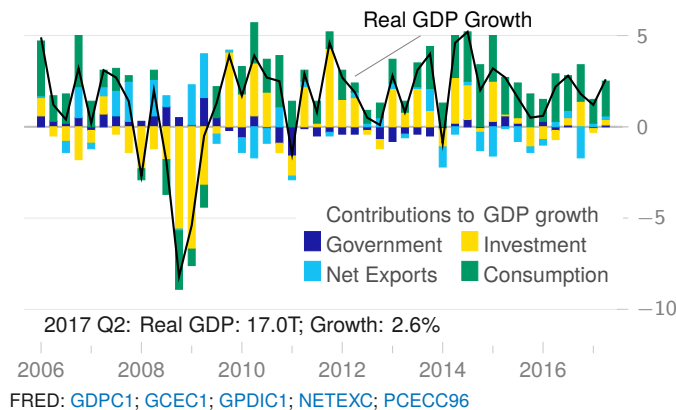


Second quarter U.S. economic growth picked up, driven almost entirely by increased consumption. The labor market is gradually nearing full employment. Inflation is well below the Fed's two percent target in both the core CPI and the full index, with little expected acceleration. Over the past month, stock prices have returned some of their 2017 gains, equity market volatility is up, U.S. borrowing costs are down, and the otherwise overvalued dollar has weakened against major trading partners.

Economic Growth and Employment

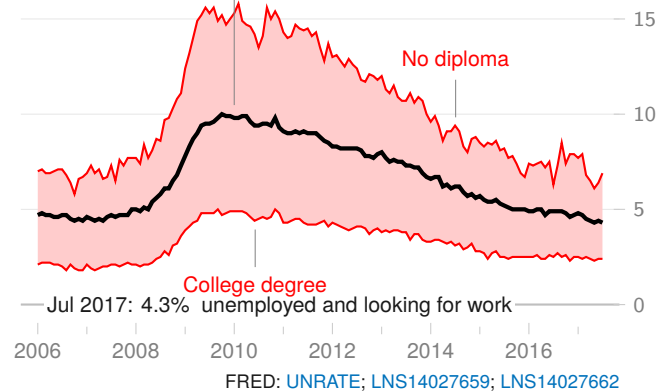
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

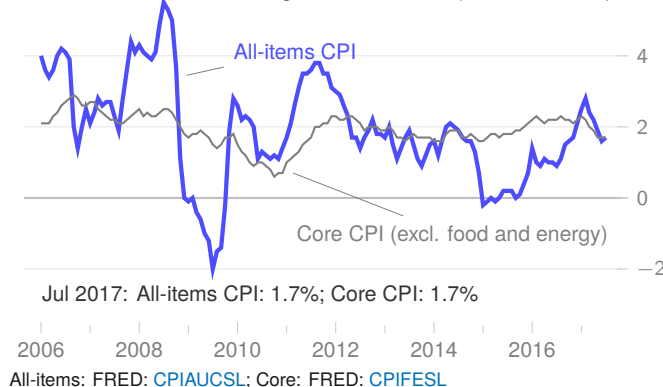
Unemployed and looking for work (U3 rate)



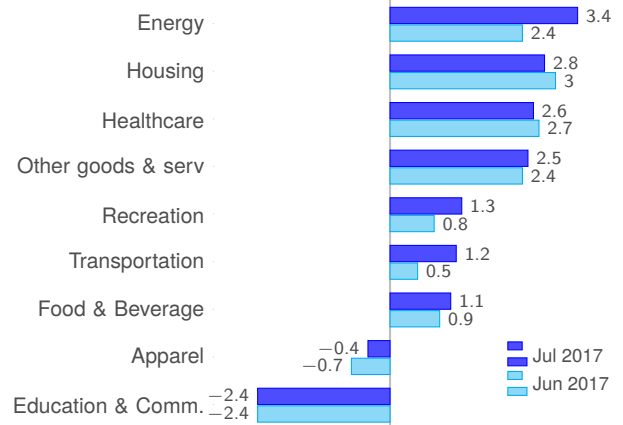
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Aug 18, 2017: 1.9% (FRED: T5YIFR)



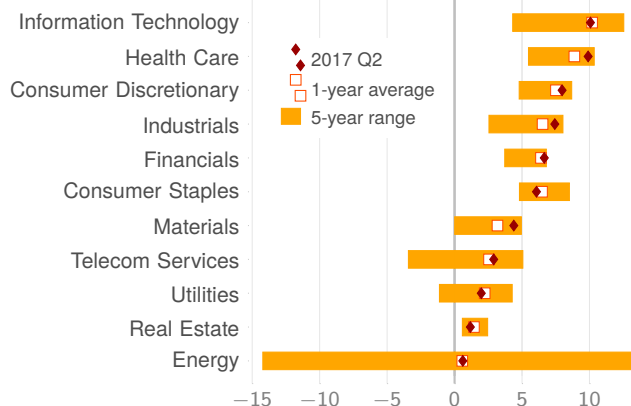
CPI components (annual percent change)



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	2428.37	▼ -1.7%	▲ 11.2%	2017-08-21
CBOE volatility index (VIX)	13.19	▲ 39.9%	▲ 16.3%	2017-08-21
Bank deposit interest rate	0.17%	▲ 0.01	▲ 0.05	Jul 2017
3-month treasury bill yield	1.00%	▼ -0.17	▲ 0.70	2017-08-21
2-year treasury bond yield	1.32%	▼ -0.05	▲ 0.58	2017-08-21
10-year treasury bond yield	2.18%	▼ -0.08	▲ 0.62	2017-08-21
30-year mortgage rate	3.89%	▼ -0.07	▲ 0.46	2017-08-17
US Dollar, broad index	119.59	▼ -0.9%	▼ -1.0%	Aug 2017
Crude oil, US\$/barrel	\$47.43	▲ 2.0%	▼ -2.3%	2017-08-21
Industrial production index	105.5	▲ 0.2%	▲ 2.2%	Jul 2017
Consumer confidence index	93.4	▼ -1.8%	▲ 3.8%	Jul 2017

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