

Weekly Economic Recap

December 2017 - Week 5

As of December 29, 2017

By DoubleLine



The Week in Review:

- Pending Home Sales increased 0.6% in December compared to the same time period last year, after increasing 1.2% a month prior.
- Housing prices, as measured by the S&P CoreLogic Case-Shiller Index, increased 6.38% year-over-year (YoY) in October from a revised 6.16% a month prior.

Chart of the Week

- Consumer Confidence, measured through a survey of approximately 3,000 random households, fell 6.5 points to 122.1 in December from a 17-year high of 128.6 the month earlier. This was the first drop since June 2017.

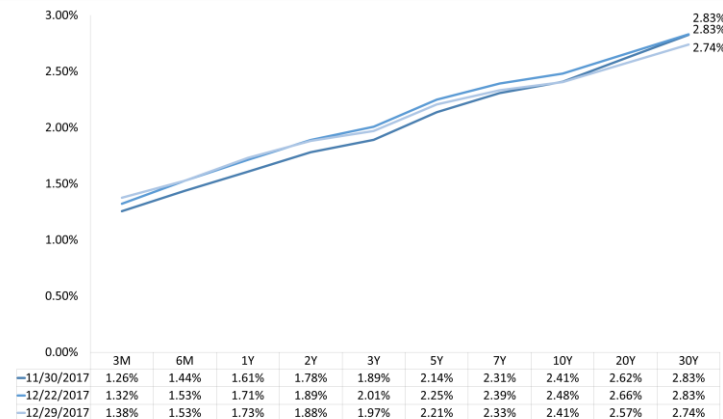
Returns					
Equities	1 Week	QTD	YTD	1-Year	3-Year
S&P 500	-0.33%	6.64%	21.82%	21.26%	10.83%
Dow Jones	-0.14%	10.96%	28.11%	27.74%	13.89%
Nasdaq	-0.79%	6.57%	29.73%	28.57%	14.25%
Russell 2000	-0.42%	3.33%	14.63%	14.12%	9.50%
MSCI ACWI	0.39%	5.82%	24.62%	24.57%	9.48%

Fixed Income	1 Week	QTD	YTD	1-Year	3-Year
Bloomberg					
Barclays Agg	0.51%	0.39%	3.54%	3.80%	2.29%
U.S. Credit	0.67%	1.05%	6.18%	6.46%	3.68%
High Yield	0.21%	0.47%	7.50%	7.52%	6.35%
Muni	0.57%	0.75%	5.45%	5.51%	3.05%

Levels			
Currencies	12/29/2017	12/30/2016	12/22/2016
USD/JPY	112.69	116.96	117.54
EUR/USD	1.20	1.05	1.04
GBP/USD	1.35	1.23	1.23
USD/CAD	1.26	1.34	1.35

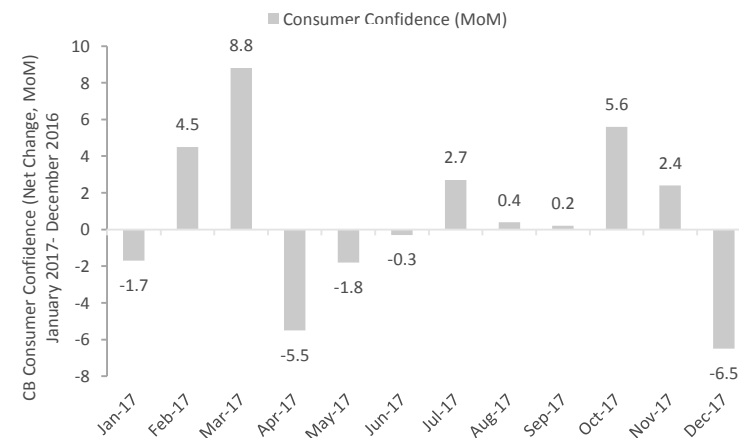
Commodities	12/29/2017	12/30/2016	12/22/2016
BBG Index	88.17	87.51	86.33
Gold	1302.80	1,147.50	1,128.38
Silver	16.94	15.93	15.79
Crude	60.42	53.72	52.95

U.S. Treasury Yield Curve As of December 29, 2017



Source: DoubleLine, Bloomberg

Chart of the Week: Consumer Confidence Dips As of December 29, 2017



Source: The Conference Board, Bloomberg

*MoM - month-over-month

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.

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.

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, 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.

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 - Measures sales and prices of existing single-family.

Housing Starts - The number of new houses begun during a particular period, used as an indicator of economic conditions.

Jobless Claims - The number of people who are filing or have filed to receive unemployment insurance 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.

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) Housing Sentiment Index - Is based on a monthly survey of NAHB members designed to take the pulse of the single-family housing market.

New Homes Sales - Data on the number of new single-family houses sold and for sale.

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.

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.

Consumer Confidence Index® - Reflects prevailing business conditions and likely developments for the months ahead. This monthly report details consumer attitudes and buying intentions, with data available by age, income, and region.