

Weekly Economic Recap

November 2017 - Week 4

As of November 24, 2017

By DoubleLine



The Week in Review:

- Existing Home Sales increased 2.0% in October, to 5.48 million. Every region saw an increase in the sale of previously owned homes. The Northeast increased the most at 4.2%, while the West, Midwest, and South followed with increases of 2.4%, 1.9% and 0.8%, respectively.
- The Mortgage Bankers Association (MBA) Mortgage Applications Index rose 0.1% last week, after a 3.1% increase the week prior. The 30-year Fixed-Rate Mortgage (FRM) rose 2 basis points (bps) to 4.20% and the 15-year FRM contract rose 2 basis points (bps) to 3.56%.
- Durable Goods Orders fell 1.2% in October after an upwardly revised 2.2% increase in September. Durable Goods Orders, excluding transportation, climbed 0.4%.

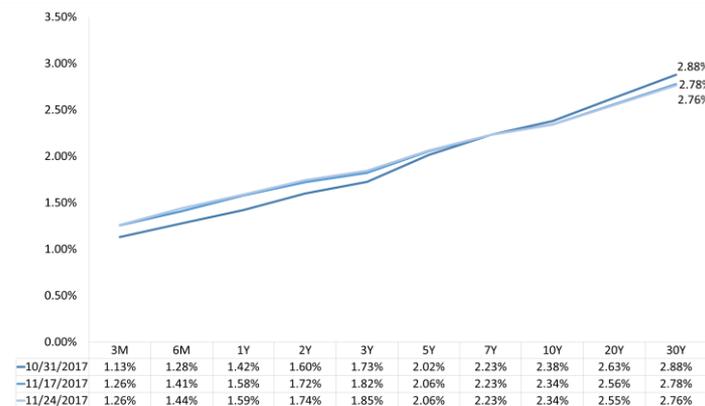
Chart of the Week

- The U.S. Conference Board Leading Economic Index® (LEI) increased 1.2% month-over-month (MoM) in October. It stands at 5.2% year-over-year (YoY), approaching levels not seen since late 2014 and suggesting little chance of recession in the near to medium term.

Returns					
Equities	1 Week	QTD	YTD	1-Year	3-Year
S&P 500	0.93%	3.61%	18.36%	20.44%	10.21%
Dow Jones	0.89%	5.52%	21.83%	26.44%	12.54%
Nasdaq	1.58%	6.25%	29.34%	29.55%	14.60%
Russell 2000	1.77%	2.04%	13.19%	14.69%	10.08%
MSCI ACWI	1.35%	3.65%	22.07%	24.90%	8.44%
Fixed Income	1 Week	QTD	YTD	1-Year	3-Year
Bloomberg Barclays Agg	0.19%	0.24%	3.39%	3.65%	2.38%
U.S. Credit	0.37%	0.54%	5.65%	6.43%	3.68%
High Yield	0.39%	0.04%	7.05%	9.33%	5.66%
Muni	-0.36%	0.10%	4.77%	5.21%	3.02%

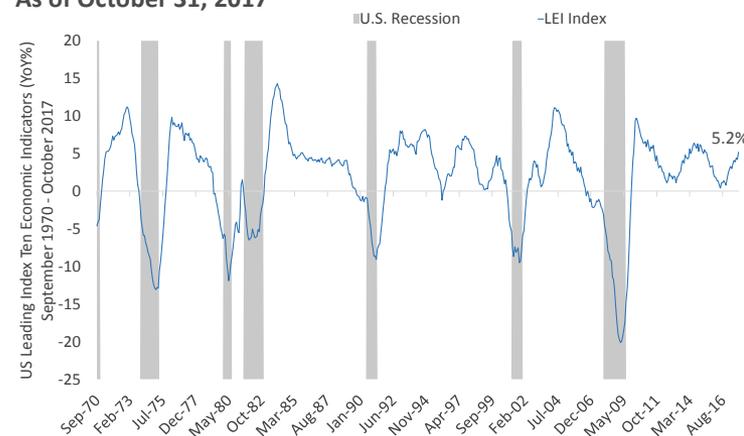
Levels			
Currencies	11/24/2017	12/30/2016	11/25/2016
USD/JPY	111.53	116.96	113.22
EUR/USD	1.19	1.05	1.06
GBP/USD	1.33	1.23	1.25
USD/CAD	1.27	1.34	1.35
Commodities	11/24/2017	12/30/2016	11/25/2016
BBG Index	87.00	87.51	85.03
Gold	1288.37	1147.50	1183.56
Silver	17.06	15.93	16.53
Crude	58.95	53.72	46.06

U.S. Treasury Yield Curve As of November 24, 2017



Source: DoubleLine, Bloomberg

Chart of the Week: Leading Economic Index Flies Higher As of October 31, 2017



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.

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

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.

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.

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.

U.S. Conference Board Leading Economic Indicator Index - Leading indicators include economic variables that tend to move before changes in the overall economy. These indicators give a sense of the future state of an economy.

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