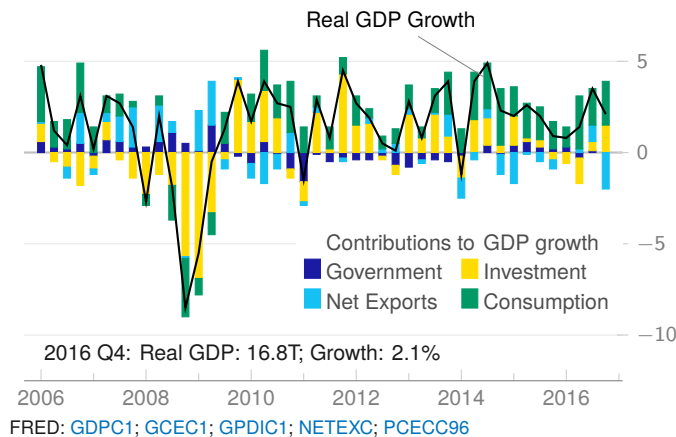


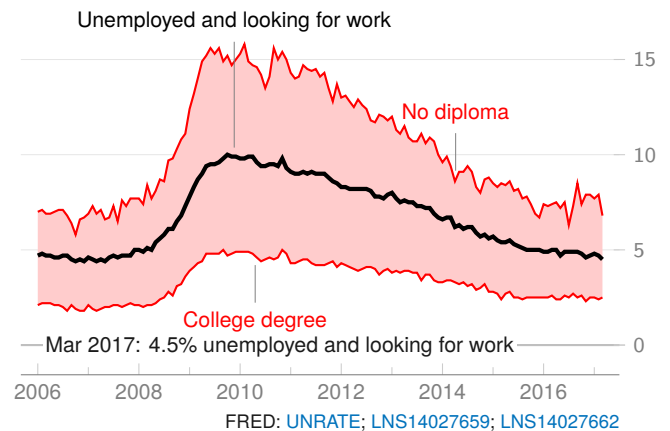
Fourth quarter U.S. economic growth is moderate, with improvement in household consumption and investment offset by a widened export gap. The unemployment rate is low and nearing its long-run full-capacity level. Inflation is now slightly above two percent in both the core CPI and the full index. Elevated consumer confidence and P/E ratios, with near long-term low equity market volatility, show an extraordinary level of optimism. Low-risk interest rates are slowly climbing while the dollar retains a worrisome strength.

Economic Growth and Employment

Real Gross Domestic Product (annual percent change)

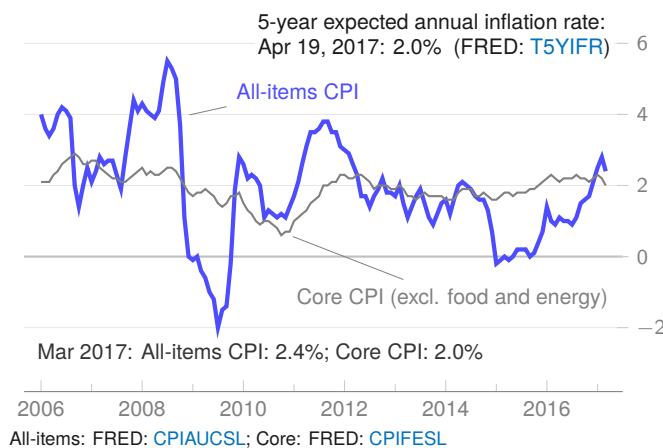


Civilian unemployment rate (percent)

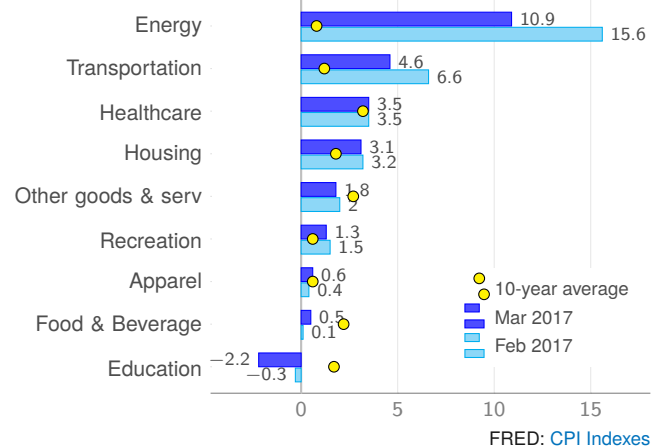


Inflation and Prices

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 | 2355.84 | ▲ 0.3% | ▲ 12.1% | 2017-04-20 |
| CBOE volatility index (VIX) | 14.15 | ▲ 10.5% | ▲ 6.6% | 2017-04-20 |
| Bank deposit interest rate | 0.15% | ▲ 0.01 | ▲ 0.04 | Mar 2017 |
| 3-month treasury bill yield | 0.79% | ▲ 0.03 | ▲ 0.58 | 2017-04-20 |
| 2-year treasury bond yield | 1.21% | ▼ -0.05 | ▲ 0.44 | 2017-04-20 |
| 10-year treasury bond yield | 2.24% | ▼ -0.17 | ▲ 0.45 | 2017-04-20 |
| 30-year mortgage rate | 3.97% | ▼ -0.26 | ▲ 0.38 | 2017-04-20 |
| US Dollar, broad index | 124.47 | ▼ -0.6% | ▲ 4.2% | Apr 2017 |
| Crude oil, US\$/barrel | \$50.26 | ▲ 4.4% | ▲ 17.6% | 2017-04-20 |
| Industrial production index | 104.1 | ▲ 0.5% | ▲ 1.5% | Mar 2017 |
| Consumer confidence index | 96.9 | ▲ 0.6% | ▲ 6.5% | Mar 2017 |

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