

Economic Recap

December 2011 – Week 5

As of December 30, 2011

By DoubleLine Research



About this Economic Recap

This report is a simple recap of economic statistics and events that occurred over the past week. It is not intended to portray DoubleLine's opinion. If you are interested in DoubleLine's views, please review our commentary or listen to our webcasts. You can find the commentary at www.doubleline.com under "Documents & Commentary" and the webcast schedule at www.doublelinefunds.com under "Events".

Week 5 Recap

The S&P/Case-Shiller Index showed housing prices fell 0.62% in October. This seasonally-adjusted composite, which represents the 20 largest metropolitan areas in the country, showed the largest price increases in Denver (0.5%) and the largest decreases in Atlanta (4.14%). Compared to October 2010, the Index has declined 3.4% to now stand at 140.30. The Index peaked at 206.52 in July of 2006, and a reading of 100 implies prices are the same as those in January of 2000.

U.S. consumers were 64.5% as confident in December 2011 as they were in December 1985, according to the Conference Board's Consumer Confidence Index. Tallying up 2011 performance shows that the region defined by Mississippi, Alabama, Kentucky, and Tennessee led the Index more often than any other region. These states rank 50th, 45th, 44th, and 37th, respectively, in Gross Domestic Product (GDP) per capita.

Initial Jobless Claims rose for the week ending December 24 to 381,000 from a revised 366,000 the week prior. Despite this week's uptick, the four-week moving average of initial jobless claims reached a new low since July of 2009 – the official end of the "Great Recession" per the National Bureau of Economic Research (NBER). Continuing Claims also rose in the week ending December 17 and now stand at 3.60 million. Emergency Unemployment Claims fell by 15,000 and Extended Employment Claims grew by 7,200 to now account for a combined 3.50 million people. The total number of individuals receiving some form of unemployment benefit now stands at 7.10 million.

The National Association of Realtors (NAR) announced that Pending Home Sales in November reached their highest levels since April 2010. This translated to a 7.3% increase over October and a 6.9% higher reading than November of 2010. NAR Chief Economist Lawrence Yun, however, stated in a recent release that "contract failures have been running unusually high." This implies that the Index's measurement of contract signings may not result in a correspondingly high improvement of actual sales.

The Economic Cycle Research Institute (ECRI) Weekly Leading Index Growth Rate was -7.60% for the week ending December 23. This is the 19th consecutive week in negative territory for the ECRI.

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Statistic	Value	Change
ECRI Weekly Leading Index Growth Rate	-7.6%	Last = -7.7%
S&P Case Shiller 20-City YoY % Change	-3.4%	Last = -3.54%
Initial Jobless Claims	381k	+15k
Continuing Jobless Claims	3,601.0k	+34k
Extended Jobless Claims	571.8k	+7.2k
Emergency Unemployment Compensation	2,926.1k	-15.1k

Important Information Regarding This Report

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Certain data discussed in this report is publicly available only on a time delayed basis. DoubleLine strives to analyze data as it becomes available, but makes no representation that all data is reviewed contemporaneously to its release.

Sources: Bloomberg Financial Services, Bloomberg News, Bureau of Labor Statistics, Conference Board, Department of Labor, Department of Commerce, Economic Cycle Research Institute, Federal Reserve Bank of St. Louis, Mortgage Bankers Association, National Association of Realtors, Redbook Research, U.S. Census Bureau, Bureau of Economic Analysis, Institute of Supply Management, Federal Reserve.

Terms:

CB = Conference Board

ECRI = Economic Cycle Research Institute

GDP = Gross Domestic Product

NAR = National Association of Realtors

NBER = National Bureau of Economic Research

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