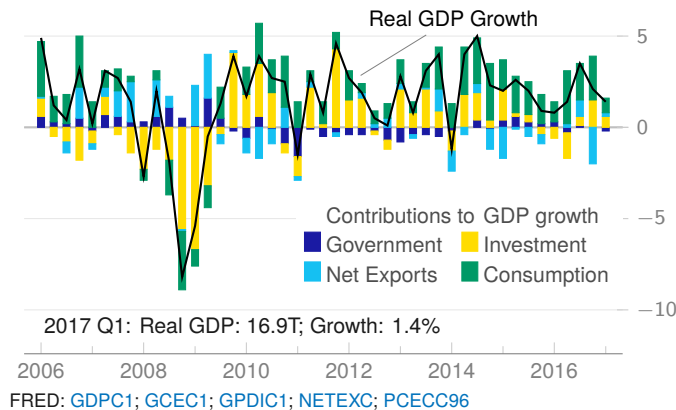


First quarter U.S. economic growth slowed from lower consumption spending growth, despite an improvement in exports. The unemployment rate is gradually nearing its long-run full-capacity level. Inflation is below two percent in both the core CPI and the full index, with no expected acceleration. Elevated consumer confidence and P/E ratios, with near long-term low equity market volatility, show an extraordinary level of optimism. The yield curve for government debt has flattened while the dollar remains strong.

Economic Growth and Employment

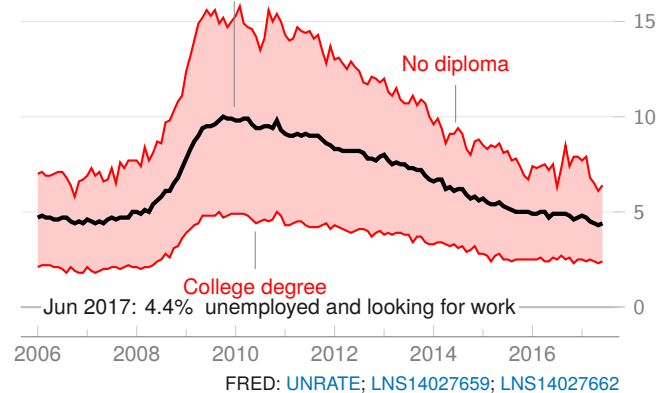
Real Gross Domestic Product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

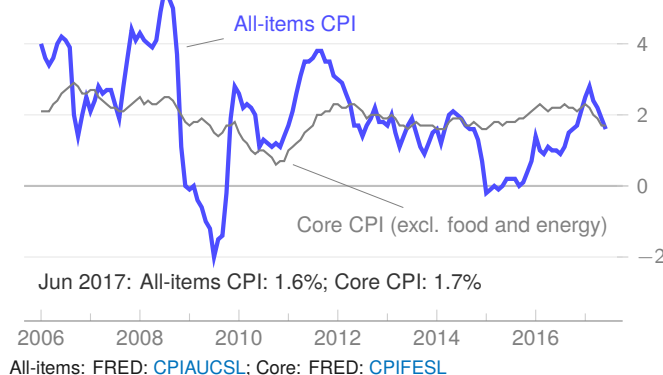
Unemployed and looking for work (U3 rate)



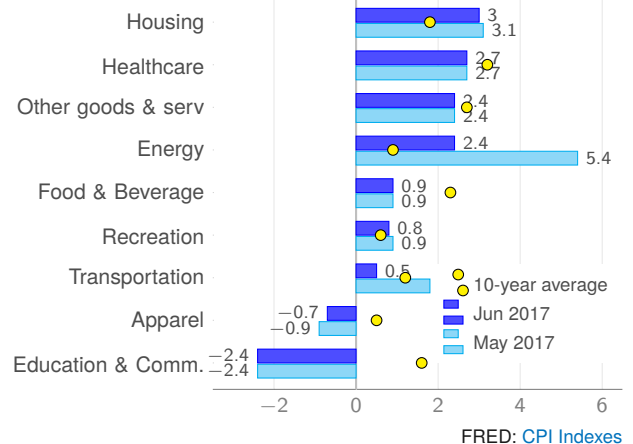
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Jul 18, 2017: 1.9% (FRED: [T5YIFR](#))

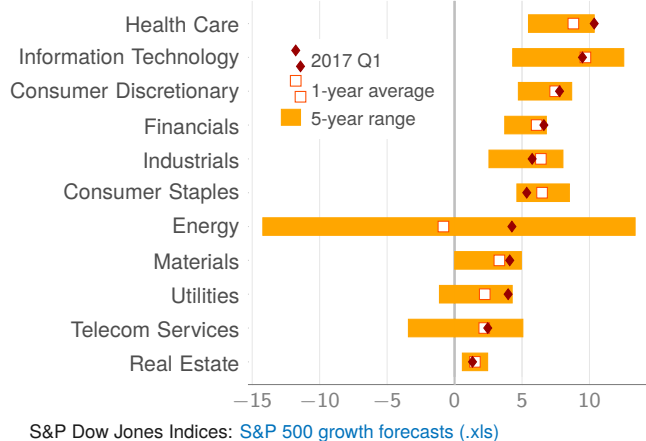


CPI components (annual percent change)



Markets, Interest Rates, and Other Indicators

S&P 500 Reported Earnings per Share by Industry



Recent market developments and other key indicators

		one month	one year	as of:
S&P 500 index	2473.83	▲ 1.5%	▲ 14.3%	2017-07-19
CBOE volatility index (VIX)	9.79	▼ -9.9%	▼ -18.2%	2017-07-19
Bank deposit interest rate	0.17%	▲ 0.01	▲ 0.05	Jun 2017
3-month treasury bill yield	1.11%	▲ 0.10	▲ 0.79	2017-07-19
2-year treasury bond yield	1.37%	▲ 0.01	▲ 0.66	2017-07-19
10-year treasury bond yield	2.27%	▲ 0.11	▲ 0.67	2017-07-19
30-year mortgage rate	4.03%	▲ 0.12	▲ 0.61	2017-07-13
US Dollar, broad index	121.64	▼ -0.5%	▼ -0.3%	Jul 2017
Crude oil, US\$/barrel	\$47.09	▲ 8.7%	▲ 5.7%	2017-07-19
Industrial production index	105.2	▲ 0.4%	▲ 2.0%	Jun 2017
Consumer confidence index	95.1	▼ -2.1%	▲ 1.7%	Jun 2017

Retrieved from [FRED](#), [CBOE](#), [Quandl](#), and [University of Michigan](#)