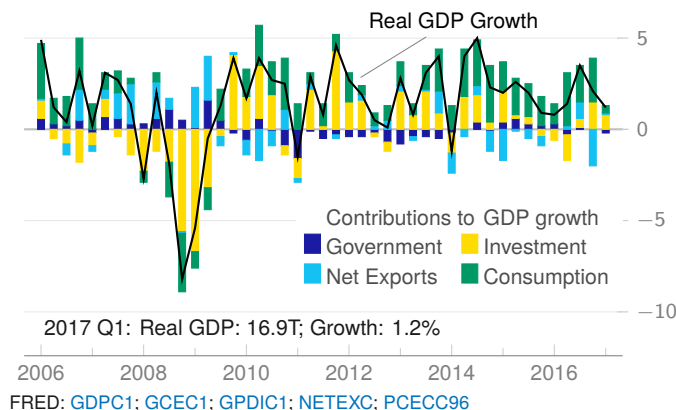


First quarter U.S. economic growth slowed considerably from lower consumption spending, despite an improvement in exports. The unemployment rate is gradually nearing its long-run full-capacity level. Inflation is around two percent in both the core CPI and the full index, with no expected acceleration. Elevated consumer confidence and P/E ratios, with near long-term low equity market volatility, show an extraordinary level of optimism. The yield curve for government debt has flattened while the dollar remains strong.

## Economic Growth and Employment

### Real Gross Domestic Product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



### Civilian unemployment rate (percent)

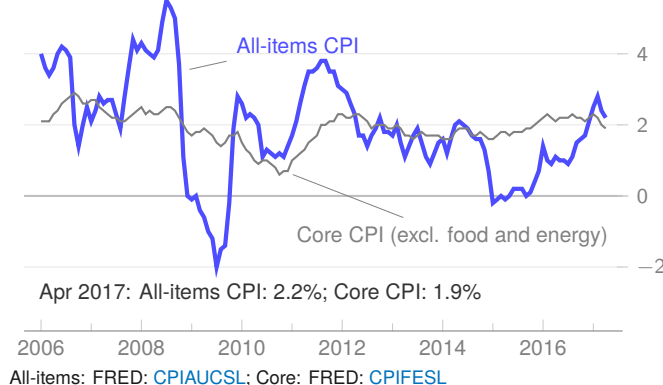
Unemployed and looking for work (U3 rate)



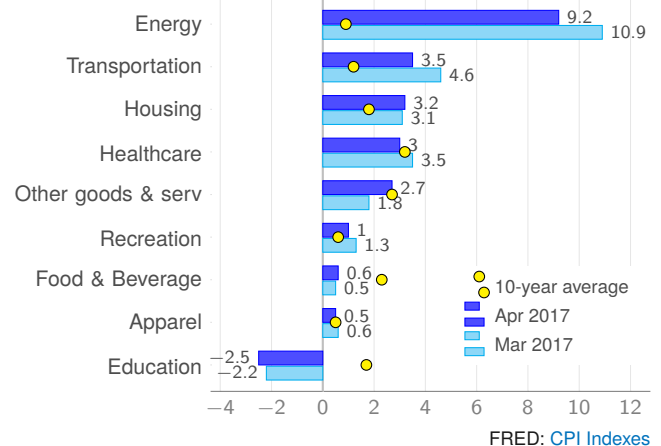
## Inflation and Prices

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

5-year expected annual inflation rate:  
May 25, 2017: 1.9% (FRED: T5YIFR)

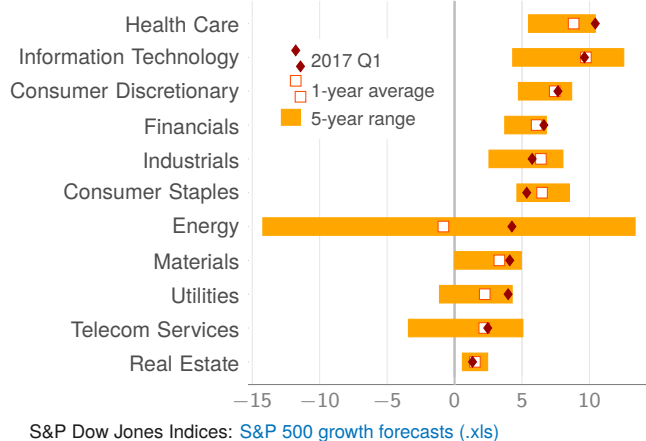


### CPI components (annual percent change)



## 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	2415.82	▲ 1.3%	▲ 15.6%	2017-05-26
CBOE volatility index (VIX)	9.81	▼ -9.3%	▼ -27.0%	2017-05-26
Bank deposit interest rate	0.18%	▲ 0.01	▲ 0.07	May 2017
3-month treasury bill yield	0.94%	▲ 0.14	▲ 0.59	2017-05-26
2-year treasury bond yield	1.30%	▲ 0.02	▲ 0.38	2017-05-26
10-year treasury bond yield	2.25%	▼ -0.04	▲ 0.39	2017-05-26
30-year mortgage rate	3.95%	▼ -0.08	▲ 0.31	2017-05-25
US Dollar, broad index	124.23	▼ -0.1%	▲ 2.9%	May 2017
Crude oil, US\$/barrel	\$49.87	▲ 1.4%	▲ 1.0%	2017-05-26
Industrial production index	105.1	▲ 1.0%	▲ 2.2%	Apr 2017
Consumer confidence index	97.1	▲ 0.1%	▲ 2.5%	May 2017

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