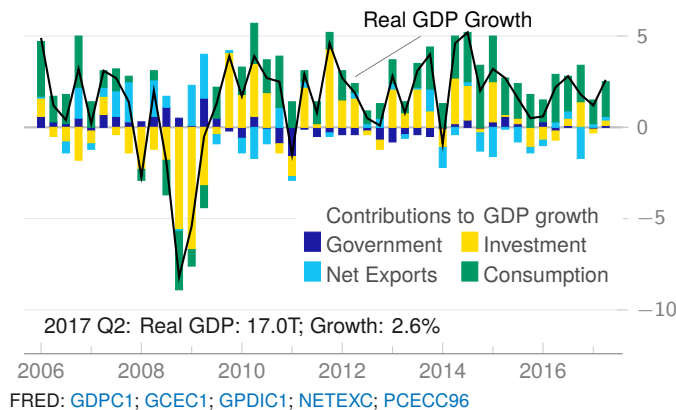


Second quarter U.S. economic growth picked up, driven almost entirely by increased consumption. The labor market is gradually nearing full employment. Inflation is well below the Fed's two percent target in both the core CPI and the full index, with little expected acceleration. Elevated stock prices, with near long-term low equity market volatility, suggest an extraordinary level of optimism. The otherwise overvalued dollar has weakened recently against major trading partners.

Economic Growth and Employment

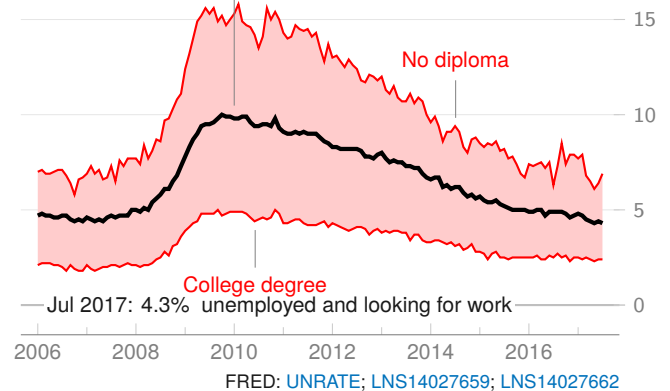
Real Gross Domestic Product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

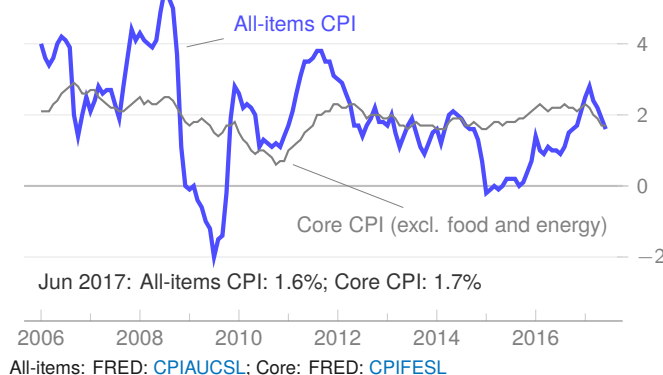
Unemployed and looking for work (U3 rate)



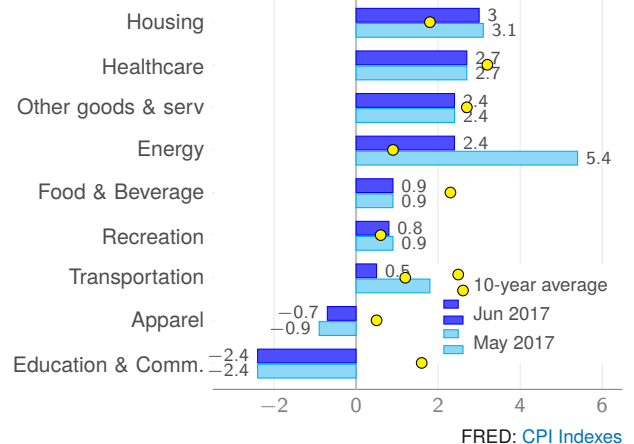
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Aug 03, 2017: 1.9% (FRED: TS5YIFR)

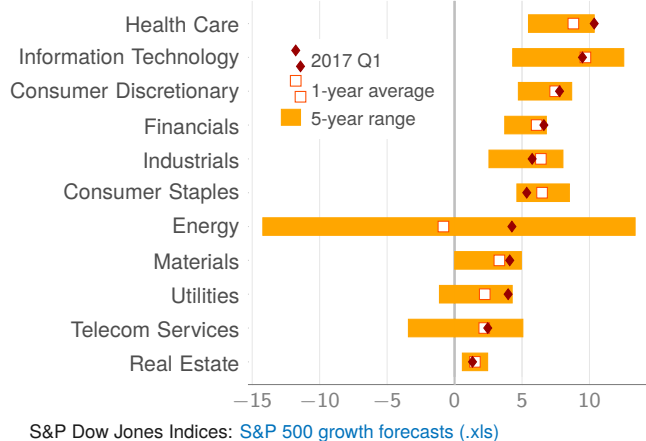


CPI components (annual percent change)



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	2476.83 ▲ 2.1%	▲ 14.4%	2017-08-04
CBOE volatility index (VIX)	10.03 ▼ -10.4%	▼ -19.2%	2017-08-04
Bank deposit interest rate	0.17% ▲ 0.01	▲ 0.05	Jul 2017
3-month treasury bill yield	1.08% ▲ 0.03	▲ 0.79	2017-08-04
2-year treasury bond yield	1.36% ▼ -0.04	▲ 0.69	2017-08-04
10-year treasury bond yield	2.27% ▼ -0.12	▲ 0.72	2017-08-04
30-year mortgage rate	3.93% ▼ -0.03	▲ 0.50	2017-08-03
US Dollar, broad index	120.74 ▼ -1.3%	▼ -1.0%	Jul 2017
Crude oil, US\$/barrel	\$49.52 ▲ 11.7%	▲ 18.4%	2017-08-04
Industrial production index	105.2 ▲ 0.4%	▲ 2.0%	Jun 2017
Consumer confidence index	93.4 ▼ -1.8%	▲ 3.8%	Jul 2017

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