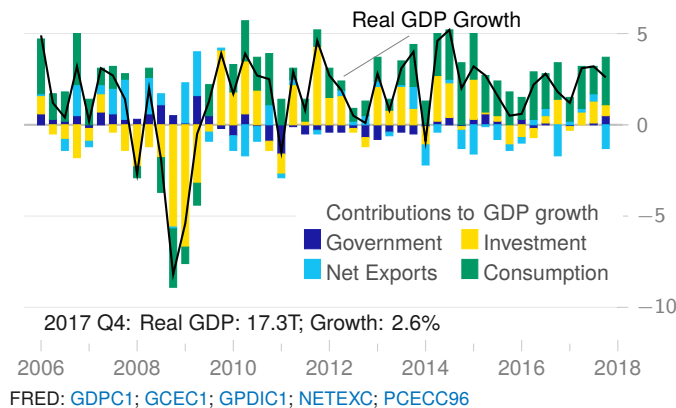


Third quarter U.S. economic growth, which remained strong, was driven by increased consumption and investment. The labor market is gradually nearing full employment and still adding jobs at a healthy pace. Inflation remains near the Fed's two percent target in both the core CPI and the full index, with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

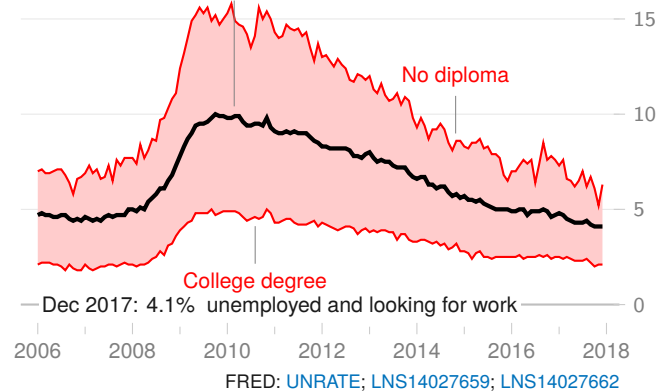
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

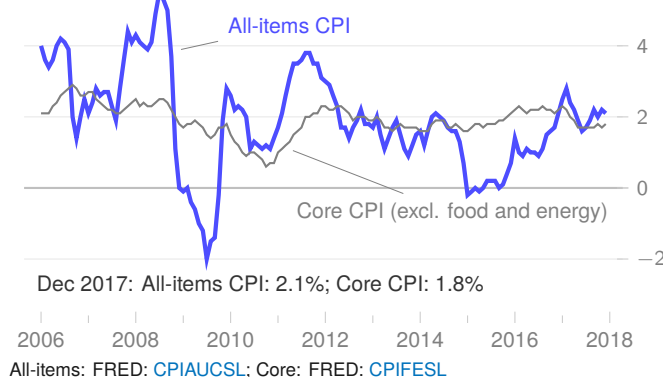
Unemployed and looking for work (U3 rate)



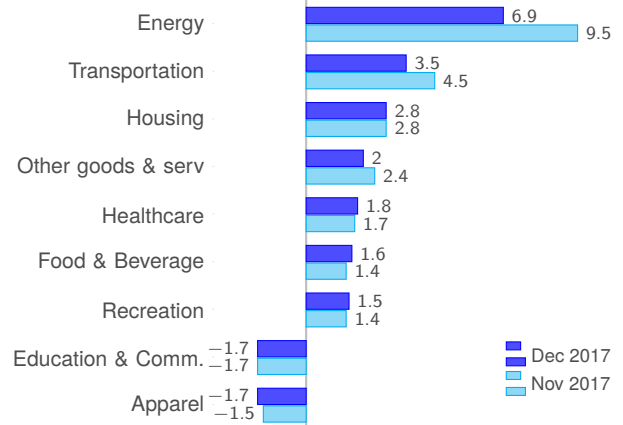
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Jan 31, 2018: 2.2% (FRED: T5YIFR)



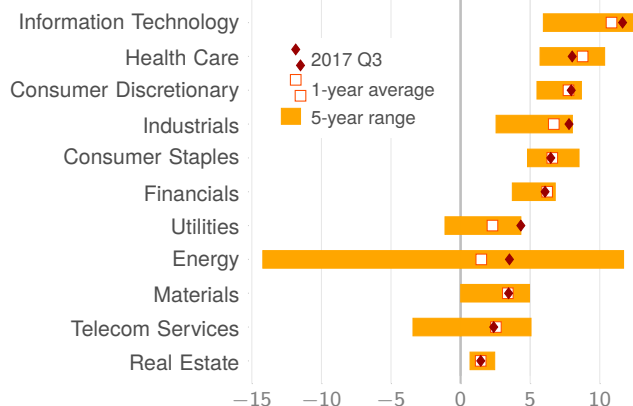
CPI components (annual percent change)



FRED: CPI Indexes

Markets, Interest Rates, and Other Indicators

S&P 500 reported earnings per share by industry



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	2821.98	▲ 4.0%	▲ 23.8%	2018-02-01
CBOE volatility index (VIX)	13.47	▲ 47.2%	▲ 14.1%	2018-02-01
Bank deposit interest rate	0.24%	0.00	▲ 0.10	Jan 2018
3-month treasury bill yield	1.48%	▲ 0.07	▲ 0.96	2018-02-01
2-year treasury bond yield	2.16%	▲ 0.22	▲ 0.97	2018-02-01
10-year treasury bond yield	2.78%	▲ 0.34	▲ 0.33	2018-02-01
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	\$64.77	▲ 7.3%	▲ 22.7%	2018-01-31
Industrial production index	107.5	▲ 0.9%	▲ 3.6%	Dec 2017
Consumer confidence index	95.9	▼ -2.6%	▼ -2.3%	Dec 2017

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