.17
1Y	5.23	4.82

Spot FX | FXC »	
JPY	144.5000
EUR	1.0929
GBP	1.2707
CAD	1.3395

Key Rates	
Prime	8.50
BLR	7.25
FDTR	5.50
Discount	5.50

SOFR OIS Swaps	
3Y	3.9160
5Y	3.6978
10Y	3.6447
30Y	3.5024

10Y Note Future		
CBT	111-30	- 03+
Commodities		
NYM WTI	72.21	+1.44
GOLD	2029.37	+1.30

Funds Future	
JAN	94.673

Fed Repo	
G/C ON	5.38

30Y MBS | BBTM »			
FNCL 5	98-07+	98-12	- 03+
G2SF 5	98-25+	99-00+	+ 01+
Current Coupon			5.469

Economic Releases | ECO »

	Date Time	C	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
1)	01/09 05:00	US				NFIB Small Business Optimism	Dec	91.0	91.9	90.6	--
2)	01/09 07:30	US				Trade Balance	Nov	-\$64.9b	-\$63.2b	-\$64.3b	-\$64.5b
3)	01/10 06:00	US				MBA Mortgage Applications	Jan 5	--	--	-10.7%	--
4)	01/10 09:00	US				Wholesale Inventories MoM	Nov F	-0.2%	--	-0.2%	--
5)	01/10 09:00	US				Wholesale Trade Sales MoM	Nov	0.4%	--	-1.3%	--
6)	01/11 07:30	US				CPI MoM	Dec	0.2%	--	0.1%	--
7)	01/11 07:30	US				CPI Ex Food and Energy MoM	Dec	0.3%	--	0.3%	--
8)	01/11 07:30	US				CPI YoY	Dec	3.2%	--	3.1%	--
9)	01/11 07:30	US				CPI Ex Food and Energy YoY	Dec	3.8%	--	4.0%	--
10)	01/11 07:30	US				CPI Index NSA	Dec	306.602	--	307.051	--
11)	01/11 07:30	US				CPI Core Index SA	Dec	313.006	--	312.251	--
12)	01/11 07:30	US				Real Avg Hourly Earning YoY	Dec	--	--	0.8%	0.9%
13)	01/11 07:30	US				Real Avg Weekly Earnings YoY	Dec	--	--	0.5%	0.6%
14)	01/11 07:30	US				Initial Jobless Claims	Jan 6	210k	--	202k	--
15)	01/11 07:30	US				Continuing Claims	Dec 30	1870k	--	1855k	--

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