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Economic expansions 1945-2009

Average expansion = 58.4 months

Longest expansion = 120 months

(3/1991 - 3/2001)

Current expansion = 102+ months

(7/2009 – ?)

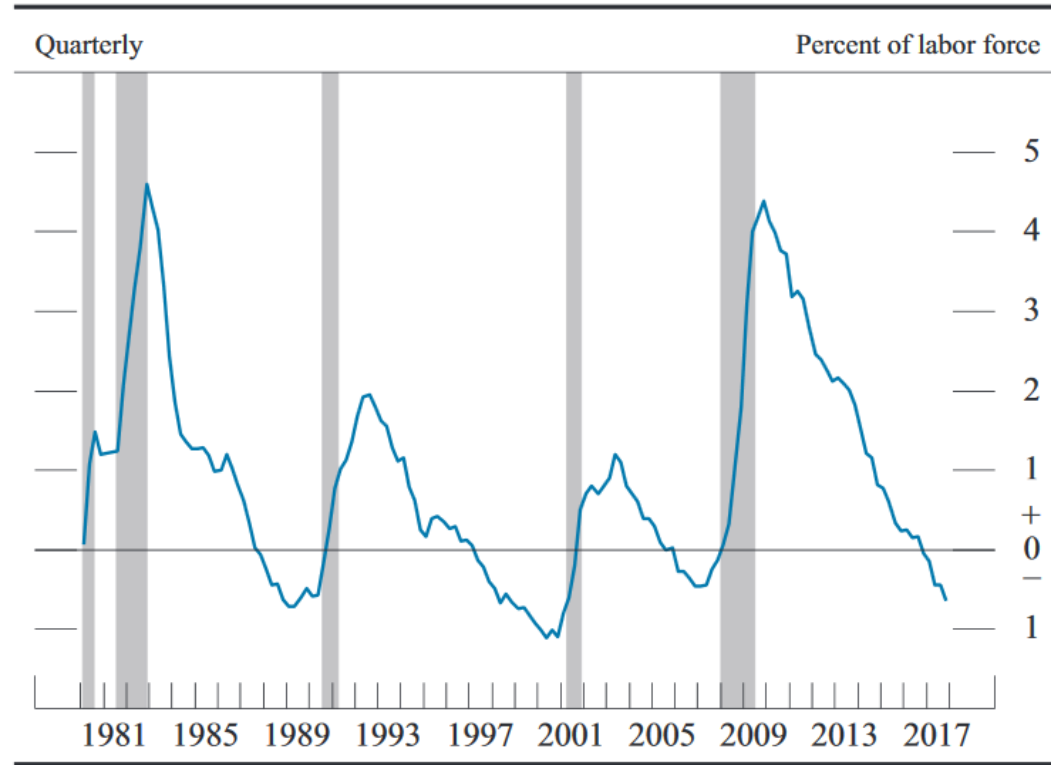
MONETARY POLICY REPORT

February 23, 2018



Board of Governors of the Federal Reserve System

A. Unemployment rate gap



NOTE: The unemployment rate gap is the unemployment rate minus the Congressional Budget Office's estimate of the natural rate of unemployment. The shaded bars indicate periods of business recession as defined by the National Bureau of Economic Research.

SOURCE: For unemployment rate, Bureau of Labor Statistics; for natural rate of unemployment, Congressional Budget Office; all via Haver Analytics.

