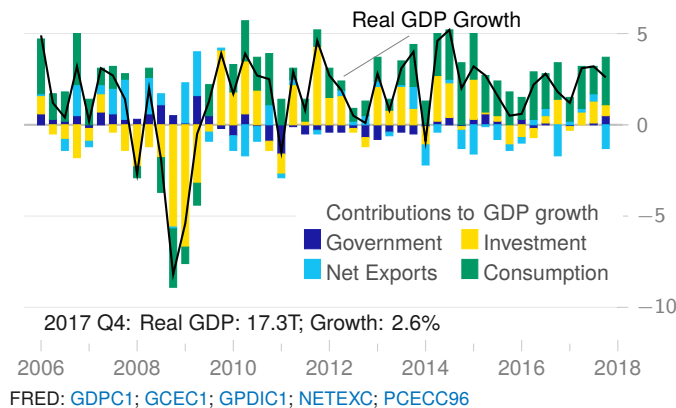


Third quarter U.S. economic growth, which remained strong, was driven by increased consumption and investment. The labor market is gradually nearing full employment and still adding jobs at a healthy pace. Inflation remains near the Fed's two percent target in both the core CPI and the full index, with 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

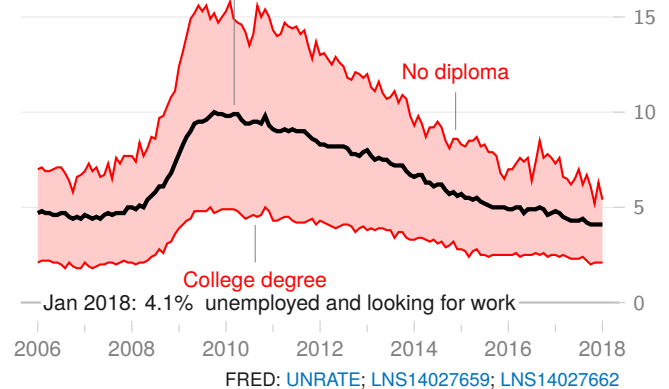
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

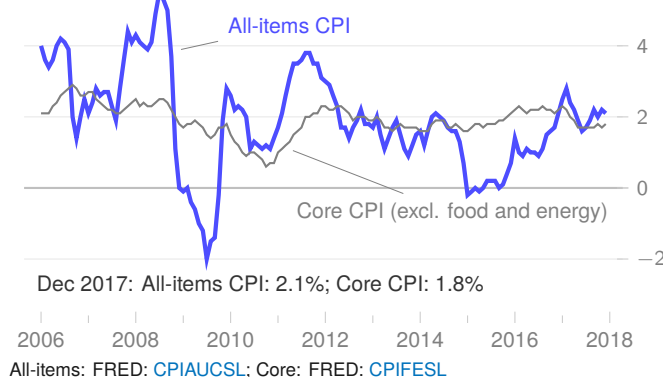
Unemployed and looking for work (U3 rate)



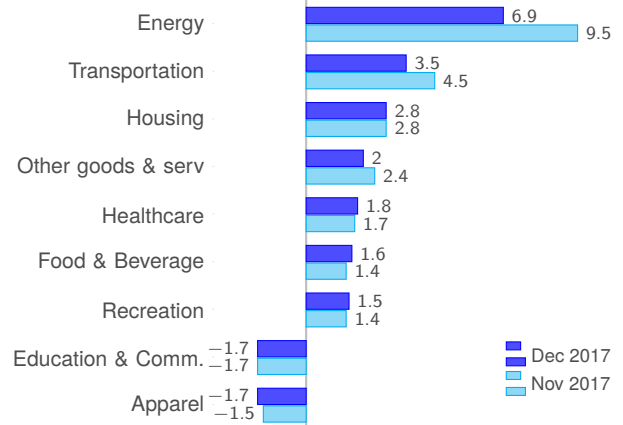
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Feb 01, 2018: 2.3% (FRED: [TS5YIFR](#))



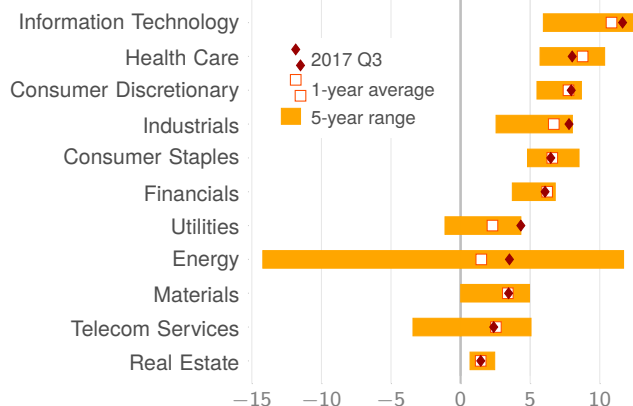
CPI components (annual percent change)



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	2762.13	▲ 1.4%	▲ 21.1%	2018-02-02
CBOE volatility index (VIX)	17.31	▲ 87.7%	▲ 45.1%	2018-02-02
Bank deposit interest rate	0.23%	0.00	▲ 0.10	Jan 2018
3-month treasury bill yield	1.48%	▲ 0.07	▲ 0.97	2018-02-02
2-year treasury bond yield	2.15%	▲ 0.19	▲ 0.93	2018-02-02
10-year treasury bond yield	2.84%	▲ 0.38	▲ 0.36	2018-02-02
30-year mortgage rate	4.22%	▲ 0.27	▲ 0.03	2018-02-01
US Dollar, broad index	117.47	▼ -2.1%	▼ -7.8%	Jan 2018
Crude oil, US\$/barrel	\$65.06	▲ 5.1%	▲ 21.3%	2018-02-02
Industrial production index	107.5	▲ 0.9%	▲ 3.6%	Dec 2017
Consumer confidence index	95.7	▼ -0.2%	▼ -2.8%	Jan 2018

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