

Weekly Economic Recap

April 2018 - Week 4

As of April 27, 2018

By DoubleLine



The Week in Review:

- New Home Sales rose 4.0% in March to 694k after extensive revisions to February's sales numbers which were revised up to 667k from 618k. The revisions mean that sales were up 8.8% compared to a year ago.
- Consumer Confidence climbed higher, against expectations, rising to 128.7 in April from 127.0 a month prior, which is just shy of the February peak of 130.
- The S&P CoreLogic Case-Shiller Home Price Index, which measures the home price gains in 20 major cities, increased at its fastest pace since June 2014, rising 6.8% year-over-year (YoY) in February. All 20 cities in the index showed YoY gains, led by Seattle (12.7%) and Las Vegas (11.6%).

Chart of the Week

- First quarter Gross Domestic Product (GDP) rose 2.3% in the quarter down from a 2.9% growth rate in the fourth quarter of 2017. However, this is the strongest first quarter rate since 2015 and the YoY growth figure of 2.9% marks the fastest pace of growth since second quarter of 2015.

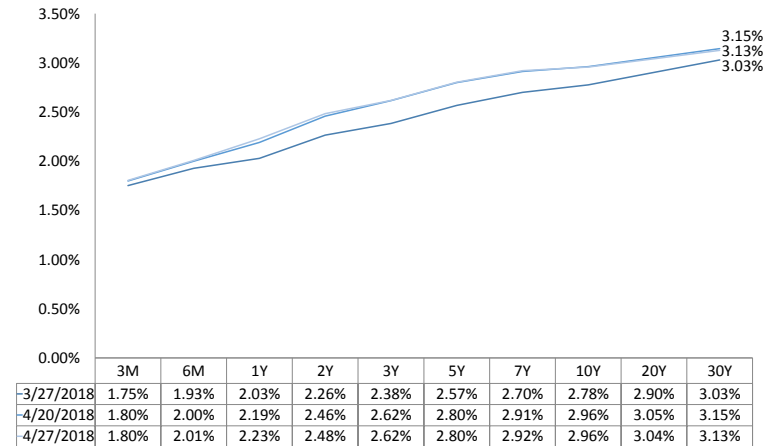
Returns					
Equities	1 Week	QTD	YTD	1-Year	3-Year
S&P 500	0.00%	1.21%	0.44%	13.97%	10.45%
Dow Jones	-0.62%	0.96%	-1.03%	18.59%	13.24%
Nasdaq	-0.36%	0.84%	3.45%	19.04%	13.44%
Russell 2000	-0.49%	1.80%	1.73%	11.25%	9.00%
MSCI ACWI	-0.49%	1.03%	0.18%	14.64%	7.59%

Fixed Income	1 Week	QTD	YTD	1-Year	3-Year
Bloomberg					
Barclays Agg	-0.20%	-1.05%	-2.50%	-0.54%	0.77%
U.S. Credit	-0.34%	-1.23%	-3.33%	0.44%	1.60%
High Yield	-0.44%	0.58%	-0.28%	3.33%	4.89%
Muni	-0.43%	-0.53%	-1.63%	1.41%	2.09%

Levels			
Currencies	4/27/2018	12/29/2017	4/27/2017
USD/JPY	109.12	112.69	111.26
EUR/USD	1.21	1.20	1.09
GBP/USD	1.38	1.35	1.29
USD/CAD	1.28	1.26	1.36

