

U.S. Macro Economic Indicator Snapshot



Indicator	1Q2015	2Q2015	3Q2015	4Q2015	Comments
Real GDP (\$bil)	16,177	16,334	16,414	16,455	The U.S. economy continued to chug along in 4th quarter, despite global uncertainty. Volatility remains a theme with the household sector of the economy generally benefitting relative to industrial divisions. The annual pace of GDP growth measured 1% in 4th quarter, beating the 0.7% advanced estimate but lagging 3rd quarter's pace by 100 bps. The upward revision in 4th quarter stemmed from business pulling back on inventory spending less than perceived. Overall, the lackluster 4th quarter felt drag from declines in both imports and exports, following weaker-than-expected consumer spending. The warm winter weighed on consumer demand for winter clothing, heating energies and utilities. Looking ahead, gasoline prices below \$2 across most of the country, tightening labor markets demanding higher wages and increasing housing prices adding to household wealth have set the stage for strong consumer demand. However, as a result of increasing inventory stockpiles, firms may not be pressured to increase production to satisfy demand, a headwind to growth.
<i>Annualized Quarterly Growth Rate</i>	0.6%	3.9%	2.0%	1.0%	

Source: Bureau of Economic Analysis

Avg. Total Unemployment Rate	1Q2015	2Q2015	3Q2015	4Q2015	Comments
	5.6%	5.4%	5.2%	5.0%	Total nonfarm payroll employment grew by 846,000 jobs in 4th quarter 2015, taking the unemployment rate to 5.0%, down 20 bps quarter-over-quarter. Gains slowed from 295,000 jobs added in October to a still-robust 271,000 jobs in December, averaging to 282,000 jobs per month. Overall, 2.74 million jobs were added annually, taking unemployment down 60 bps over the year. The year's gains were most pronounced in 4th quarter with Business/Professional Services (23.5%) and Education/Health Services (22.0%) representing the bulk of the additions. Mining employment continues to decline, shedding 142,200 jobs over the last five quarters, with 29,300 jobs lost during the final three months of 2015. Overall, the number of unemployed persons in the U.S. declined by more than 1 million year-over-year.
<i>Age 20-24</i>	10.0%	9.8%	9.4%	9.5%	
<i>Age 25-34</i>	5.6%	5.7%	5.3%	5.4%	
<i>U-6</i>	11.1%	10.7%	10.2%	9.9%	

Source: U.S. Department of Labor

Avg. 10-Year Treasury Rate	1Q2015	2Q2015	3Q2015	4Q2015	Comments
<i>Daily Average</i>	1.97%	2.16%	2.22%	2.19%	Following the December Federal Open Market Committee meeting, the board raised its target for the fed funds rate by 25 bps to 0.5%. Highlighting continued improvement in labor markets and overall economic improvement, this announcement ended the seven-year period of near-zero interest rate policy. The yield curve flattened further in 2015 as deterioration of energy pricing weighed on high yield markets, amplifying domestic and international growth concerns. Still, the yield curve has shifted up slightly, particularly in the intermediate range of the curve as expectations indicate additional tightening. As such, demand for U.S. treasuries picked up, causing the 10-year note to trade in an increasingly tight market. The 10-year treasury range was the tightest in the final quarter of 2015, trading between 1.99% to 2.36%, or an average of 2.19% in 4th quarter.
<i>Avg. 30 day Libor</i>	0.17%	0.18%	0.20%	0.25%	
<i>Fed Funds Rate</i>	0.11%	0.12%	0.14%	0.16%	

Source: Federal Reserve Bank of St. Louis and U.S. Department of the Treasury

Avg. Inflation (CPI)	1Q2015	2Q2015	3Q2015	4Q2015	Comments
<i>Three Month Average</i>	235.4	236.8	237.6	238.1	The Consumer Price Index for All Urban consumers increased in October and November but declined in December. Prices were up 0.2% over the quarter, helping to push annual inflation up to 0.4% on a seasonally adjusted basis. Excluding food and energy prices, inflation jumped 2.0% annually, the first time it has reached that level since mid-year 2012. The downturn in energy markets cut prices 3.4% in 4th quarter, helping transportation cost to decline 1.4% over the period. Annually, energy and transportation rates are down 14.9% and 6.3% respectively, weighting on inflation expectations. The annual pace of housing inflation in 4th quarter increased 2.1%. Rents on primary residences were up 3.7%, the seventh consecutive period of annual gains in excess of 3%. While prices were up, wages and salaries were up 1.8% compared to 2014, averaging \$23.06 per hour work. Median weekly earnings of all employees registered at \$820, up 3.3% in 4th quarter.
<i>Year-over-Year growth</i>	-0.1%	0.0%	0.1%	0.4%	

Source: Bureau of Labor Statistics