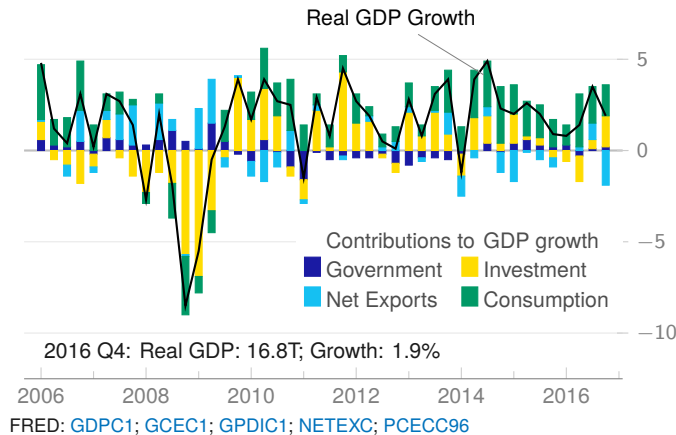


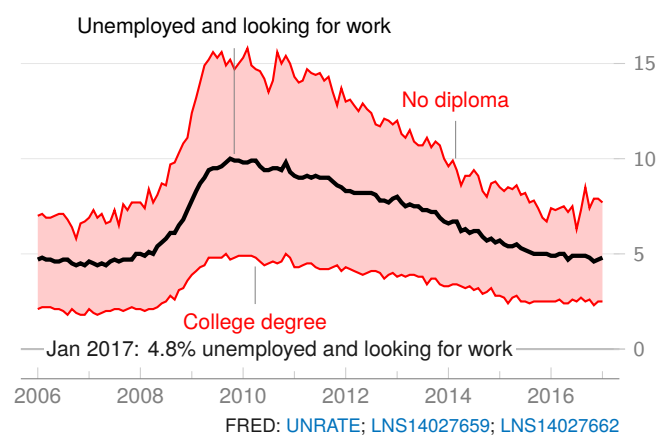
Fourth quarter U.S. economic growth is moderate, with improvement in household consumption and investment offset by a widened export gap. The unemployment rate is low and near to its long-run full-capacity level. Inflation is now slightly above its two percent target in both the core CPI and the full index. Elevated consumer confidence and P/E ratios, with near long-term low equity market volatility, show an extraordinary level of optimism. Interest rates are relatively firm as the dollar continues to return recent gains.

## Economic Growth and Employment

### Real Gross Domestic Product (annual percent change)

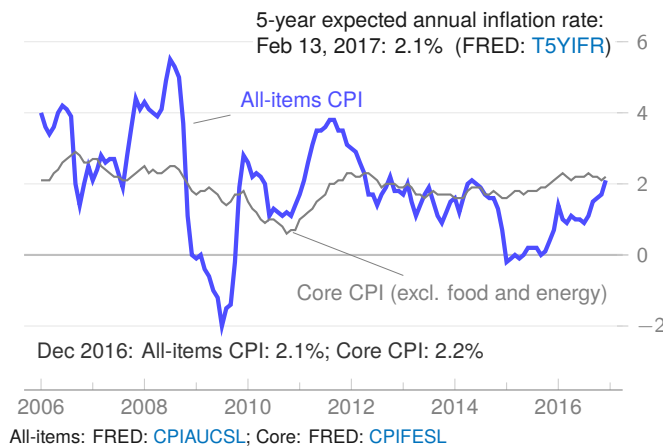


### Civilian unemployment rate (percent)

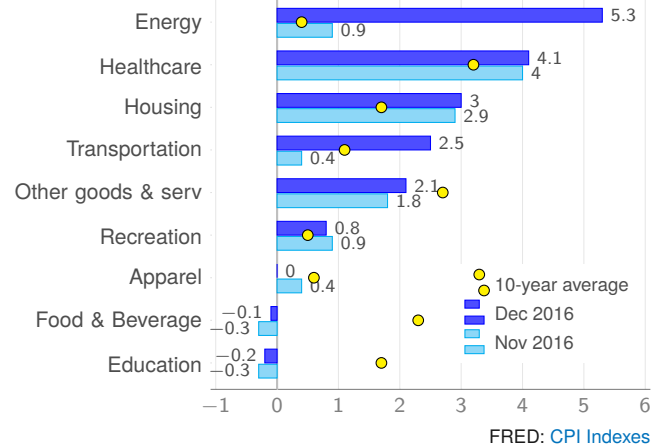


## Inflation and Prices

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

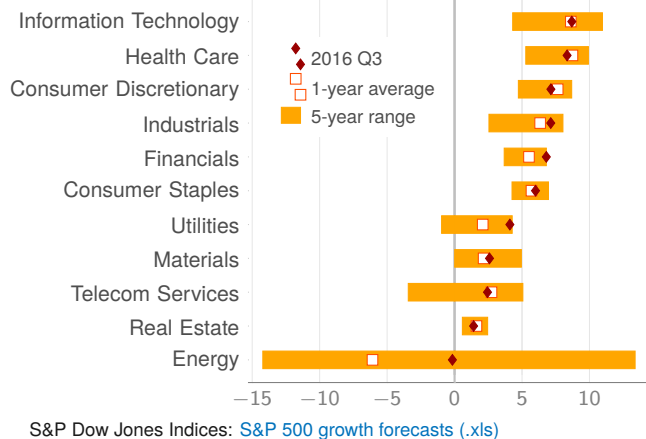


### CPI components (annual percent change)



## 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               | 2328.25 | ▲ 2.4%    | ▲ 24.9%  | 2017-02-13 |
| CBOE volatility index (VIX) | 10.74   | ▼ -9.5%   | ▼ -55.5% | 2017-02-14 |
| Bank deposit interest rate  | 0.12%   | ▲ 0.01    | ▲ 0.01   | Jan 2017   |
| 3-month treasury bill yield | 0.54%   | ▼ -0.01   | ▲ 0.26   | 2017-02-14 |
| 2-year treasury bond yield  | 1.25%   | ▲ 0.08    | ▲ 0.61   | 2017-02-14 |
| 10-year treasury bond yield | 2.47%   | ▲ 0.14    | ▲ 0.84   | 2017-02-14 |
| 30-year mortgage rate       | 4.17%   | ▲ 0.05    | ▲ 0.52   | 2017-02-09 |
| US Dollar, broad index      | 125.80  | ▼ -1.4%   | ▲ 1.6%   | Feb 2017   |
| Crude oil, US\$/barrel      | \$53.03 | ▲ 1.0%    | ▲ 81.9%  | 2017-02-14 |
| Industrial production index | 104.6   | ▲ 0.8%    | ▲ 0.5%   | Dec 2016   |
| Consumer confidence index   | 98.5    | ▲ 0.3%    | ▲ 7.1%   | Jan 2017   |

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