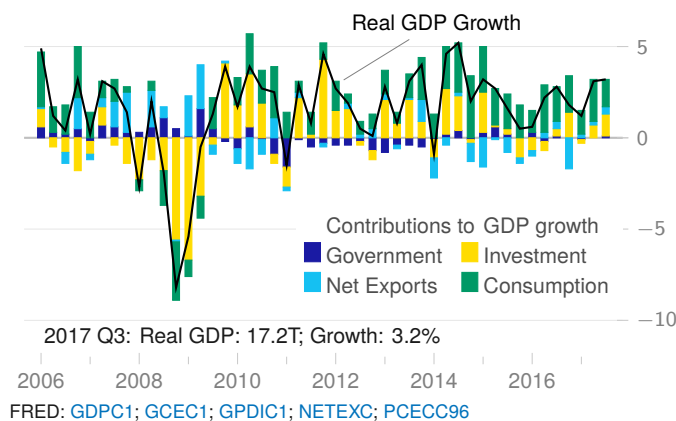


Third quarter U.S. economic growth, which remained strong, was driven by increased consumption and investment. The labor market is gradually nearing full employment and still adding jobs at a healthy pace. Inflation remains near the Fed's two percent target in both the core CPI and the full index, with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

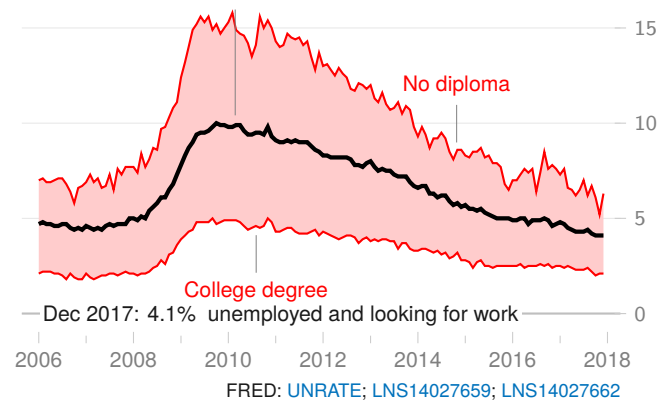
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

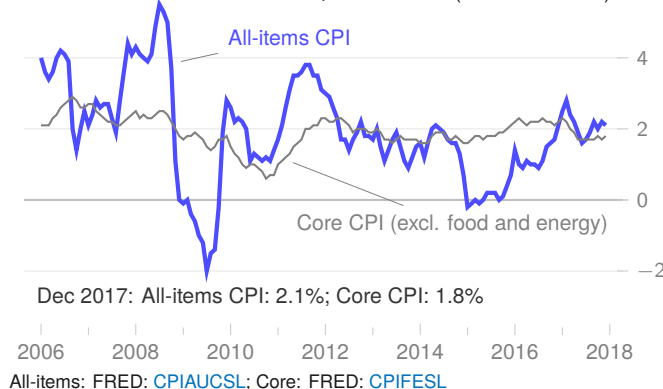
Unemployed and looking for work (U3 rate)



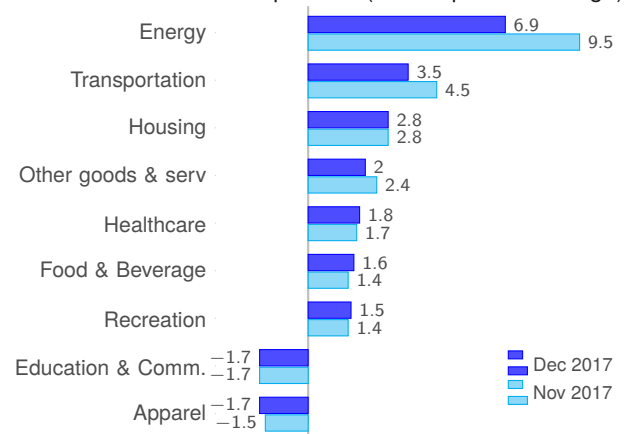
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Jan 11, 2018: 2.1% (FRED: T5YIFR)



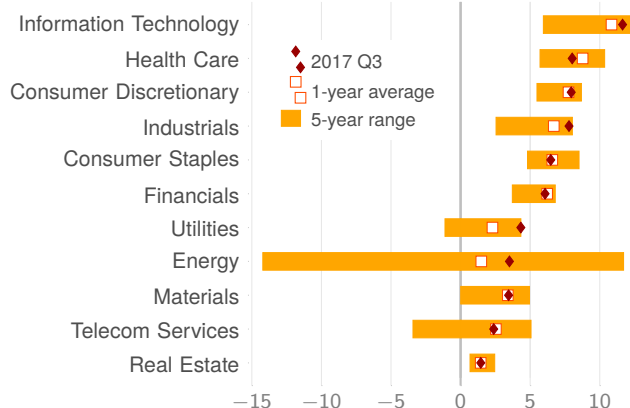
CPI components (annual percent change)



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	2786.24	▲ 4.6%	▲ 22.7%	2018-01-12
CBOE volatility index (VIX)	10.16	▼ -0.2%	▼ -12.0%	2018-01-12
Bank deposit interest rate	0.23%	▲ 0.02	▲ 0.10	Dec 2017
3-month treasury bill yield	1.43%	▲ 0.13	▲ 0.91	2018-01-12
2-year treasury bond yield	1.99%	▲ 0.20	▲ 0.79	2018-01-12
10-year treasury bond yield	2.55%	▲ 0.19	▲ 0.17	2018-01-12
30-year mortgage rate	3.99%	▲ 0.06	▼ -0.13	2018-01-11
US Dollar, broad index	118.49	▼ -1.2%	▼ -7.0%	Jan 2018
Crude oil, US\$/barrel	\$64.40	▲ 13.6%	▲ 21.4%	2018-01-12
Industrial production index	106.4	▲ 0.2%	▲ 3.4%	Nov 2017
Consumer confidence index	95.9	▼ -2.6%	▼ -2.3%	Dec 2017

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