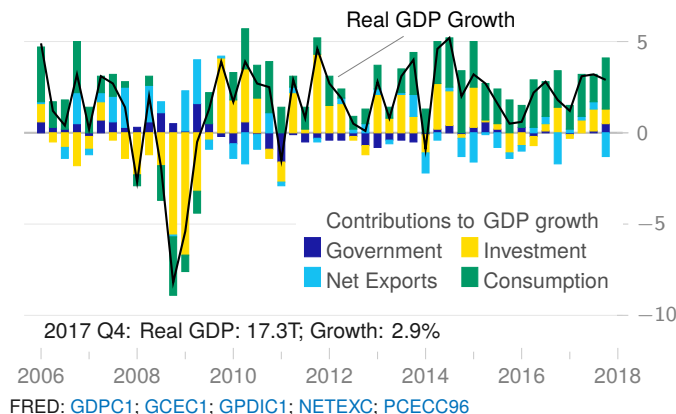


Fourth quarter U.S. economic growth, which remained strong, was driven by increased consumption and partially offset by a growing trade gap. The labor market is gradually nearing full employment and still adding jobs at a strong pace. Inflation remains near the Fed's two percent target in both the core 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

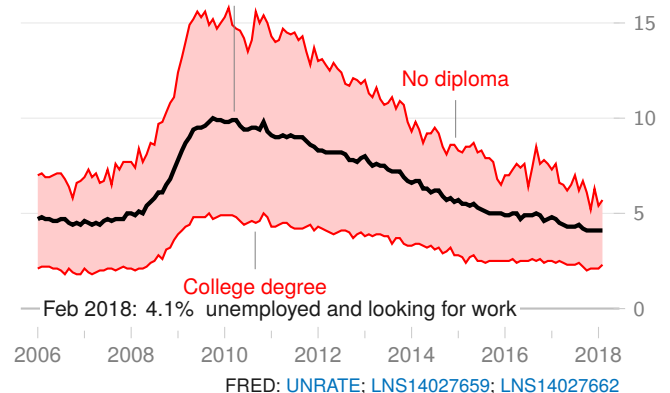
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

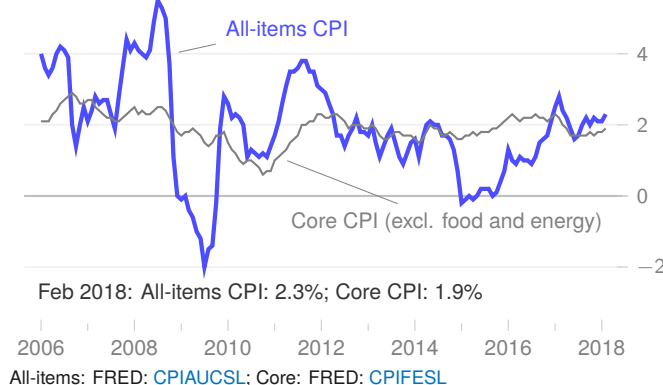
Unemployed and looking for work (U3 rate)



Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Mar 28, 2018: 2.2% (FRED: T5YIFR)



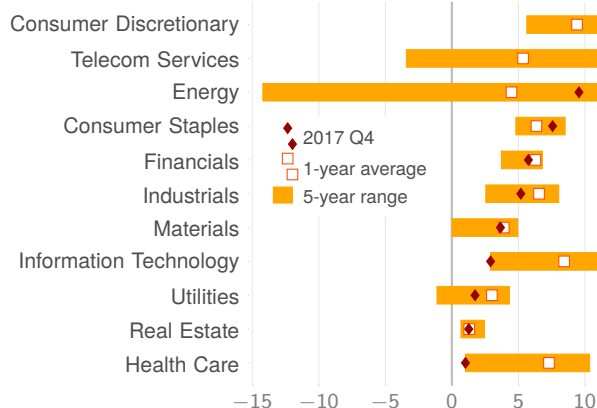
CPI components (annual percent change)



FRED: CPI Indexes

Markets, Interest Rates, and Other Indicators

S&P 500 reported earnings per share by industry



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	2640.87	▼ -1.4%	▲ 11.8%	2018-03-29
CBOE volatility index (VIX)	19.97	▼ -11.1%	▲ 74.9%	2018-03-29
Bank deposit interest rate	0.27%	▲ 0.01	▲ 0.13	Feb 2018
3-month treasury bill yield	1.73%	▲ 0.10	▲ 0.95	2018-03-29
2-year treasury bond yield	2.27%	▲ 0.05	▲ 0.97	2018-03-29
10-year treasury bond yield	2.74%	▼ -0.07	▲ 0.32	2018-03-29
30-year mortgage rate	4.44%	▲ 0.01	▲ 0.30	2018-03-29
US Dollar, broad index	118.26	▲ 0.6%	▼ -5.4%	Mar 2018
Crude oil, US\$/barrel	\$64.93	▲ 5.9%	▲ 30.9%	2018-03-29
Industrial production index	106.5	▲ 0.9%	▲ 4.3%	Feb 2018
Consumer confidence index	101.4	▲ 1.7%	▲ 4.6%	Mar 2018

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