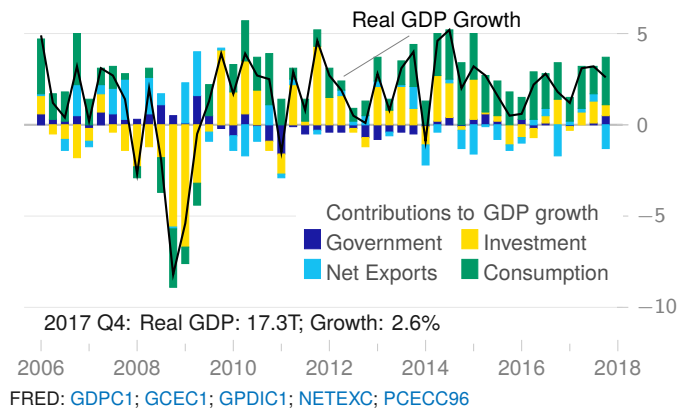


Third quarter U.S. economic growth, which remained strong, was driven by increased consumption and investment. The labor market is gradually nearing full employment and still adding jobs at a healthy pace. Inflation remains near the Fed's two percent target in both the core CPI and the full index, with little expected acceleration. Short- and medium-term borrowing costs have increased as Fed interest rate hikes are expected to continue or accelerate.

Economic Growth and Employment

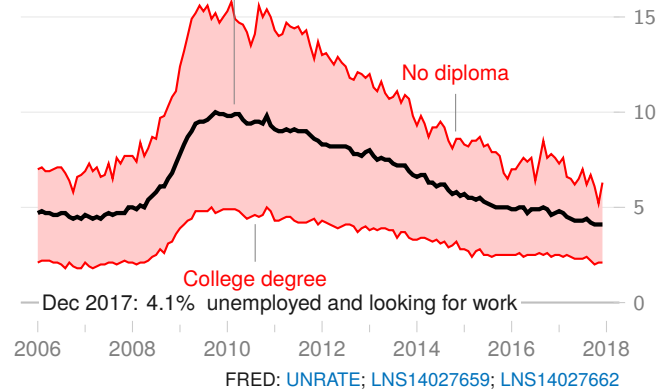
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

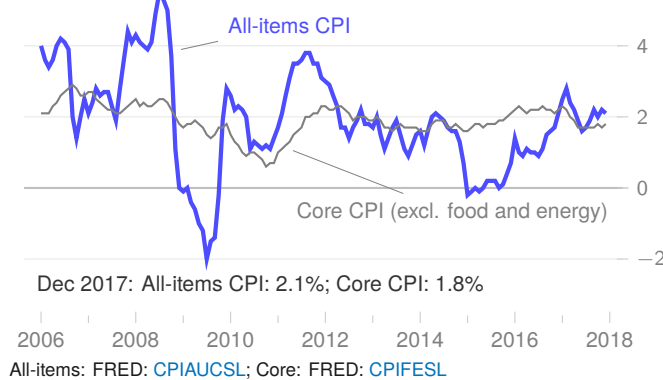
Unemployed and looking for work (U3 rate)



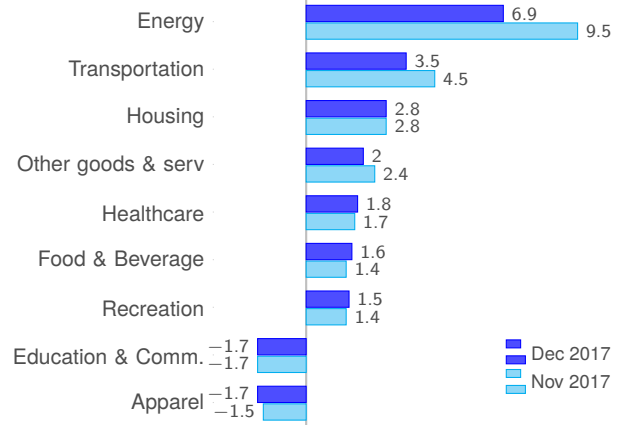
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Jan 29, 2018: 2.3% (FRED: T5YIFR)



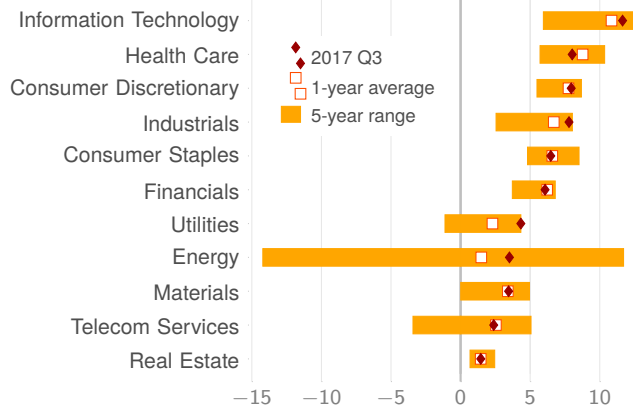
CPI components (annual percent change)



FRED: CPI Indexes

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	2822.43	▲ 5.6%	▲ 23.7%	2018-01-30
CBOE volatility index (VIX)	14.79	▲ 34.0%	▲ 24.5%	2018-01-30
Bank deposit interest rate	0.24%	0.00	▲ 0.10	Jan 2018
3-month treasury bill yield	1.44%	▲ 0.05	▲ 0.92	2018-01-30
2-year treasury bond yield	2.13%	▲ 0.24	▲ 0.91	2018-01-30
10-year treasury bond yield	2.73%	▲ 0.33	▲ 0.24	2018-01-30
30-year mortgage rate	4.15%	▲ 0.16	▼ -0.04	2018-01-25
US Dollar, broad index	117.47	▼ -2.1%	▼ -7.8%	Jan 2018
Crude oil, US\$/barrel	\$65.52	▲ 9.4%	▲ 23.2%	2018-01-29
Industrial production index	107.5	▲ 0.9%	▲ 3.6%	Dec 2017
Consumer confidence index	95.9	▼ -2.6%	▼ -2.3%	Dec 2017

Retrieved from FRED, CBOE, Quandl, and University of Michigan