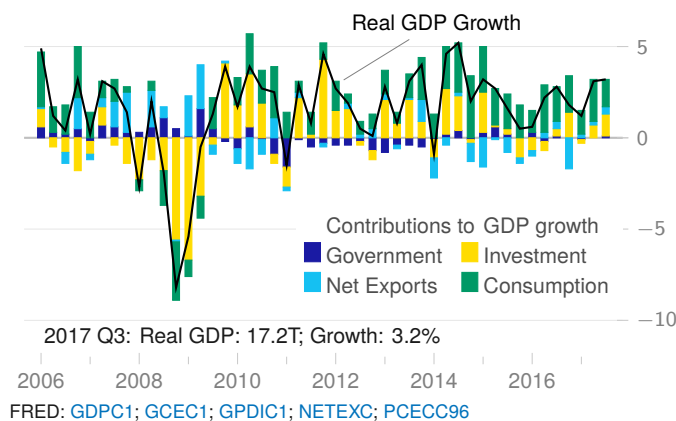


Third quarter U.S. economic growth, which remained strong, was driven by increased consumption and investment. The labor market is gradually nearing full employment and still adding jobs at a healthy pace. Inflation remains near the Fed's two percent target in both the core CPI and the full index, with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

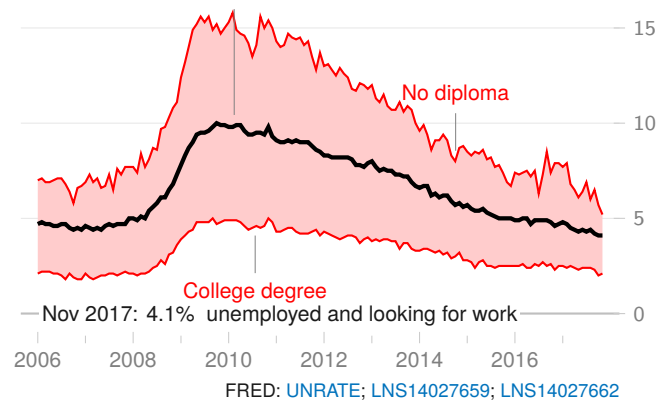
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

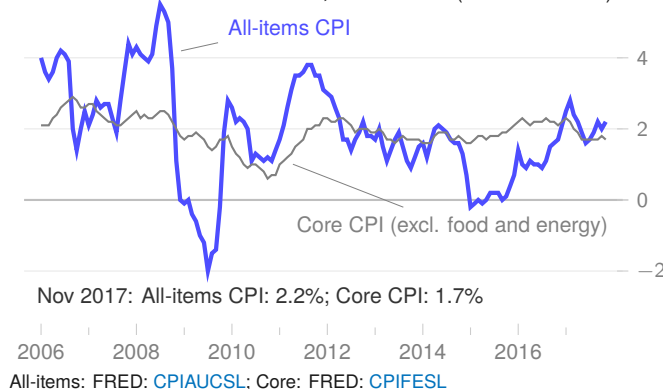
Unemployed and looking for work (U3 rate)



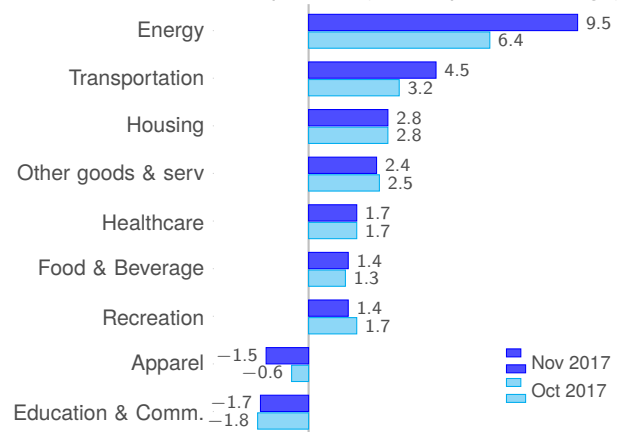
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Dec 29, 2017: 2.1% (FRED: T5YIFR)

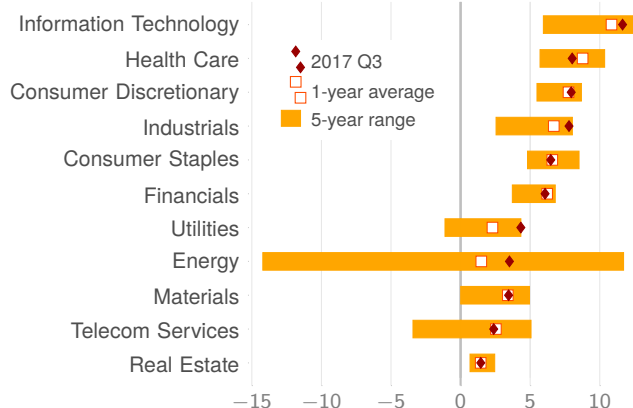


CPI components (annual percent change)



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	2713.06	▲ 2.8%	▲ 20.2%	2018-01-03
CBOE volatility index (VIX)	9.15	▼ -21.7%	▼ -28.8%	2018-01-03
Bank deposit interest rate	0.22%	▲ 0.01	▲ 0.09	Nov 2017
3-month treasury bill yield	1.41%	▲ 0.12	▲ 0.90	2018-01-03
2-year treasury bond yield	1.94%	▲ 0.14	▲ 0.74	2018-01-03
10-year treasury bond yield	2.44%	▲ 0.07	▼ -0.01	2018-01-03
30-year mortgage rate	3.99%	▲ 0.09	▼ -0.33	2017-12-28
US Dollar, broad index	119.96	▼ -0.3%	▼ -6.0%	Dec 2017
Crude oil, US\$/barrel	\$60.37	▲ 3.6%	▲ 12.0%	2018-01-02
Industrial production index	106.4	▲ 0.2%	▲ 3.4%	Nov 2017
Consumer confidence index	95.9	▼ -2.6%	▼ -2.3%	Dec 2017

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