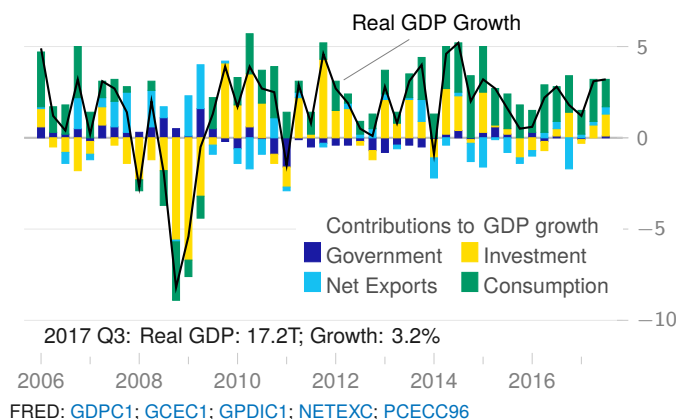


Third quarter U.S. economic growth, which remained strong, was driven by increased consumption and investment. The labor market is gradually nearing full employment and still adding jobs at a healthy pace. Inflation remains near the Fed's two percent target in both the core CPI and the full index, with 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

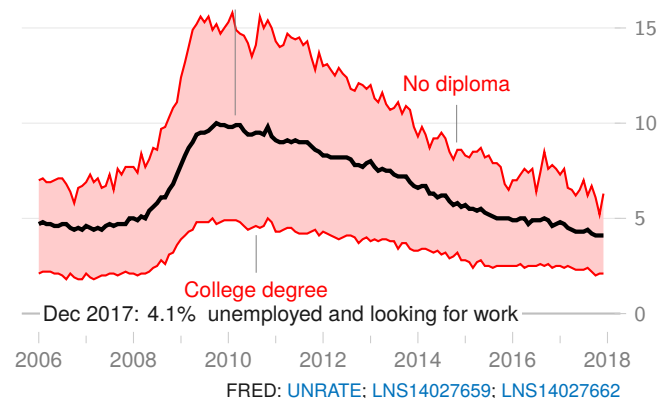
### Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



### Civilian unemployment rate (percent)

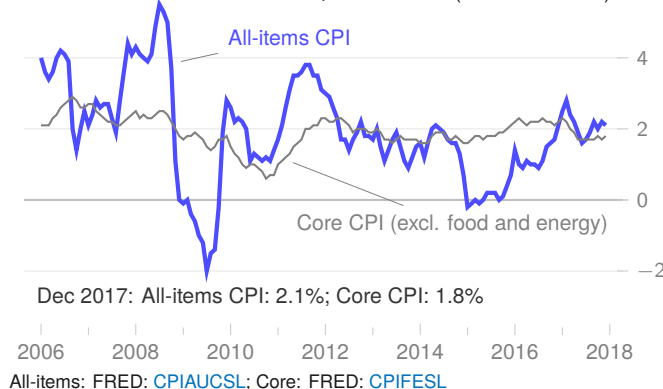
Unemployed and looking for work (U3 rate)



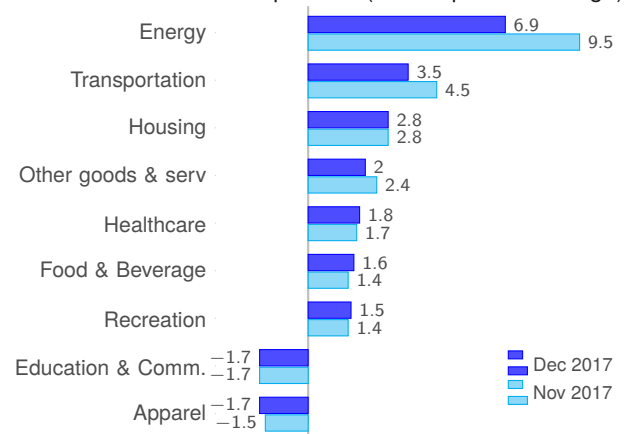
## Inflation and Prices

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

5-year expected annual inflation rate:  
Jan 17, 2018: 2.2% (FRED: [T5YIFR](#))



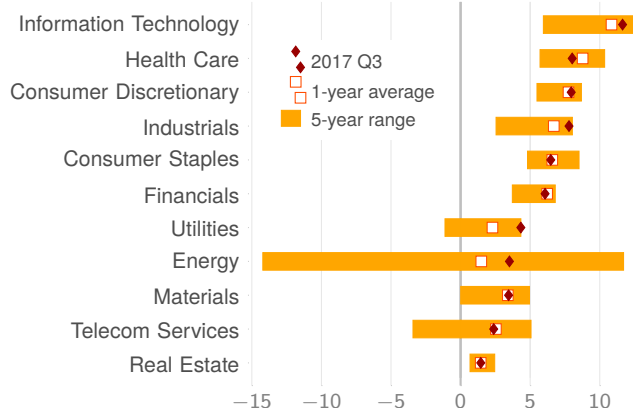
### CPI components (annual percent change)



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	2798.03	▲ 4.0%	▲ 23.2%	2018-01-18
CBOE volatility index (VIX)	12.22	▲ 28.2%	▼ -2.1%	2018-01-18
Bank deposit interest rate	0.23%	▲ 0.02	▲ 0.10	Dec 2017
3-month treasury bill yield	1.45%	▲ 0.07	▲ 0.90	2018-01-18
2-year treasury bond yield	2.05%	▲ 0.21	▲ 0.88	2018-01-18
10-year treasury bond yield	2.62%	▲ 0.23	▲ 0.29	2018-01-18
30-year mortgage rate	4.04%	▲ 0.10	▼ -0.05	2018-01-18
US Dollar, broad index	118.40	▼ -1.3%	▼ -7.1%	Jan 2018
Crude oil, US\$/barrel	\$63.72	▲ 11.2%	▲ 24.0%	2018-01-18
Industrial production index	107.5	▲ 0.9%	▲ 3.6%	Dec 2017
Consumer confidence index	95.9	▼ -2.6%	▼ -2.3%	Dec 2017

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