

Weekly Economic Recap

March 2018 - Week 5

As of March 29, 2018

By DoubleLine



The Week in Review:

- Consumer Confidence declined in March for the first time this year to 127.7 from a revised 130.0 in February, which was its highest level since late 2000.
- The S&P CoreLogic Case-Shiller Index, measuring home price gains in 20 major cities, increased 6.4% year-over-year (YoY) in January, after rising 6.3% in December. All 20 cities in the index showed YoY gains, led by a 12.9% increase in Seattle and a 11.1% gain in Las Vegas.
- U.S. Gross Domestic Product (GDP) was revised to 2.9% from 2.5% quarter-over-quarter (QoQ) for the fourth quarter of 2017. GDP is up to 2.6% YoY for 2017 compared to 1.8% at year-end 2016.

- Initial Jobless Claims fell from a revised 227k to 215k, their lowest in 45 years.

Chart of the Week

- The Savings Rate, as a percentage of disposable income, rose to 3.4% in February from 3.2% in January and 2.4% in December. Despite the increase over the past two months, the percentage of savings remain suppressed by historical standards (average 8.2%), but are consistent with strong Consumer Confidence ratings.

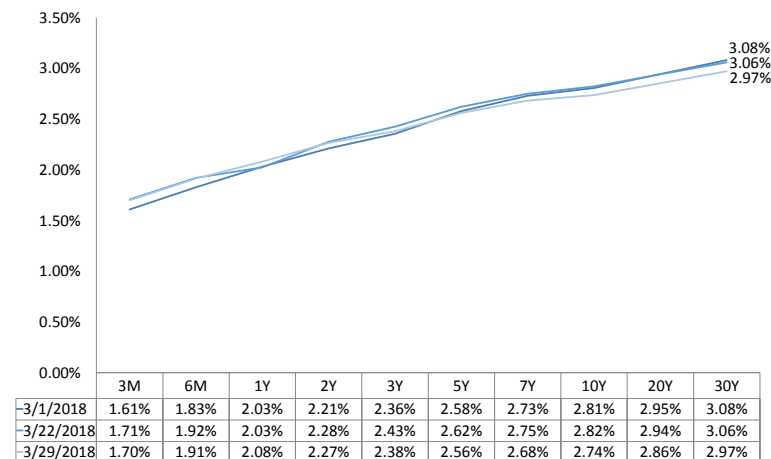
Equities	Returns				
	1 Week	QTD	YTD	1-Year	3-Year
S&P 500	-0.08%	-0.76%	-0.76%	13.98%	10.78%
Dow Jones	0.61%	-1.96%	-1.96%	19.39%	13.49%
Nasdaq	-1.42%	2.59%	2.59%	20.85%	14.38%
Russell 2000	-0.87%	-0.07%	-0.07%	11.79%	8.38%
MSCI ACWI	-1.31%	-1.74%	-1.74%	14.10%	8.38%

Fixed Income	Returns				
	1 Week	QTD	YTD	1-Year	3-Year
Bloomberg					
Barclays Agg	0.31%	-1.67%	-1.67%	0.98%	1.13%
U.S. Credit	0.36%	-2.42%	-2.42%	2.29%	2.06%
High Yield	-0.06%	-0.91%	-0.91%	3.72%	5.16%
Muni	0.20%	-1.15%	-1.15%	2.62%	2.24%

Currencies	Levels		
	3/29/2018	12/29/2017	3/29/2017
USD/JPY	106.45	112.69	111.04
EUR/USD	1.23	1.20	1.08
GBP/USD	1.40	1.35	1.24
USD/CAD	1.29	1.26	1.33

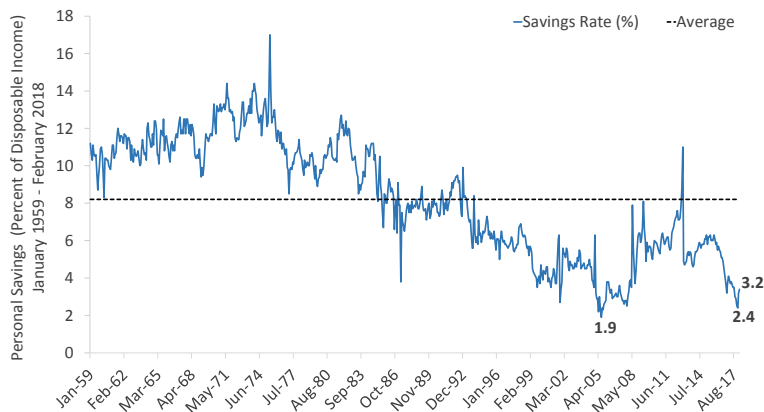
Commodities	Levels		
	3/29/2018	12/29/2017	3/29/2017
BBG Index	87.47	88.17	85.40
Gold	1,325.20	1,302.80	1,253.45
Silver	16.36	16.94	18.24
Crude	64.92	60.42	49.51

U.S. Treasury Yield Curve As of March 29, 2018



Source: DoubleLine, Bloomberg

Chart of the Week: Americans Starting to Save More As of February 28, 2018



Source: U.S. Bureau of Economic Analysis, 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.

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 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.

Conference Board Leading Economic Indicator Index® (LEI) - The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading, coincident, and lagging economic indexes are essentially composite averages of several individual leading, coincident, or lagging indicators. They are constructed to summarize and reveal common turning point patterns in economic data in a clearer and more convincing manner than any individual component – primarily because they smooth out some of the volatility of individual components.

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

Gross Domestic Product (GDP) - 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 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 Index - The S&P/Case-Shiller Composite of 20 Home Price Index is a value-weighted average of the 20 metro area indices.