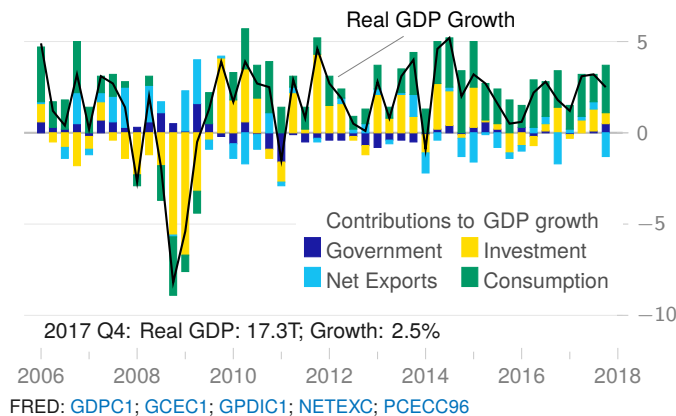


Fourth quarter U.S. economic growth, which remained strong, was driven by increased consumption. The labor market is gradually nearing full employment and still adding jobs at a healthy pace. Inflation remains near the Fed's two percent target in both the core CPI and the full index, with little expected acceleration. Short- and medium-term borrowing costs have increased as Fed interest rate hikes are expected to continue or accelerate.

## Economic Growth and Employment

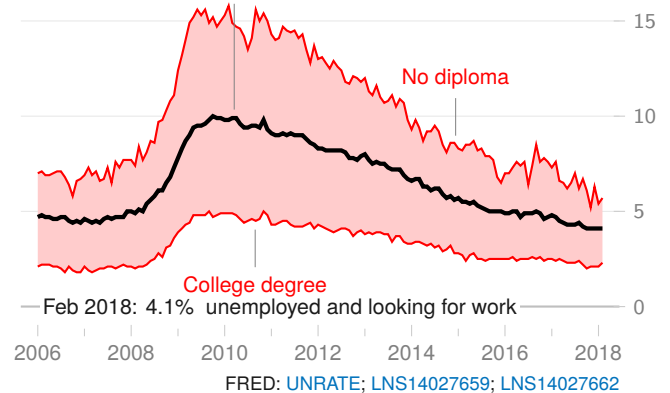
### Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



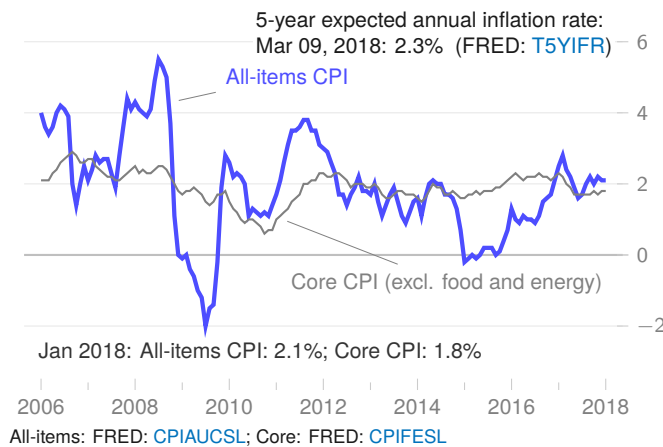
### Civilian unemployment rate (percent)

Unemployed and looking for work (U3 rate)

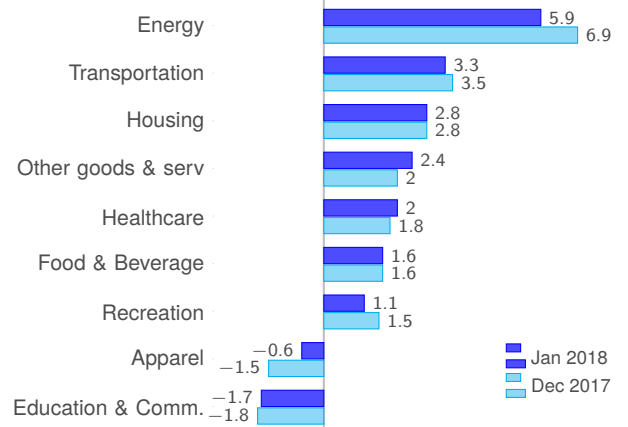


## Inflation and Prices

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

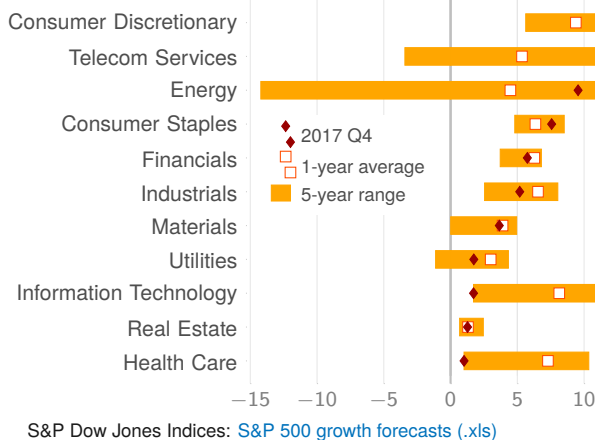


### CPI components (annual percent change)



## 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               | 2783.02 | ▲ 6.2%    | ▲ 17.3%  | 2018-03-12 |
| CBOE volatility index (VIX) | 15.78   | ▼ -45.7%  | ▲ 35.3%  | 2018-03-12 |
| Bank deposit interest rate  | 0.27%   | ▲ 0.01    | ▲ 0.13   | Feb 2018   |
| 3-month treasury bill yield | 1.71%   | ▲ 0.16    | ▲ 0.98   | 2018-03-12 |
| 2-year treasury bond yield  | 2.27%   | ▲ 0.22    | ▲ 0.90   | 2018-03-12 |
| 10-year treasury bond yield | 2.87%   | ▲ 0.04    | ▲ 0.27   | 2018-03-12 |
| 30-year mortgage rate       | 4.46%   | ▲ 0.14    | ▲ 0.25   | 2018-03-08 |
| US Dollar, broad index      | 118.31  | ▲ 0.6%    | ▼ -5.4%  | Mar 2018   |
| Crude oil, US\$/barrel      | \$61.34 | ▲ 3.9%    | ▲ 26.8%  | 2018-03-12 |
| Industrial production index | 107.2   | ▼ -0.1%   | ▲ 3.7%   | Jan 2018   |
| Consumer confidence index   | 99.7    | ▲ 4.2%    | ▲ 3.5%   | Feb 2018   |

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