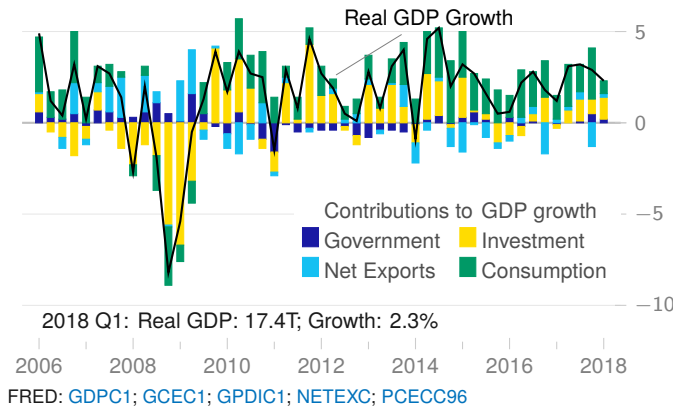


Fourth quarter U.S. economic growth, which remained strong, was driven by increased consumption and partially offset by a growing trade gap. The labor market is gradually nearing full employment and still adding jobs at a strong pace. Inflation remains near the Fed's two percent target in both the core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

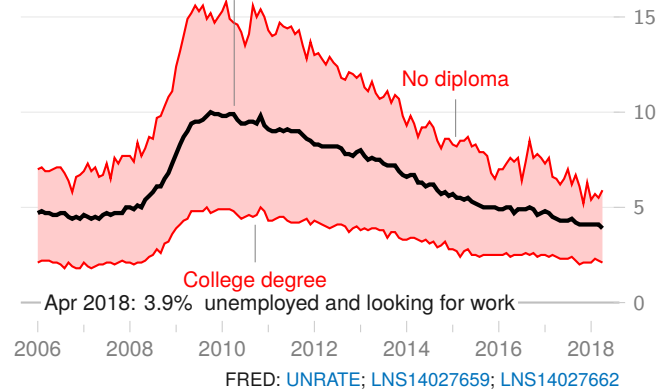
Real gross domestic product (GDP)

(Quarterly percent change, seasonally-adjusted annual rate)



Civilian unemployment rate (percent)

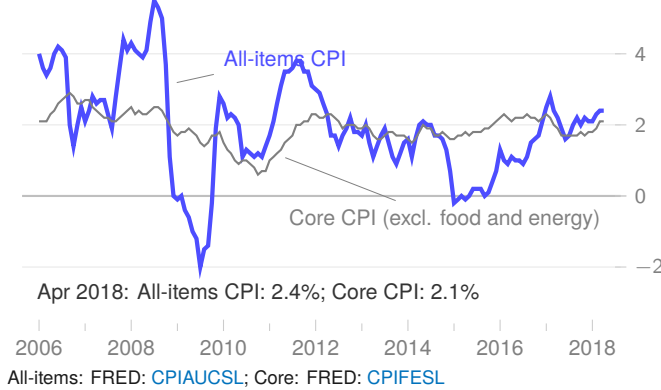
Unemployed and looking for work (U3 rate)



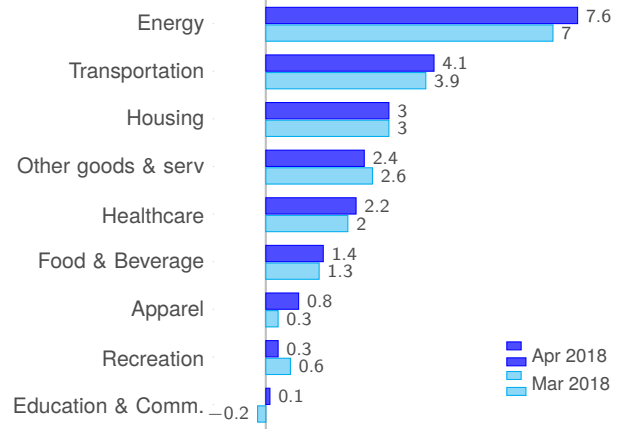
Inflation and Prices

Consumer price index (CPI) (annual percent change)

5-year expected annual inflation rate:
May 16, 2018: 2.2% (FRED: T5YIFR)

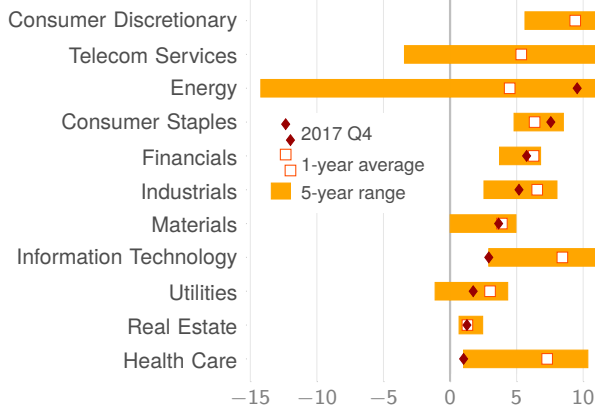


CPI components (annual percent change)



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	2720.13	▲ 1.0%	▲ 15.4%	2018-05-17
CBOE volatility index (VIX)	13.43	▼ -15.9%	▼ -13.9%	2018-05-17
Bank deposit interest rate	0.32%	▲ 0.02	▲ 0.15	Apr 2018
3-month treasury bill yield	1.92%	▲ 0.10	▲ 1.02	2018-05-17
2-year treasury bond yield	2.57%	▲ 0.13	▲ 1.28	2018-05-17
10-year treasury bond yield	3.11%	▲ 0.19	▲ 0.78	2018-05-17
30-year mortgage rate	4.61%	▲ 0.14	▲ 0.59	2018-05-17
US Dollar, broad index	120.75	▲ 2.2%	▼ -2.4%	May 2018
Crude oil, US\$/barrel	\$71.53	▲ 5.0%	▲ 46.1%	2018-05-17
Industrial production index	107.3	▲ 0.7%	▲ 3.5%	Apr 2018
Consumer confidence index	98.8	▼ -2.6%	▲ 1.9%	Apr 2018

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