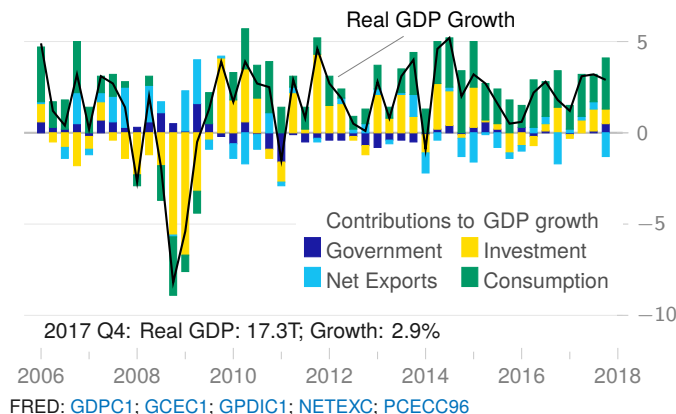


Fourth quarter U.S. economic growth, which remained strong, was driven by increased consumption and partially offset by a growing trade gap. The labor market is gradually nearing full employment and still adding jobs at a strong pace. Inflation remains near the Fed's two percent target in both the core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

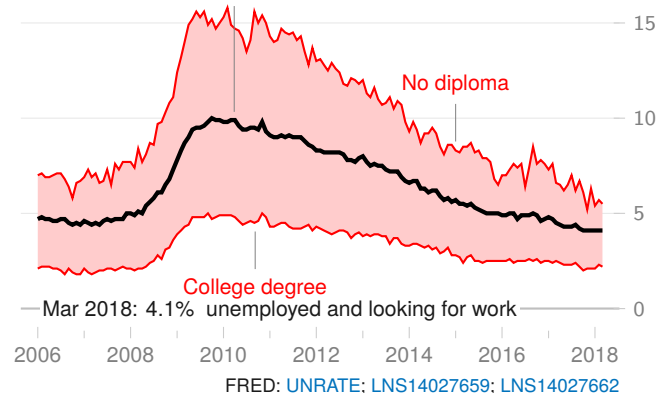
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

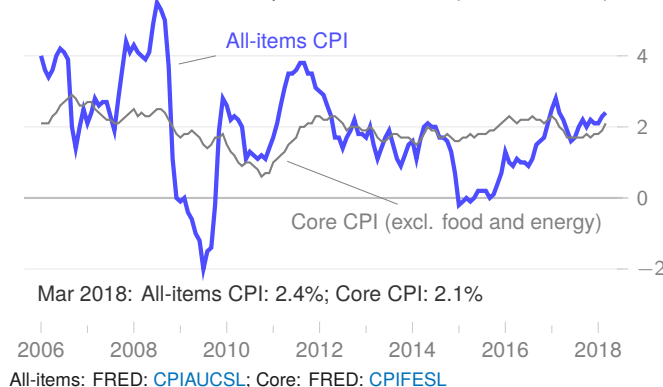
Unemployed and looking for work (U3 rate)



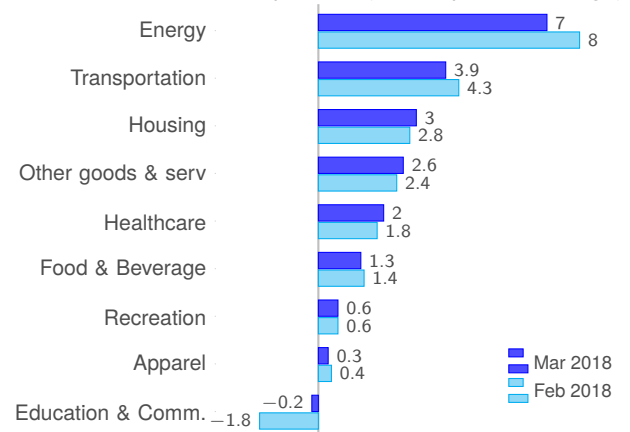
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Apr 25, 2018: 2.2% (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 | 2666.94 | ▲ 2.4% | ▲ 11.7% | 2018-04-26 |
| CBOE volatility index (VIX) | 16.24 | ▼ -29.0% | ▲ 49.7% | 2018-04-26 |
| Bank deposit interest rate | 0.28% | ▲ 0.02 | ▲ 0.13 | Mar 2018 |
| 3-month treasury bill yield | 1.82% | ▲ 0.09 | ▲ 1.00 | 2018-04-26 |
| 2-year treasury bond yield | 2.49% | ▲ 0.21 | ▲ 1.20 | 2018-04-26 |
| 10-year treasury bond yield | 3.00% | ▲ 0.23 | ▲ 0.65 | 2018-04-26 |
| 30-year mortgage rate | 4.58% | ▲ 0.14 | ▲ 0.55 | 2018-04-26 |
| US Dollar, broad index | 117.65 | ▼ -0.4% | ▼ -5.2% | Apr 2018 |
| Crude oil, US\$/barrel | \$68.20 | ▲ 5.5% | ▲ 38.6% | 2018-04-26 |
| Industrial production index | 107.2 | ▲ 0.5% | ▲ 4.3% | Mar 2018 |
| Consumer confidence index | 101.4 | ▲ 1.7% | ▲ 4.6% | Mar 2018 |

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