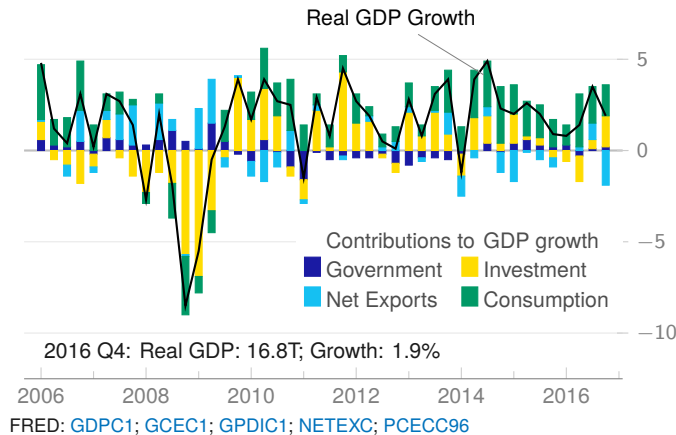


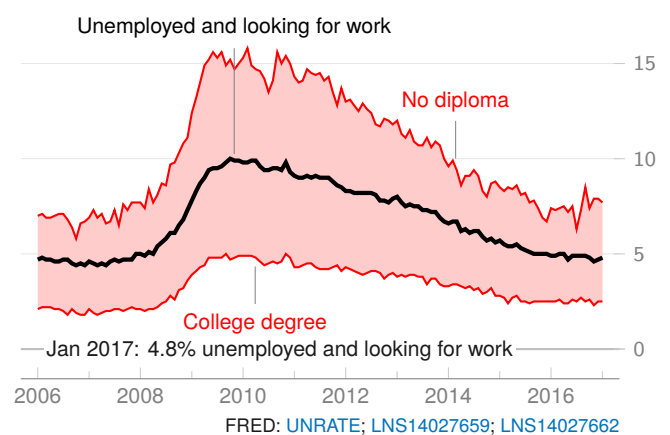
Fourth quarter U.S. economic growth is moderate, with improvement in household consumption and investment offset by a widened export gap. The unemployment rate is low and near to its long-run full-capacity level. Inflation is now slightly above its two percent target in both the core CPI and the full index. Elevated consumer confidence and P/E ratios, with near long-term low equity market volatility, show an extraordinary level of optimism. Interest rates are relatively firm as the dollar continues to return recent gains.

## Economic Growth and Employment

### Real Gross Domestic Product (annual percent change)

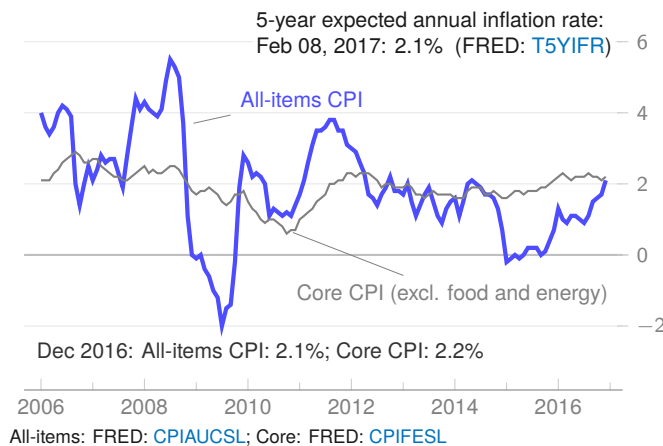


### Civilian unemployment rate (percent)

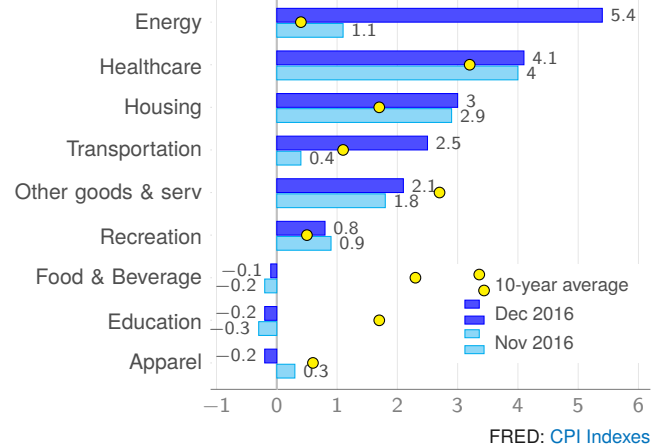


## Inflation and Prices

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

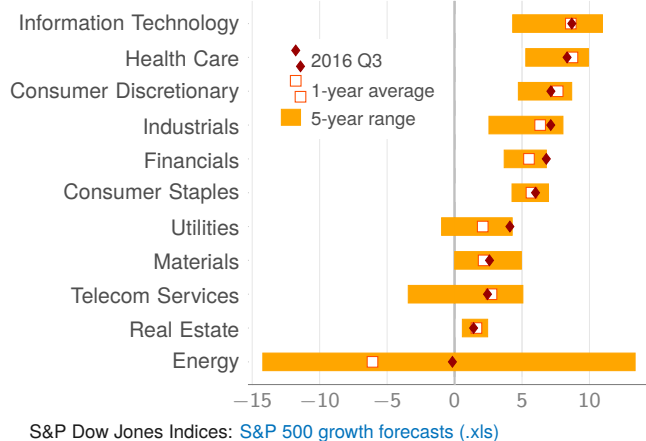


### CPI components (annual percent change)



## 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               | 2307.87 ▲ 1.4% | ▲ 24.6%  | 2017-02-09 |
| CBOE volatility index (VIX) | 10.88 ▼ -3.4%  | ▼ -58.6% | 2017-02-09 |
| Bank deposit interest rate  | 0.12% ▲ 0.01   | ▲ 0.01   | Jan 2017   |
| 3-month treasury bill yield | 0.54% ▲ 0.02   | ▲ 0.22   | 2017-02-09 |
| 2-year treasury bond yield  | 1.20% 0.00     | ▲ 0.54   | 2017-02-09 |
| 10-year treasury bond yield | 2.40% ▲ 0.02   | ▲ 0.65   | 2017-02-09 |
| 30-year mortgage rate       | 4.17% ▲ 0.05   | ▲ 0.52   | 2017-02-09 |
| US Dollar, broad index      | 125.67 ▼ -1.5% | ▲ 1.5%   | Feb 2017   |
| Crude oil, US\$/barrel      | \$53.14 ▲ 1.5% | ▲ 94.4%  | 2017-02-09 |
| Industrial production index | 104.6 ▲ 0.8%   | ▲ 0.5%   | Dec 2016   |
| Consumer confidence index   | 98.5 ▲ 0.3%    | ▲ 7.1%   | Jan 2017   |

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