

First quarter U.S. economic growth slowed considerably from lower consumption spending, despite an improvement in exports. The unemployment rate is gradually nearing its long-run full-capacity level. Inflation is around 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)

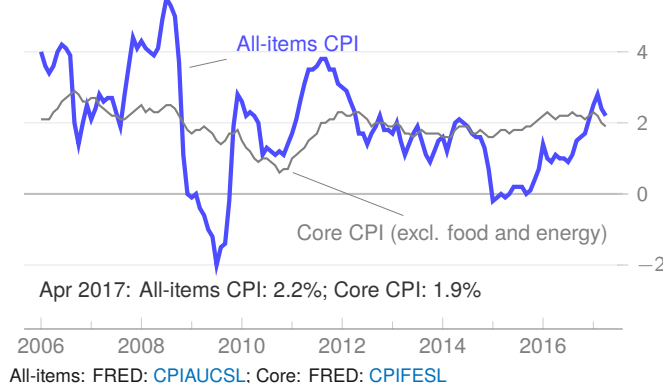
Unemployed and looking for work (U3 rate)



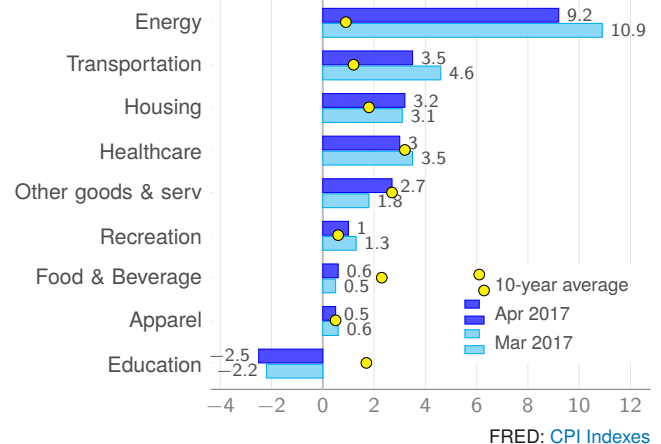
## Inflation and Prices

### Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:  
May 16, 2017: 1.9% (FRED: [TSYIFR](#))

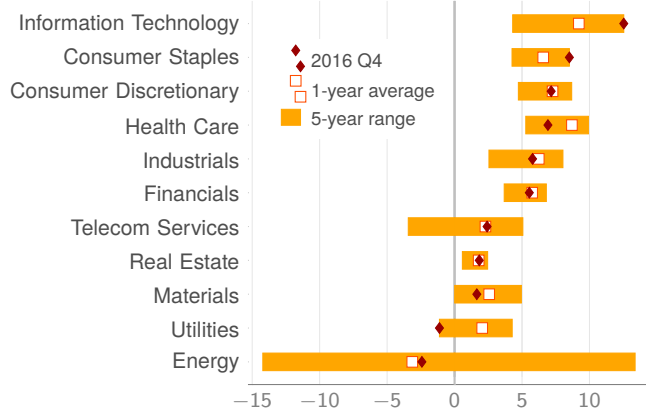


### CPI components (annual percent change)



## Markets, Interest Rates, and Other Indicators

### S&P 500 Reported Earnings per Share by Industry



S&P Dow Jones Indices: [S&P 500 growth forecasts \(.xls\)](#)

### Recent market developments and other key indicators

|                             |         | one month | one year | as of:     |
|-----------------------------|---------|-----------|----------|------------|
| S&P 500 index               | 2359.53 | ▲ 0.2%    | ▲ 15.3%  | 2017-05-18 |
| CBOE volatility index (VIX) | 15.59   | ▲ 4.4%    | ▲ 0.1%   | 2017-05-17 |
| Bank deposit interest rate  | 0.17%   | 0.00      | ▲ 0.06   | Apr 2017   |
| 3-month treasury bill yield | 0.90%   | ▲ 0.09    | ▲ 0.61   | 2017-05-17 |
| 2-year treasury bond yield  | 1.26%   | ▲ 0.07    | ▲ 0.50   | 2017-05-17 |
| 10-year treasury bond yield | 2.22%   | ▲ 0.01    | ▲ 0.51   | 2017-05-17 |
| 30-year mortgage rate       | 4.02%   | ▲ 0.05    | ▲ 0.44   | 2017-05-18 |
| US Dollar, broad index      | 124.54  | ▲ 0.2%    | ▲ 3.2%   | May 2017   |
| Crude oil, US\$/barrel      | \$48.96 | ▼ -3.2%   | ▲ 0.8%   | 2017-05-17 |
| Industrial production index | 105.1   | ▲ 1.0%    | ▲ 2.2%   | Apr 2017   |
| Consumer confidence index   | 97.0    | ▲ 0.1%    | ▲ 9.0%   | Apr 2017   |

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