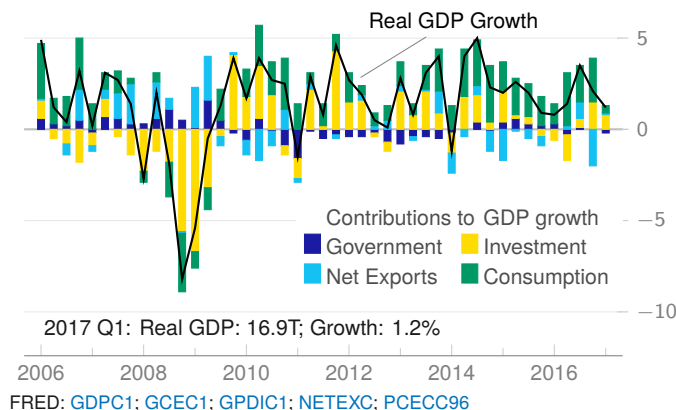


First quarter U.S. economic growth slowed from lower consumption spending growth, despite an improvement in exports. The unemployment rate is gradually nearing its long-run full-capacity level. Inflation is around two percent in both the core CPI and the full index, with no expected acceleration. Elevated 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

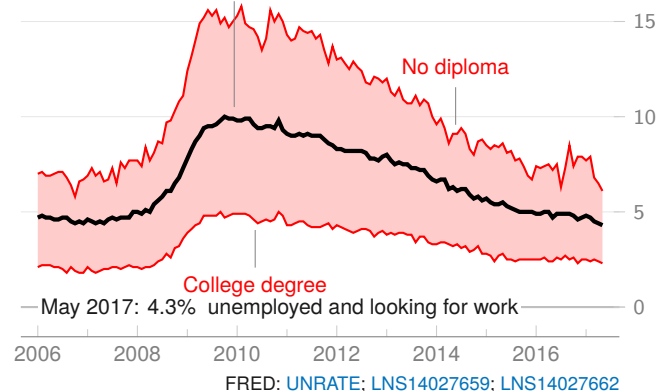
### Real Gross Domestic Product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



### Civilian unemployment rate (percent)

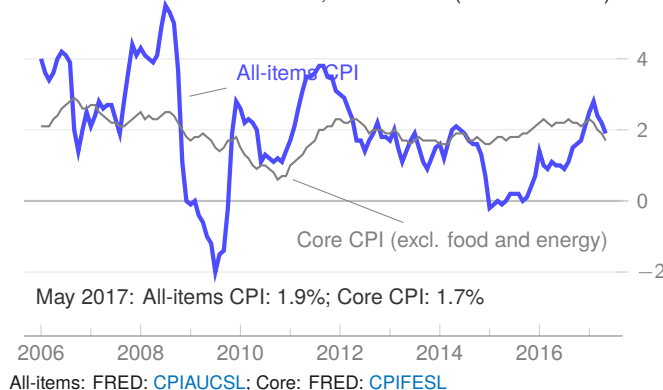
Unemployed and looking for work (U3 rate)



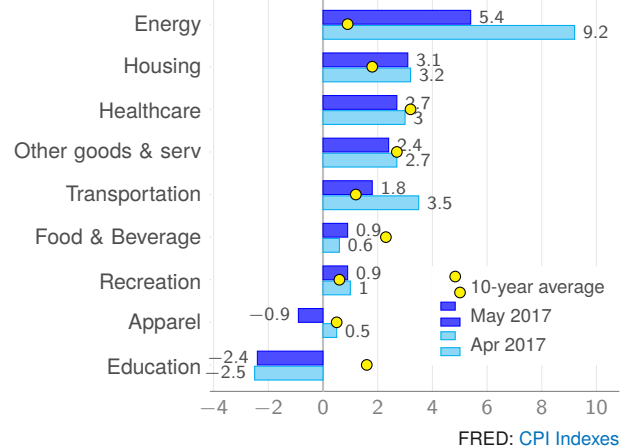
## Inflation and Prices

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

5-year expected annual inflation rate:  
Jun 14, 2017: 1.8% (FRED: T5YIFR)

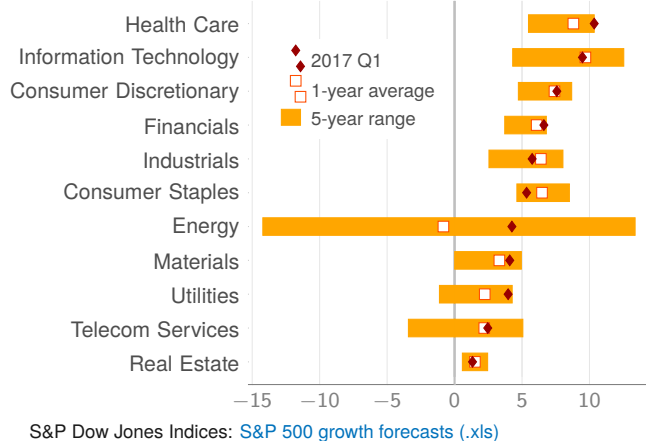


### CPI components (annual percent change)



## 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               | 2432.46 | ▲ 3.2%    | ▲ 17.2%  | 2017-06-15 |
| CBOE volatility index (VIX) | 10.64   | ▼ -0.1%   | ▼ -48.1% | 2017-06-14 |
| Bank deposit interest rate  | 0.17%   | ▲ 0.01    | ▲ 0.05   | May 2017   |
| 3-month treasury bill yield | 1.01%   | ▲ 0.11    | ▲ 0.75   | 2017-06-14 |
| 2-year treasury bond yield  | 1.35%   | ▲ 0.06    | ▲ 0.62   | 2017-06-14 |
| 10-year treasury bond yield | 2.15%   | ▼ -0.18   | ▲ 0.51   | 2017-06-14 |
| 30-year mortgage rate       | 3.91%   | ▼ -0.11   | ▲ 0.37   | 2017-06-15 |
| US Dollar, broad index      | 122.44  | ▼ -1.1%   | ▲ 1.1%   | Jun 2017   |
| Crude oil, US\$/barrel      | \$44.68 | ▼ -7.4%   | ▼ -6.7%  | 2017-06-14 |
| Industrial production index | 105.0   | -0.0%     | ▲ 2.2%   | May 2017   |
| Consumer confidence index   | 97.1    | ▲ 0.1%    | ▲ 2.5%   | May 2017   |

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