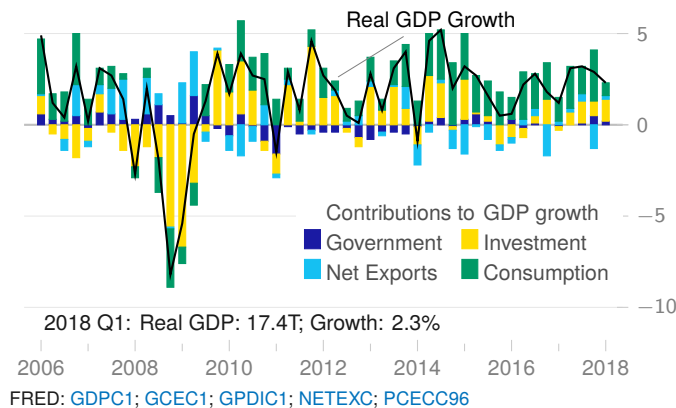


Fourth quarter U.S. economic growth, which remained strong, was driven by increased consumption and partially offset by a growing trade gap. The labor market is gradually nearing full employment and still adding jobs at a strong pace. Inflation remains near the Fed's two percent target in both the core 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

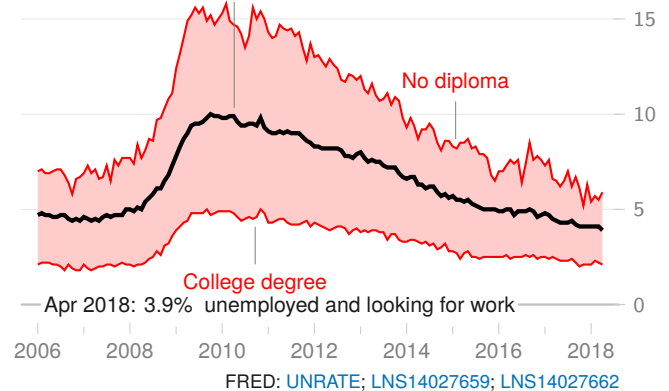
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

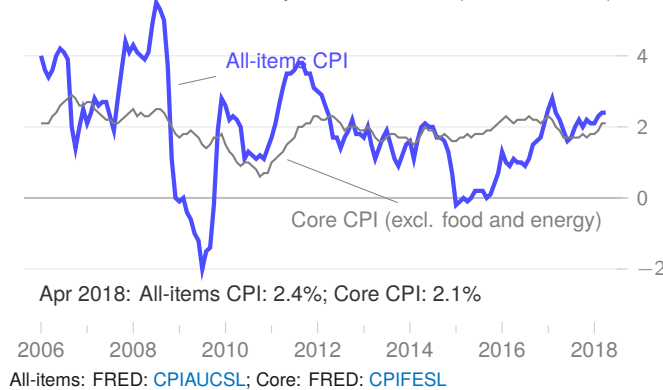
Unemployed and looking for work (U3 rate)



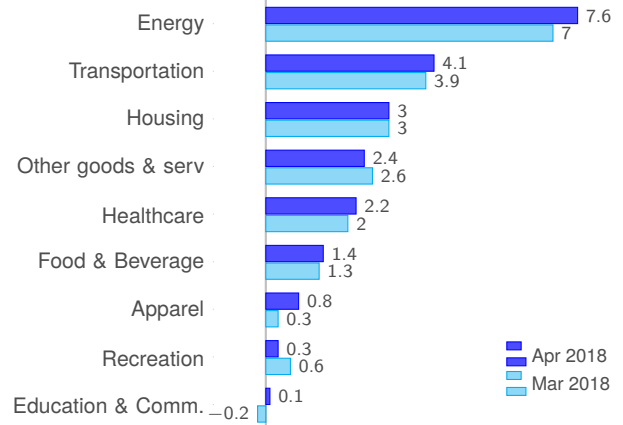
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
May 10, 2018: 2.2% (FRED: T5YIFR)



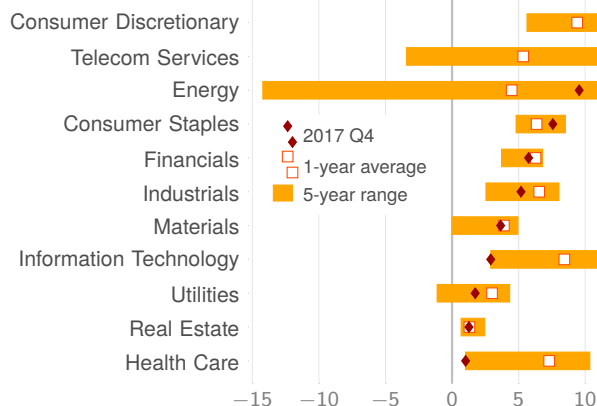
CPI components (annual percent change)



FRED: CPI Indexes

Markets, Interest Rates, and Other Indicators

S&P 500 reported earnings per share by industry



Recent market developments and other key indicators

		one month	one year	as of:
S&P 500 index	2727.72	▲ 2.7%	▲ 13.9%	2018-05-11
CBOE volatility index (VIX)	12.65	▼ -27.3%	▲ 19.3%	2018-05-11
Bank deposit interest rate	0.32%	▲ 0.02	▲ 0.15	Apr 2018
3-month treasury bill yield	1.92%	▲ 0.16	▲ 1.02	2018-05-11
2-year treasury bond yield	2.54%	▲ 0.17	▲ 1.19	2018-05-11
10-year treasury bond yield	2.97%	▲ 0.15	▲ 0.56	2018-05-11
30-year mortgage rate	4.55%	▲ 0.13	▲ 0.50	2018-05-10
US Dollar, broad index	120.45	▲ 1.9%	▼ -2.6%	May 2018
Crude oil, US\$/barrel	\$70.57	▲ 4.7%	▲ 47.6%	2018-05-11
Industrial production index	107.2	▲ 0.5%	▲ 4.3%	Mar 2018
Consumer confidence index	98.8	▼ -2.6%	▲ 1.9%	Apr 2018

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