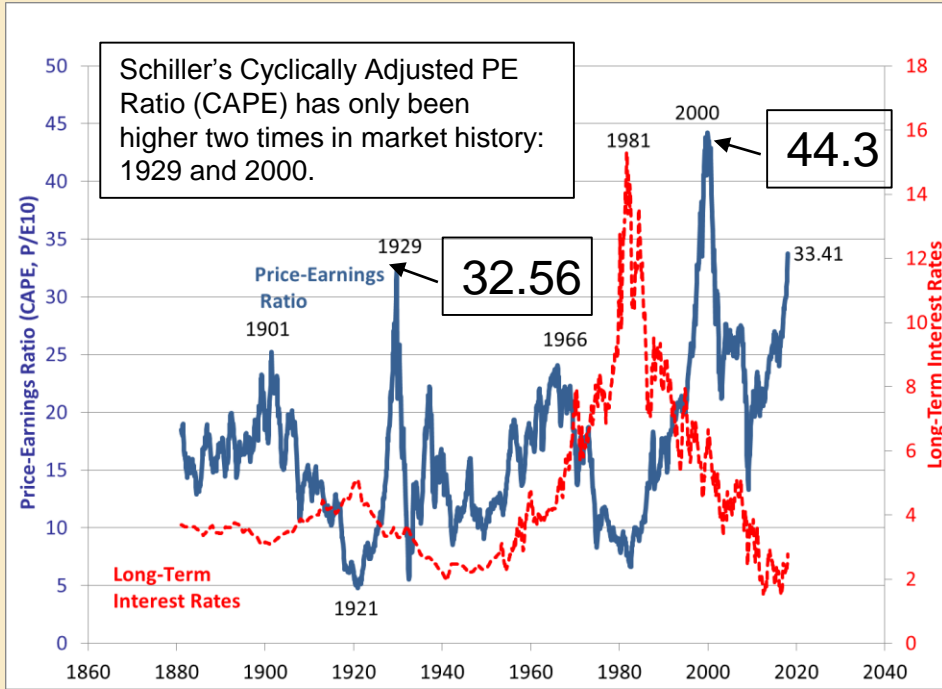
B. Job availability and hard-to-fill positions



NOTE: Job availability is the proportion of households believing jobs are plentiful minus the proportion believing jobs are hard to get, plus 100. Hard-to-fill is the three-month moving average of the percent of small businesses surveyed with at least one hard-to-fill job opening, and it is seasonally adjusted by Federal Reserve Board staff. Monthly hard-to-fill data from the National Federation of Independent Business start in January 1986. The shaded bars indicate periods of business recession as defined by the National Bureau of Economic Research. Data are monthly.

SOURCE: For job availability, Conference Board; for hard-to-fill, National Federation of Independent Business.

CAPE Ratio vs Long Rates



Source: Robert Shiller [<http://www.econ.yale.edu/~shiller/data.htm>]

S&P 500 Annual Return 1928 - 2018

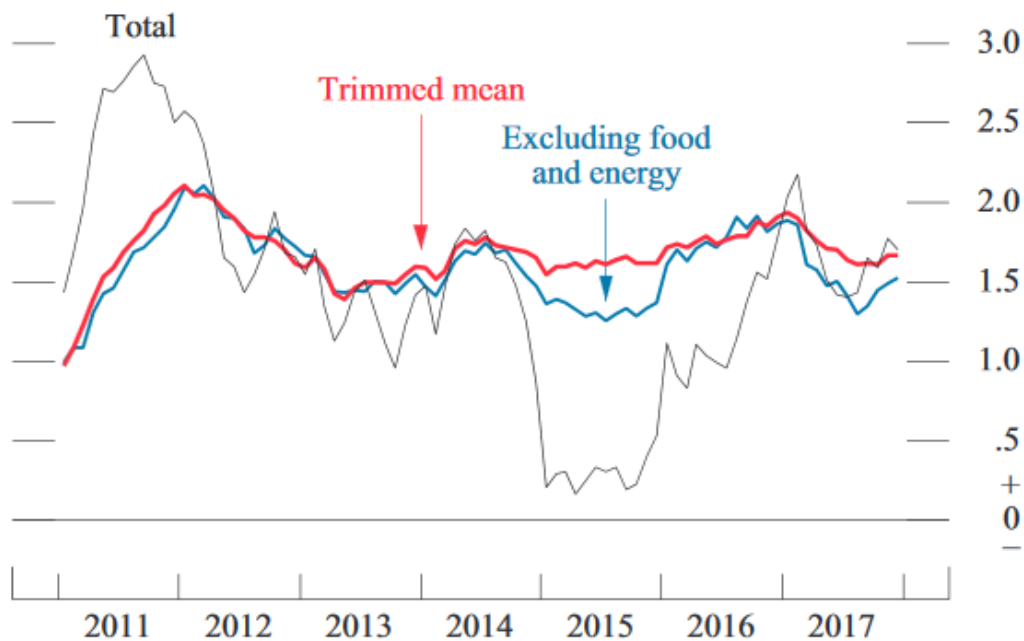
*Total Return including dividends reinvested in the index

