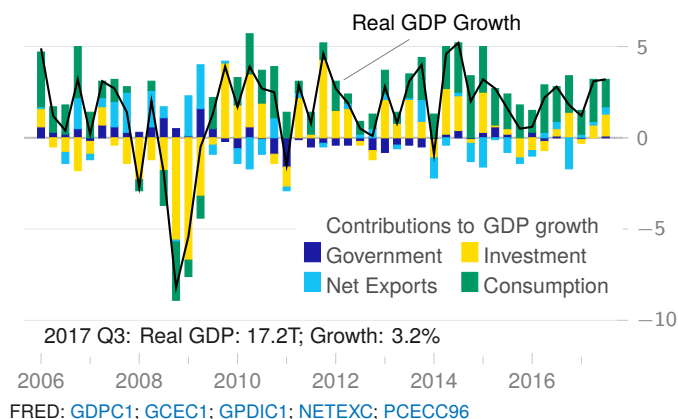


Third quarter U.S. economic growth, which remained strong, was driven by increased consumption and investment. The labor market is gradually nearing full employment and still adding jobs at a healthy pace. Inflation remains near the Fed's two percent target in both the core CPI and the full index, with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

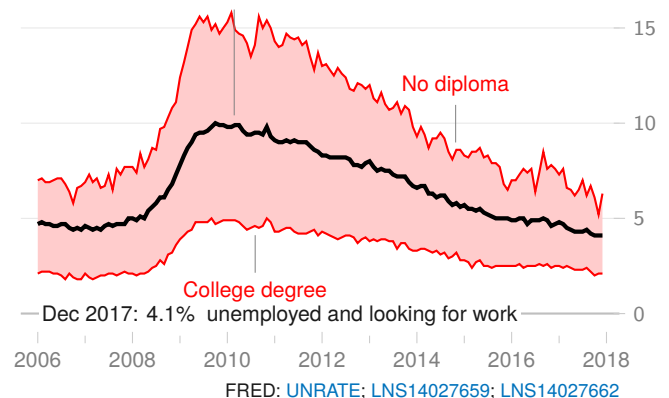
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

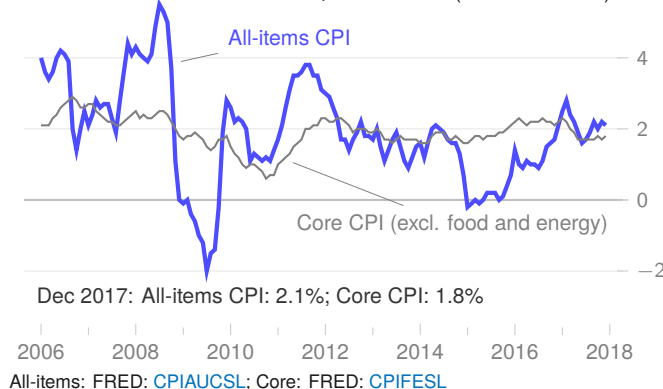
Unemployed and looking for work (U3 rate)



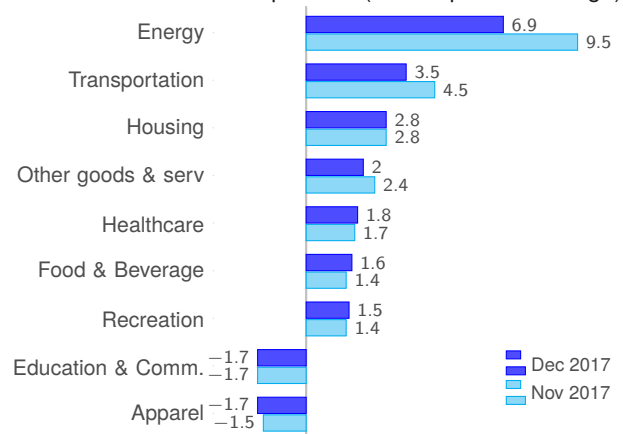
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Jan 24, 2018: 2.2% (FRED: [T5YIFR](#))

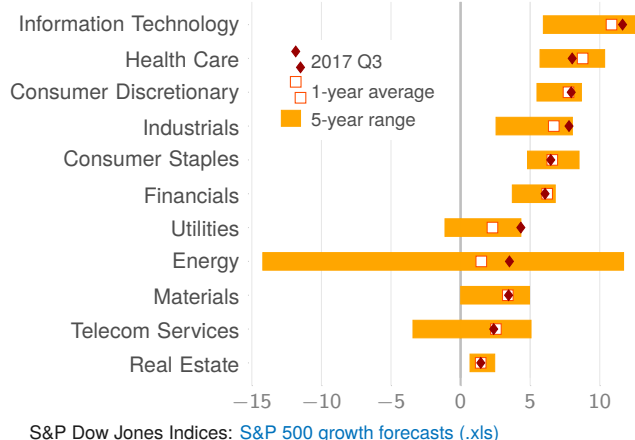


CPI components (annual percent change)



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	2673.61	▲ 1.0%	▲ 18.9%	2017-12-29
CBOE volatility index (VIX)	11.58	▲ 13.0%	▲ 7.1%	2018-01-25
Bank deposit interest rate	0.23%	▲ 0.02	▲ 0.10	Dec 2017
3-month treasury bill yield	1.42%	▼ -0.05	▲ 0.91	2018-01-25
2-year treasury bond yield	2.08%	▲ 0.16	▲ 0.87	2018-01-25
10-year treasury bond yield	2.63%	▲ 0.16	▲ 0.16	2018-01-25
30-year mortgage rate	4.15%	▲ 0.16	▼ -0.04	2018-01-25
US Dollar, broad index	118.00	▼ -1.6%	▼ -7.4%	Jan 2018
Crude oil, US\$/barrel	\$65.88	▲ 12.9%	▲ 24.4%	2018-01-24
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](#)