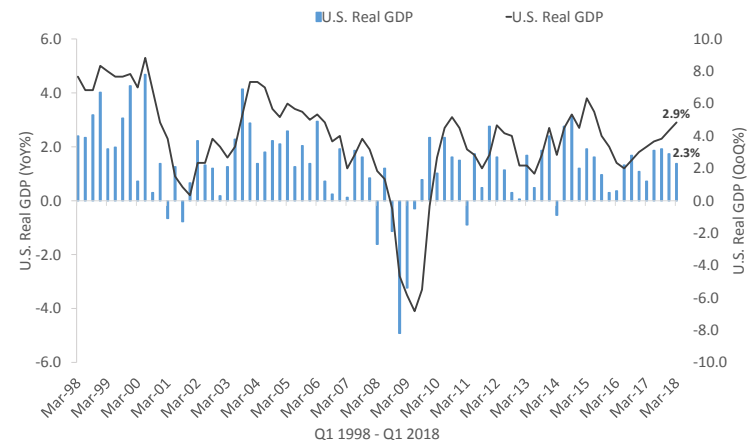
Commodities	4/27/2018	12/29/2017	4/27/2017
BBG Index	89.38	88.17	83.62
Gold	1,323.61	1,302.80	1,264.30
Silver	16.53	16.94	17.27
Crude	68.08	60.42	48.97

U.S. Treasury Yield Curve As of April 27, 2018



Source: DoubleLine, Bloomberg

Chart of the Week: U.S. Sees Strongest First Quarter GDP Growth Since 2015 (As of March 31, 2018)



Source: Bureau of Economic Analysis (BEA), Bloomberg

Important Information Regarding This Report

DoubleLine has no obligation to provide revised assessments in the event of changed circumstances. While we have gathered this information from sources believed to be reliable, DoubleLine cannot guarantee the accuracy of the information provided. DoubleLine assumes no duty to update this information, which is not a complete discussion of all economic factors reviewed by DoubleLine. DoubleLine reserves the right to change its investment perspective and outlook without notice as market conditions dictate or as additional information becomes available.

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Ratings shown for various indices reflect the average for the indices. Such ratings and indices are created independently of DoubleLine and are subject to change without notice.

An investment cannot be made directly in an index.

Sources: Bloomberg Financial Services, Bloomberg News, The Conference Board, Department of Labor, Department of Commerce, Mortgage Bankers Association, Redbook Research, U.S. Census Bureau, Institute of Supply Management, Federal Reserve, Bureau of Labor Statistics.

Definitions:

Bloomberg Barclays U.S. Aggregate Index - The Barclays Capital U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

Bloomberg Barclays U.S. Credit Index - The U.S. Credit component of the U.S. Government/Credit Index. This index consists of publically-issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered. The U.S. Credit Index is the same as the former U.S. Corporate Investment Grade Index.

Bloomberg Barclays U.S. High Yield Index - An index that covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issuer from countries designated as emerging markets (e.g. Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeros, step-up coupon structures, 144-As and pay-in-kind (PIK, as of October 1, 2009) are also included.

Bloomberg Barclays Municipal Bond Index - An index that is representative of the broad market for investment grade, tax-exempt bonds with a maturity of at least one year.

Bloomberg Commodity Index (BBG) - An index calculated on an excess return basis that reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule.

Consumer Confidence - Is an economic indicator that measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation.

Gross Domestic Product - The market value of all final goods and services produced within a country in a given period. GDP is considered an indicator or metric of a country's standard of living.

Morgan Stanley Capital International All Country World Index (MSCI ACWI) - A market-capitalization-weighted index designed to provide a broad measure of stock performance throughout the world, including both developed and emerging markets.

NASDAQ - A stock market index of the common stocks and similar securities (e.g. ADRs, tracking stocks, limited partnership interests) listed on the NASDAQ stock market with over 3,000 components. This index is highly followed in the U.S. as an indicator of the performance of stocks of technology companies and growth companies. Since both U.S. and non-U.S. companies are listed on the NASDAQ stock market, the index is not exclusively a U.S. index.

Russell 2000 Index - A subset of the Russell 3000 Index representing approximately 10% of the total market capitalization and measuring the performance of the small-cap segment of the U.S. equity universe.

S&P CoreLogic Case-Shiller Home Price Index - Is the leading measure of U.S. residential real estate prices, tracking changes in the value of residential real estate both nationally as well as in 20 metropolitan regions.

S&P 500 Index - A stock market index designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

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