

Weekly Economic Recap

August 2017 - Week 4

As of August 25, 2017

By DoubleLine Research



The Week in Review:

- Mortgage Bankers Association (MBA) Mortgage Applications fell 0.5% last week after a 0.1% increase a week prior. The 30-year Fixed-Rate Mortgage (FRM) remained unchanged at 4.12%, while the rate on the 15-year FRM contract fell 1 basis point (bps) to 3.4%.
- New Home Sales took a hit in July falling 9.4% to 571k, the lowest reading since December. Regionally, only the Midwest posted a gain; while the West, South and Northeast all declined.
- Initial Jobless Claims rose last week to 234k from 232k while Continuing Jobless Claims remained unchanged at 1.954 million the week ending August 12th.

Chart of the Week

- Existing Home Sales declined 1.3% to 5.44 million units in July, falling to an 11-month low and below its 1-year average.

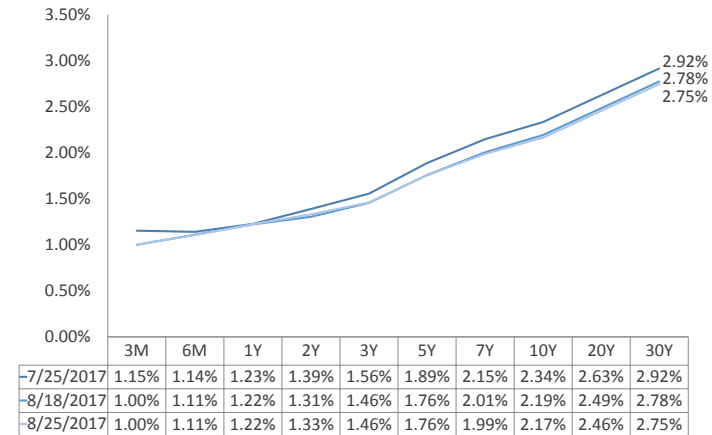
Returns					
Equities	1 Week	QTD	YTD	1-Year	3-Year
S&P 500	0.75%	1.14%	10.58%	14.80%	9.20%
Dow Jones	0.71%	2.63%	12.22%	21.22%	11.26%
Nasdaq	0.80%	2.23%	17.32%	21.69%	12.63%
Russell 2000	1.46%	-2.54%	2.31%	12.60%	7.22%
MSCI ACWI	0.71%	2.24%	14.32%	16.11%	5.92%

Fixed Income					
	1 Week	QTD	YTD	1-Year	3-Year
Bloomberg					
Barclays Agg	0.05%	0.97%	3.26%	0.19%	2.62%
U.S. Credit	0.08%	1.13%	4.85%	1.56%	3.45%
High Yield	0.23%	0.64%	5.60%	8.26%	4.66%
Muni	0.12%	1.41%	5.03%	0.72%	3.46%

Levels			
Currencies	8/25/2017	12/30/2016	8/25/2016
USD/JPY	109.36	116.96	100.53
EUR/USD	1.19	1.05	1.13
GBP/USD	1.29	1.23	1.32
USD/CAD	1.25	1.34	1.29

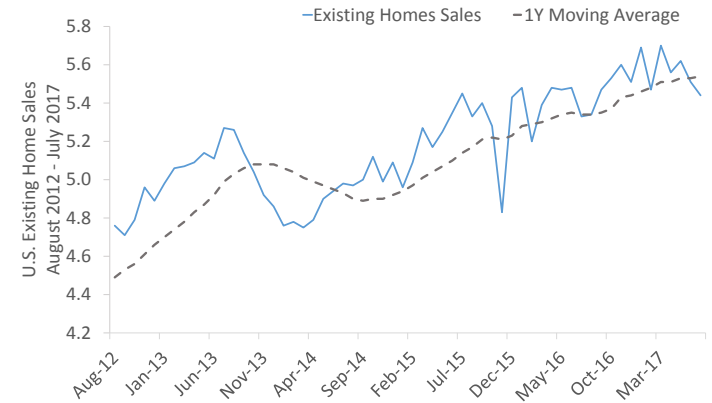
Commodities			
	8/25/2017	12/30/2016	8/25/2016
BBG Index	83.29	87.51	85.05
Gold	1,291.35	1,147.50	1,321.97
Silver	17.07	15.93	18.55
Crude	47.86	53.72	47.33

U.S. Treasury Yield Curve As of August 25, 2017



Source: DoubleLine, Bloomberg

Chart of the Week: Existing Home Sales Fall Below 1-Year Average As of July 31, 2017



Source: National Association of Realtors, 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 in an index.

Sources: Bloomberg Financial Services, Bloomberg News, 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.

Continuing Jobless Claims - Refers to unemployed workers that qualify for benefits under unemployment insurance.

Dow Jones Industrial Average - A price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq.

Existing Home Sales - Data that measures sales and prices of existing single-family homes for the nation overall, and gives breakdowns for the West, Midwest, South, and Northeast regions of the country.

Fixed-Rate Mortgage (FRM) - A fixed-rate mortgage is a mortgage that has a fixed interest rate for the entire term of the loan. The distinguishing factor of a fixed-rate mortgage is that the interest rate over every time period of the mortgage is known at the time the mortgage is originated.

Initial Jobless Claims - A measure of the number of jobless claims filed by individuals seeking to receive state jobless benefits.

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.

Mortgage Bankers Association (MBA) Mortgage Applications Index - Measures the change in the number of new applications for mortgages backed by the Mortgage Bankers Association during the reported week. Mortgage applications include both refinancing and home purchasing.

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.

National Association of Home Builders (NAHB) Market Index - An index based on a monthly survey of members belonging to the National Association of Home Builders (NAHB) that is designed to measure sentiment for the U.S. single-family housing market. A reading above 50 indicates more builders view conditions as good than poor.

New Homes Sales - Data on the number of new single-family houses sold and for sale. It also provides national data on median and average prices, the number of houses sold and for sale by stage of construction, and other statistics.

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 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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