Year	S&P 500	Year	S&P 500	Year	S&P 500
1928	43.8%	1964	16.4%	2000	-9.0%
1929	-8.3%	1965	12.4%	2001	-11.9%
1930	-25.1%	1966	-10.0%	2002	-22.0%
1931	-43.8%	1967	23.8%	2003	28.4%
1932	-8.6%	1968	10.8%	2004	10.7%
1933	50.0%	1969	-8.2%	2005	4.8%
1934	-1.2%	1970	3.6%	2006	15.6%
1935	46.7%	1971	14.2%	2007	5.5%
1936	31.9%	1972	18.8%	2008	-36.6%
1937	-35.3%	1973	-14.3%	2009	26.4%
1938	29.3%	1974	-25.9%	2010	15.1%
1939	-1.1%	1975	37.0%	2011	2.1%
1940	-10.7%	1976	23.8%	2012	14.1%
1941	-12.8%	1977	-7.0%	2013	32.4%
1942	19.2%	1978	6.5%	2014	13.7%
1943	25.1%	1979	18.5%	2015	1.4%
1944	19.0%	1980	31.7%	2016	12.0%
1945	35.8%	1981	-4.7%	2017	21.9%
1946	-8.4%	1982	20.4%	YTD '18	2.3%
1947	5.2%	1983	22.3%		
1948	5.7%	1984	6.2%		
1949	18.3%	1985	31.2%		
1950	30.8%	1986	18.5%		
1951	23.7%	1987	5.8%		
1952	18.2%	1988	16.5%		
1953	-1.2%	1989	31.5%		
1954	52.6%	1990	-3.1%		
1955	32.6%	1991	30.2%		
1956	7.4%	1992	7.5%		
1957	-10.5%	1993	10.0%		
1958	43.7%	1994	1.3%		
1959	12.1%	1995	37.2%		
1960	0.3%	1996	22.7%		
1961	26.6%	1997	33.1%		
1962	-8.8%	1998	28.3%		
1963	22.6%	1999	20.9%		

