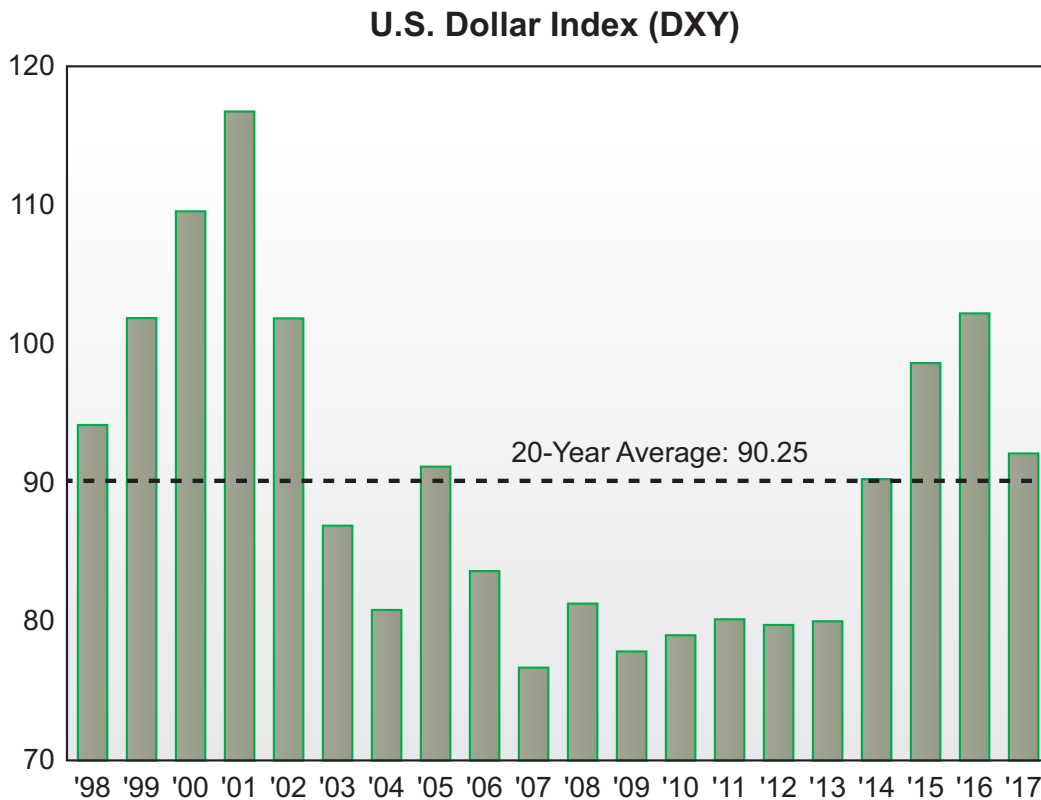


# The U.S. Dollar Is Down In 2017



Source: Bloomberg. Year-end values. Past performance is no guarantee of future results.

## View from the Observation Deck

1. In 2017, the U.S. Dollar Index declined in value by 9.87%, from a reading of 102.21 (12/30/16) to 92.12 (12/29/17), according to Bloomberg. It stood at 90.97 on 1/15/18, below its year-end closing value.
2. As indicated in the chart, using year-end values for the index, the average reading for the 20-year period ended 12/29/17 was 90.25.
3. If you include all of the trading days in that 20-year period, the average was 91.05 (not shown in chart), according to Bloomberg. The 90.97 reading on 1/15/18 is in line with those averages.
4. Using daily data, the 20-year high for the index was 120.90 (7/5/01), while the low was 71.33 (4/22/08), according to Bloomberg.
5. Central bank rate hikes tend to boost currency values, but that was not the case in 2017, according to CNBC. The Federal Reserve (the "Fed") hiked the federal funds target rate (upper bound) three times for a total of 75 basis points.
6. Goldman Sachs is predicting another soft year for the dollar in 2018, despite the potential for as many as four Fed rate hikes, according to CNBC.
7. Predicting the direction of currencies is a tricky business. We hope that the chart above provides some historical perspective that can help shape expectations.

*This chart is for illustrative purposes only and not indicative of any actual investment. Investors cannot invest directly in an index. The U.S. Dollar Index (DXY) indicates the general international value of the dollar relative to a basket of major world currencies.*

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