Overview

- **GDP**
  - Moderate growth in 2023Q1.
  - Spending data have remained resilient in current quarter.

- **Labor market**
  - Tight conditions generally maintained.
  - But some indications of conditions starting to ease.

- **Inflation**
  - Remains high but gradually slowing.
  - Overall inflation slowing more than core because of falling energy prices.
GDP grew moderately in 2023Q1

- Real GDP increased at a 1.3% rate in 2023Q1, a bit faster than the 2022 rate.
- Recent data indicate that economic growth remains resilient despite recent banking stress and debt limit episode.

Source: BEA.
Labor market remains tight

- Unemployment is still low, while participation is below its pre-pandemic level.
- Indicators like wage growth, job openings, and unemployment insurance claims point to conditions beginning to ease.

Source: BLS.
Inflation remains high

- Core (ex-food & energy) inflation modestly below its peak in mid-2022.
- Overall inflation has slowed more because of falling energy prices.

Source: BEA
Summary

- The U.S. economy has displayed resilience.
  - Despite concerns about effects of monetary policy tightening and bank stress.
- Even with some signs of easing, the labor market is still tight.
- Inflation remains a serious issue for monetary policy.