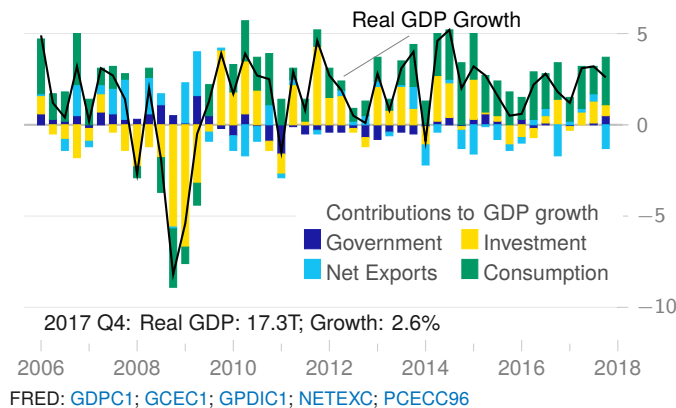


Third quarter U.S. economic growth, which remained strong, was driven by increased consumption and investment. The labor market is gradually nearing full employment and still adding jobs at a healthy pace. Inflation remains near the Fed's two percent target in both the core CPI and the full index, with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

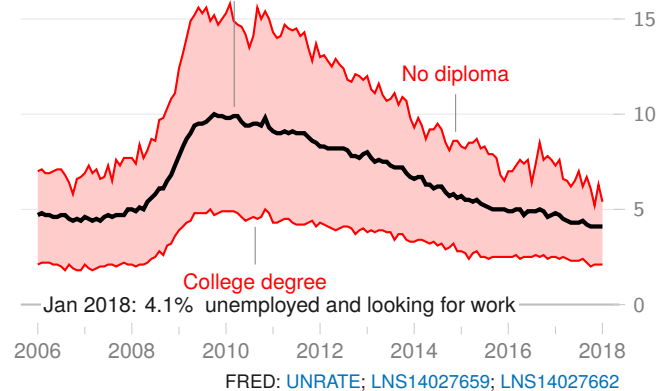
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

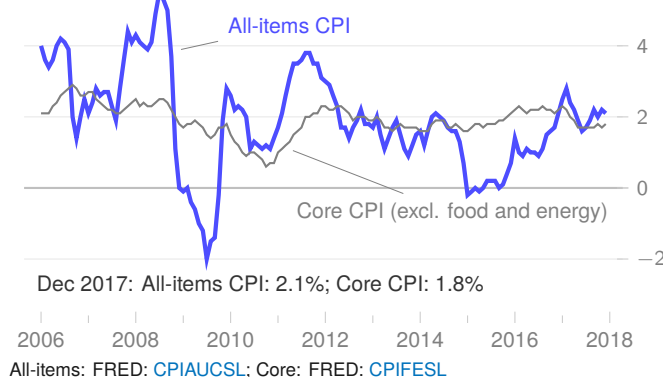
Unemployed and looking for work (U3 rate)



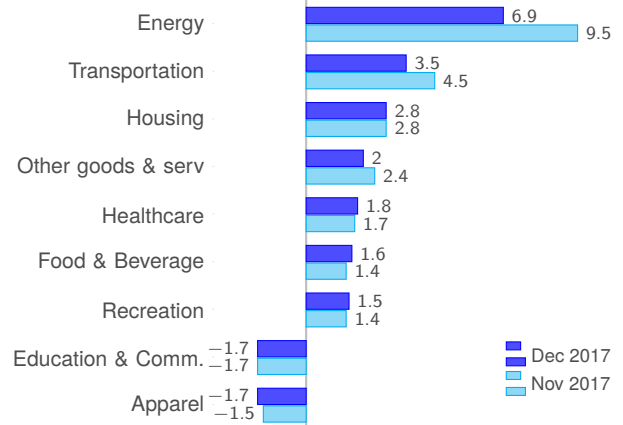
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Feb 09, 2018: 2.3% (FRED: T5YIFR)



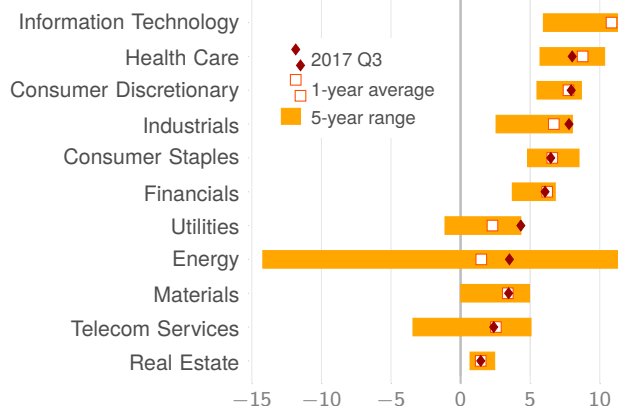
CPI components (annual percent change)



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	2673.61	▲ 1.0%	▲ 18.9%	2017-12-29
CBOE volatility index (VIX)	25.61	▲ 152.1%	▲ 136.0%	2018-02-12
Bank deposit interest rate	0.24%	▲ 0.01	▲ 0.10	Jan 2018
3-month treasury bill yield	1.62%	▲ 0.19	▲ 1.08	2018-02-12
2-year treasury bond yield	2.09%	▲ 0.10	▲ 0.89	2018-02-12
10-year treasury bond yield	2.86%	▲ 0.31	▲ 0.46	2018-02-12
30-year mortgage rate	4.32%	▲ 0.33	▲ 0.15	2018-02-08
US Dollar, broad index	117.14	▼ -0.1%	▼ -6.7%	Feb 2018
Crude oil, US\$/barrel	\$59.05	▼ -7.1%	▲ 11.1%	2018-02-09
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