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Following approximately two years of relative stability, volatility has returned to the capital markets. The U.S. equity markets, as measured by the Standard & Poor's (S&P) 500 Index (S&P 500), reached a 52-week high of 2,873 on Jan. 26, 2018, and ended the month up 5.6% from the year-end 2017 close. (See Chart 1.) On Feb. 2, however, economic data that included strong wage growth and lower-than-expected unemployment. See C

2.) The German 10-year government bond yield reached 0.75% (the highest since December 2015), and the United Kingdom (UK) 10-year yield government bond yield reached its highest level since the Brexit vote at 1.60%. The U.S. yield curve is beginning to steepen, with the differential between the 12-month note and the 30-year Treasury at 122 basis points (bps), compared to 100 bps at year-end 2017.

