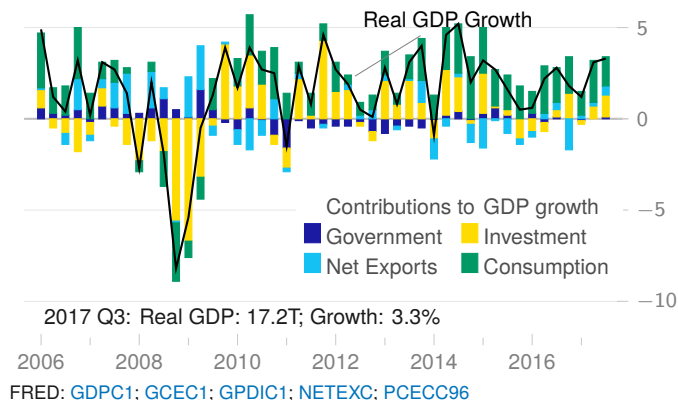


Third quarter U.S. economic growth remained strong, driven by consumption and investment growth. The labor market is gradually nearing full employment and still adding jobs at a healthy pace. Inflation remains near or below the Fed's two percent target in both the core CPI and the full index, with little expected acceleration. Over the past month, there has been an increase in the price of oil. Short- and medium-term borrowing costs have increased as Fed interest rate hikes are expected to continue or accelerate.

Economic Growth and Employment

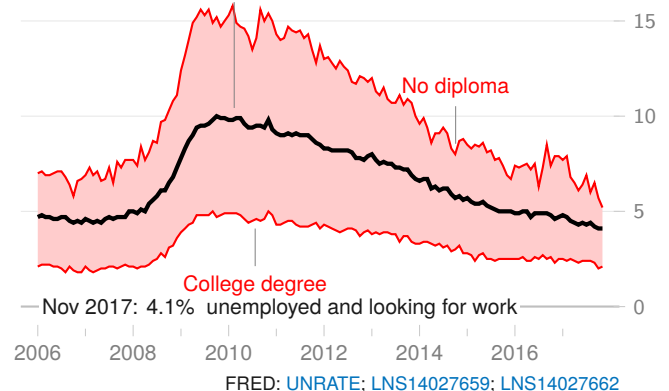
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

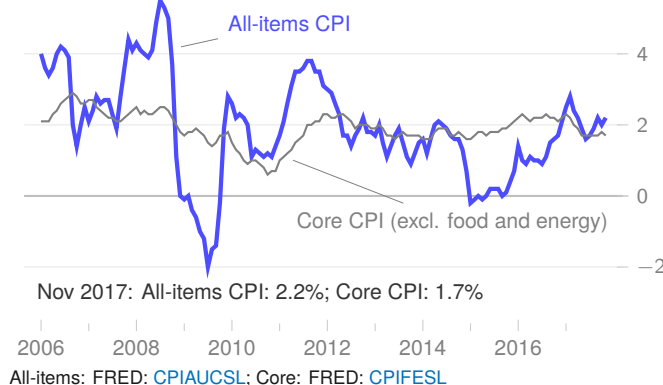
Unemployed and looking for work (U3 rate)



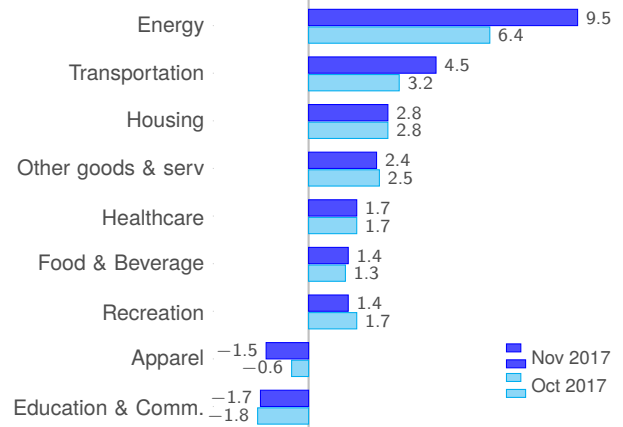
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Dec 18, 2017: 2.1% (FRED: T5YIFR)



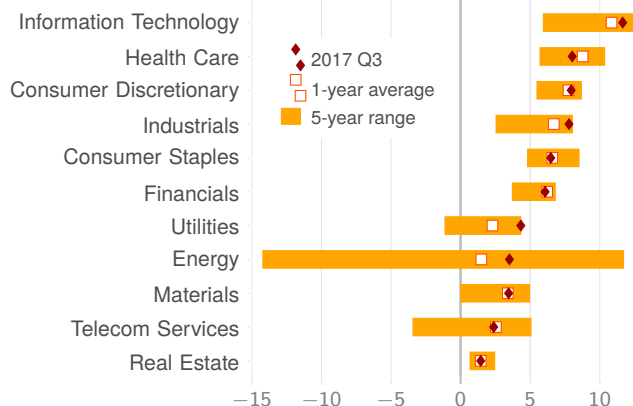
CPI components (annual percent change)



FRED: CPI Indexes

Markets, Interest Rates, and Other Indicators

S&P 500 reported earnings per share by industry



S&P Dow Jones Indices: S&P 500 growth forecasts (.xls)

Recent market developments and other key indicators

		one month	one year	as of:
S&P 500 index	2681.47	▲ 3.8%	▲ 18.5%	2017-12-19
CBOE volatility index (VIX)	10.03	▼ -5.8%	▼ -14.3%	2017-12-19
Bank deposit interest rate	0.22%	▲ 0.01	▲ 0.09	Nov 2017
3-month treasury bill yield	1.37%	▲ 0.07	▲ 0.86	2017-12-19
2-year treasury bond yield	1.87%	▲ 0.10	▲ 0.59	2017-12-19
10-year treasury bond yield	2.46%	▲ 0.09	▼ -0.14	2017-12-19
30-year mortgage rate	3.93%	▼ -0.02	▼ -0.23	2017-12-14
US Dollar, broad index	120.04	▼ -0.2%	▼ -5.9%	Dec 2017
Crude oil, US\$/barrel	\$57.29	▲ 1.1%	▲ 10.1%	2017-12-18
Industrial production index	106.4	▲ 0.2%	▲ 3.4%	Nov 2017
Consumer confidence index	98.5	▼ -2.2%	▲ 5.0%	Nov 2017

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