7. Change in the price index for personal consumption expenditures

Monthly

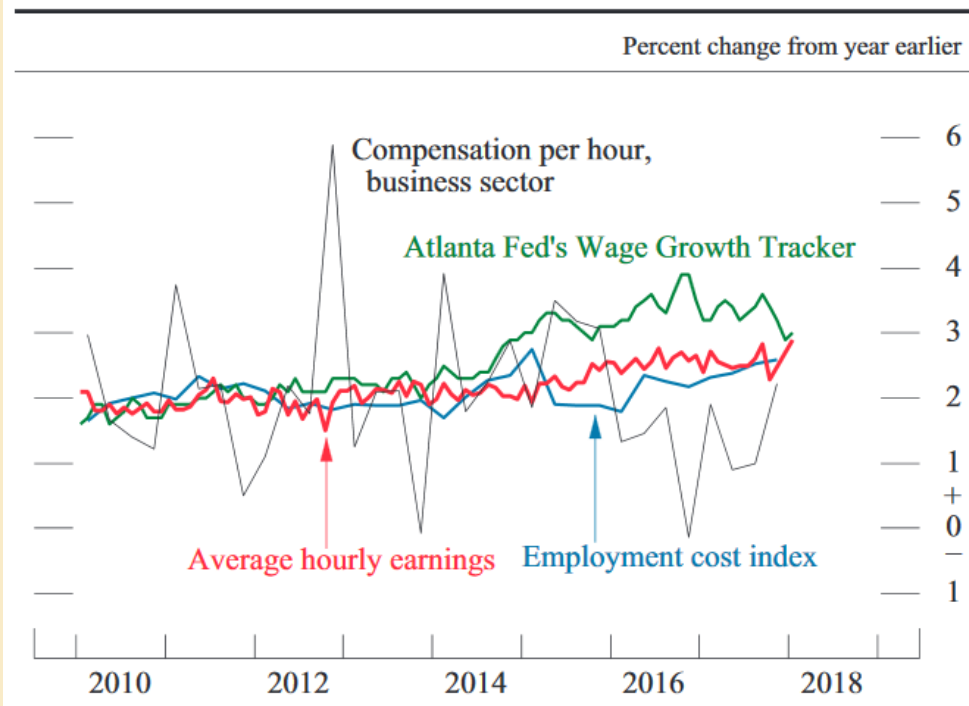
12-month percent change



NOTE: The data extend through December 2017; changes are from one year earlier.

SOURCE: For trimmed mean, Federal Reserve Bank of Dallas; for all else, Bureau of Economic Analysis; all via Haver Analytics.

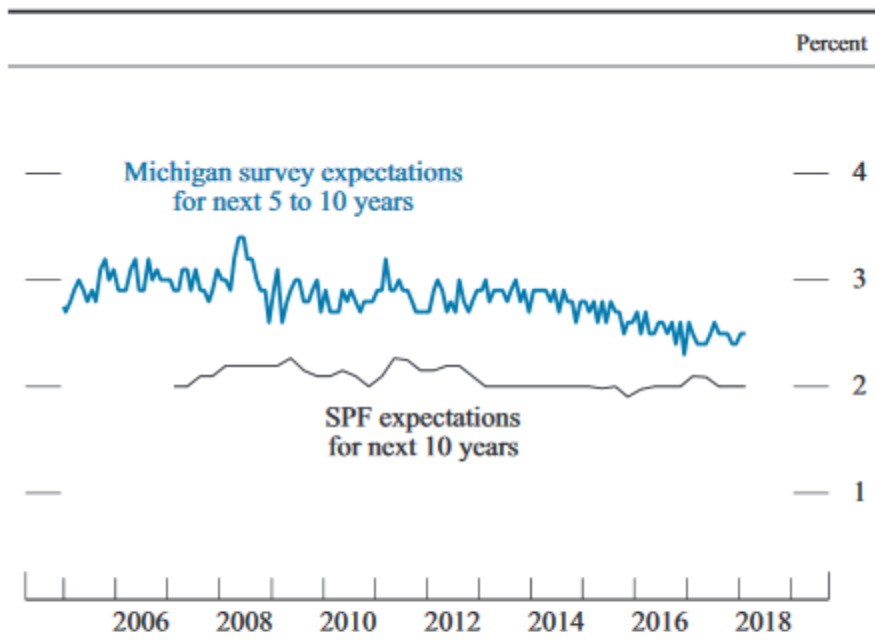
5. Measures of change in hourly compensation



NOTE: Business-sector compensation is on a four-quarter percentage change basis. For the employment cost index, change is over the 12 months ending in the last month of each quarter; for average hourly earnings, change is from 12 months earlier; for the Atlanta Fed's Wage Growth Tracker, the data are shown as a 3-month moving average of the 12-month percent change.

SOURCE: Bureau of Labor Statistics via Haver Analytics; Federal Reserve Bank of Atlanta, Wage Growth Tracker.

10. Median inflation expectations



NOTE: The Michigan survey data are monthly and extend through February; the February data are preliminary. The SPF data for inflation expectations for personal consumption expenditures are quarterly and extend from 2007:Q1 through 2018:Q1.

SOURCE: University of Michigan Surveys of Consumers; Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters (SPF).

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