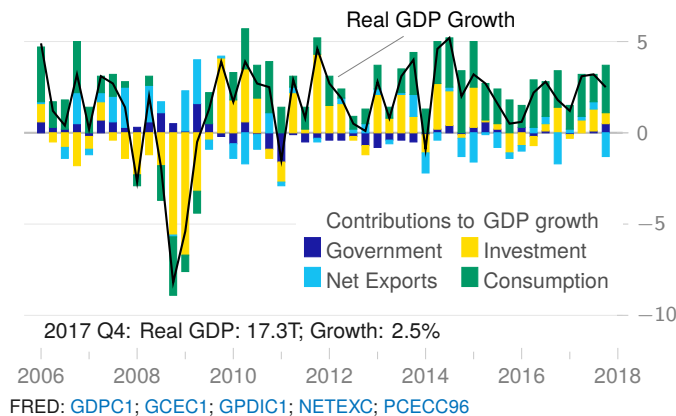


Fourth quarter U.S. economic growth, which remained strong, was driven by increased consumption and partially offset by a growing trade gap. The labor market is gradually nearing full employment and still adding jobs at a strong pace. Inflation remains near the Fed's two percent target in both the core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

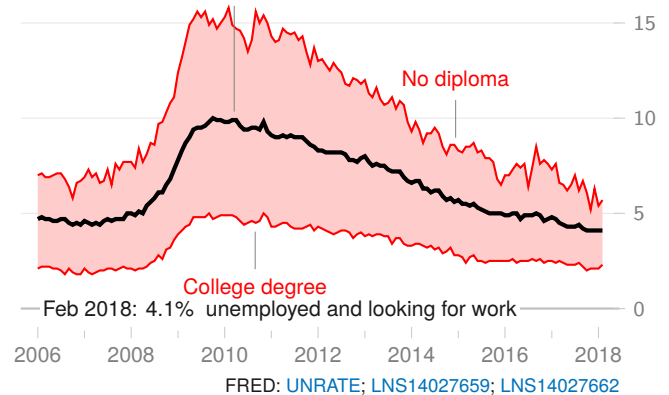
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

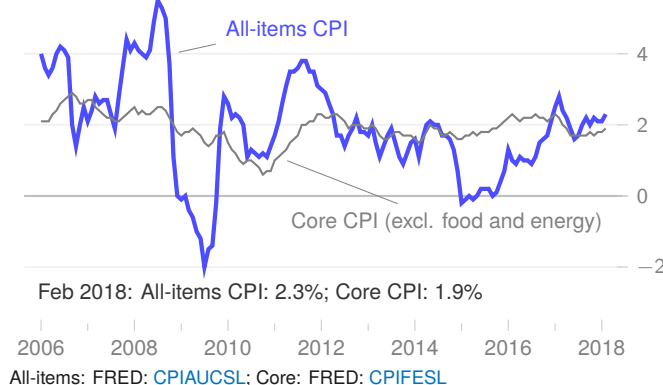
Unemployed and looking for work (U3 rate)



Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
Mar 22, 2018: 2.1% (FRED: T5YIFR)



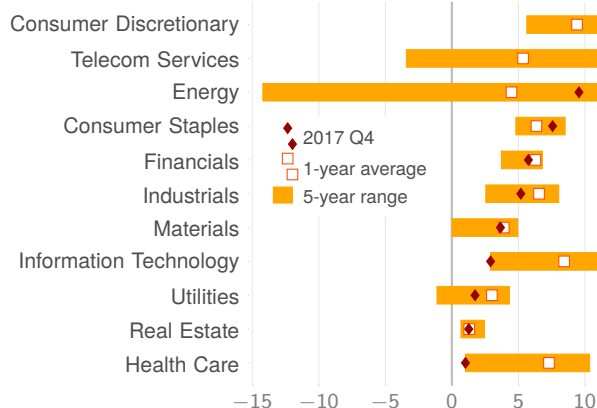
CPI components (annual percent change)



FRED: CPI Indexes

Markets, Interest Rates, and Other Indicators

S&P 500 reported earnings per share by industry



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	2588.26	▼ -5.8%	▲ 10.3%	2018-03-23
CBOE volatility index (VIX)	24.87	▲ 50.8%	▲ 89.6%	2018-03-23
Bank deposit interest rate	0.27%	▲ 0.01	▲ 0.13	Feb 2018
3-month treasury bill yield	1.74%	▲ 0.10	▲ 0.97	2018-03-23
2-year treasury bond yield	2.28%	▲ 0.03	▲ 1.01	2018-03-23
10-year treasury bond yield	2.82%	▼ -0.06	▲ 0.42	2018-03-23
30-year mortgage rate	4.45%	▲ 0.05	▲ 0.22	2018-03-22
US Dollar, broad index	118.24	▲ 0.6%	▼ -5.5%	Mar 2018
Crude oil, US\$/barrel	\$65.74	▲ 3.4%	▲ 37.9%	2018-03-23
Industrial production index	108.2	▲ 1.1%	▲ 4.4%	Feb 2018
Consumer confidence index	99.7	▲ 4.2%	▲ 3.5%	Feb 2018

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