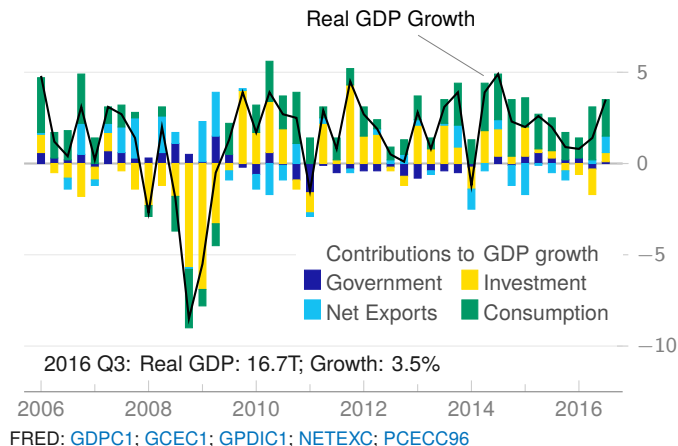


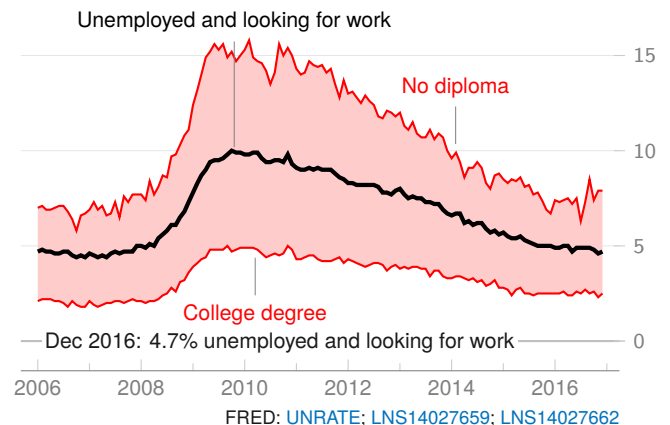
Third quarter U.S. economic growth is strong and led primarily by increases in household consumption and a rebound in investment. The unemployment rate remains low and near to its long-run full-capacity level. Further economic growth may generate upward wage pressure. Inflation is likewise near to its two percent target in both the core CPI and the full index. Consumer confidence has surged in most measures, propelling stock market indices higher. The yield curve has flattened over the past month.

## Economic Growth and Employment

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



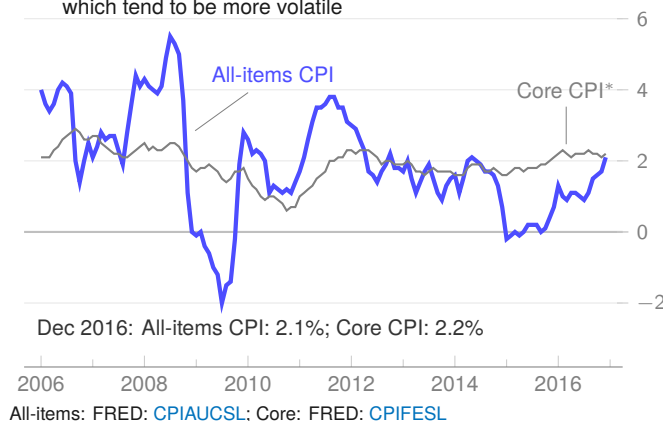
### Civilian unemployment rate (percent)



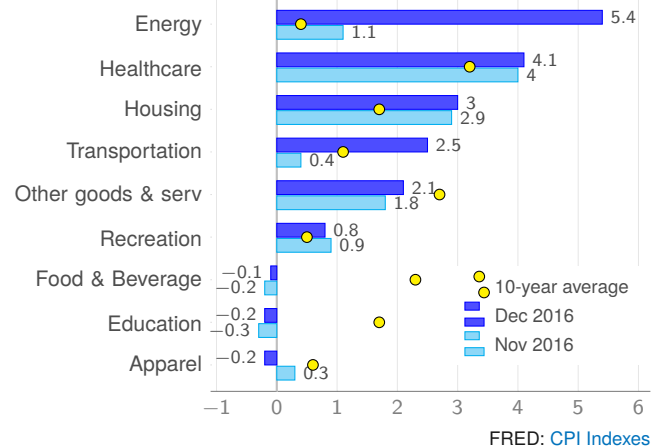
## Inflation and Prices

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

\*The core CPI excludes food and energy prices, which tend to be more volatile

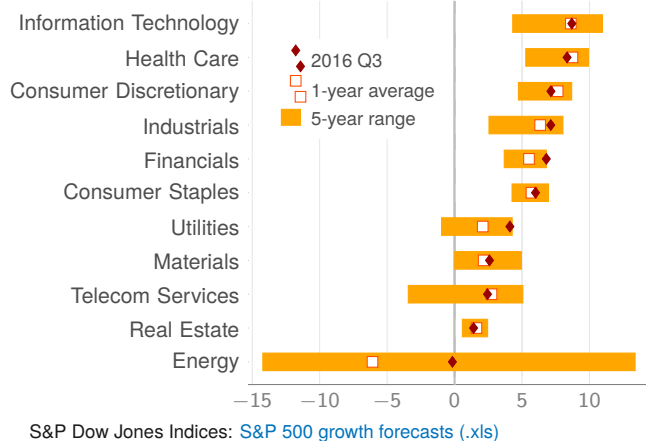


### CPI components (annual percent change)



## 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               | 2280.07 | ▲ 0.8%    | ▲ 21.5%  | 2017-01-24 |
| CBOE volatility index (VIX) | 10.81   | ▼ -5.5%   | ▼ -52.0% | 2017-01-25 |
| Bank deposit interest rate  | 0.11%   | 0.00      | 0.00     | Dec 2016   |
| 3-month treasury bill yield | 0.50%   | ▼ -0.01   | ▲ 0.19   | 2017-01-25 |
| 2-year treasury bond yield  | 1.23%   | ▼ -0.05   | ▲ 0.35   | 2017-01-25 |
| 10-year treasury bond yield | 2.53%   | ▼ -0.04   | ▲ 0.50   | 2017-01-25 |
| 30-year mortgage rate       | 4.09%   | ▼ -0.23   | ▲ 0.30   | 2017-01-19 |
| US Dollar, broad index      | 128.06  | ▲ 0.2%    | ▲ 2.5%   | Jan 2017   |
| Crude oil, US\$/barrel      | \$52.94 | ▼ -0.6%   | ▲ 73.5%  | 2017-01-25 |
| Industrial production index | 104.6   | ▲ 0.8%    | ▲ 0.5%   | Dec 2016   |
| Consumer confidence index   | 98.2    | ▲ 4.7%    | ▲ 6.0%   | Dec 2016   |

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