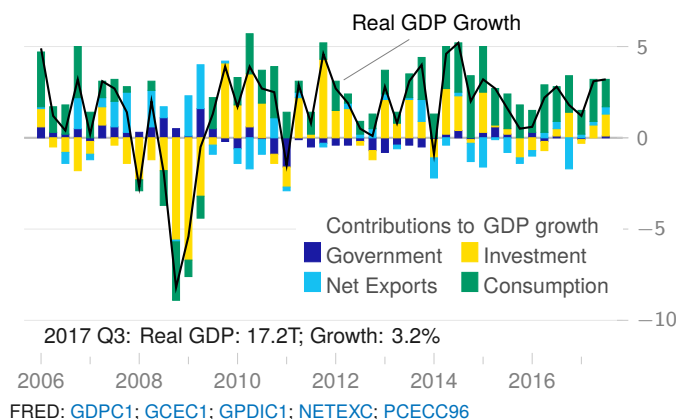


Third quarter U.S. economic growth, which remained strong, was driven by increased consumption and investment. The labor market is gradually nearing full employment and still adding jobs at a healthy pace. Inflation remains near the Fed's two percent target in both the core CPI and the full index, with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

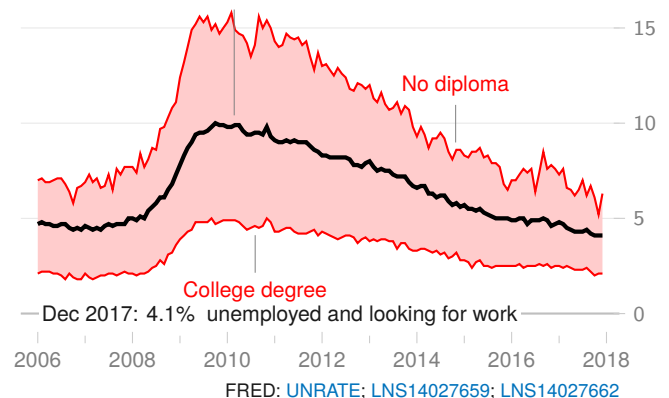
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

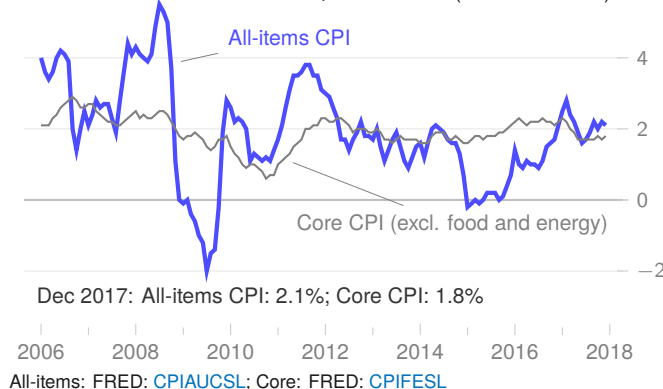
Unemployed and looking for work (U3 rate)



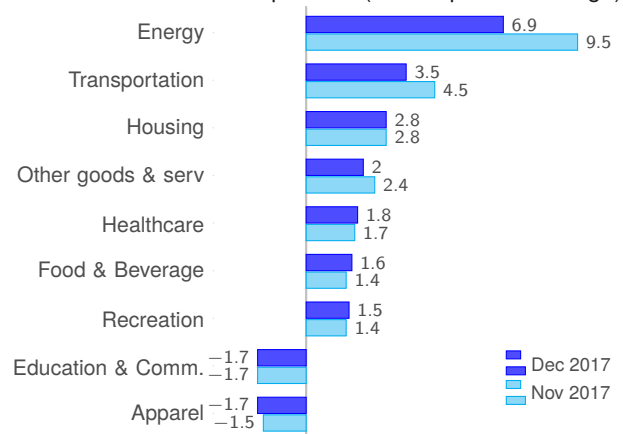
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Jan 18, 2018: 2.1% (FRED: T5YIFR)

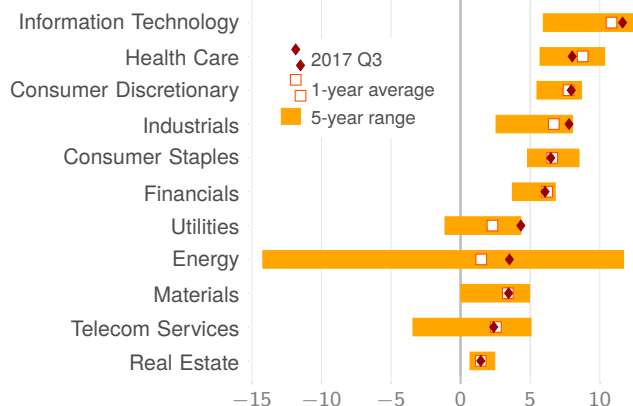


CPI components (annual percent change)



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	2810.30	▲ 4.8%	▲ 24.1%	2018-01-19
CBOE volatility index (VIX)	11.27	▲ 12.4%	▼ -11.8%	2018-01-19
Bank deposit interest rate	0.23%	▲ 0.02	▲ 0.10	Dec 2017
3-month treasury bill yield	1.44%	▲ 0.07	▲ 0.91	2018-01-19
2-year treasury bond yield	2.06%	▲ 0.19	▲ 0.83	2018-01-19
10-year treasury bond yield	2.64%	▲ 0.18	▲ 0.22	2018-01-19
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](#)