

### **Chart Book Market Update**

November 1, 2018

27/97/25
1/26/00
27/60/00
27/40/00
27/20/00
27/00/00
2680/00

- 2860.00 - 2840.00

2600.00

2580.00

20.00

2 Mar 12 21 Apr

16

May

18 2018-06-26



### Dollar Index (Continuous) daily chart November 1<sup>st</sup>, 2018

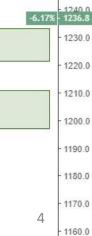


### Gold Bullion daily chart November 1<sup>st</sup>, 2018



Jun





Dec

1370.0

1360.0

Apr

16

Jul

Oct

16

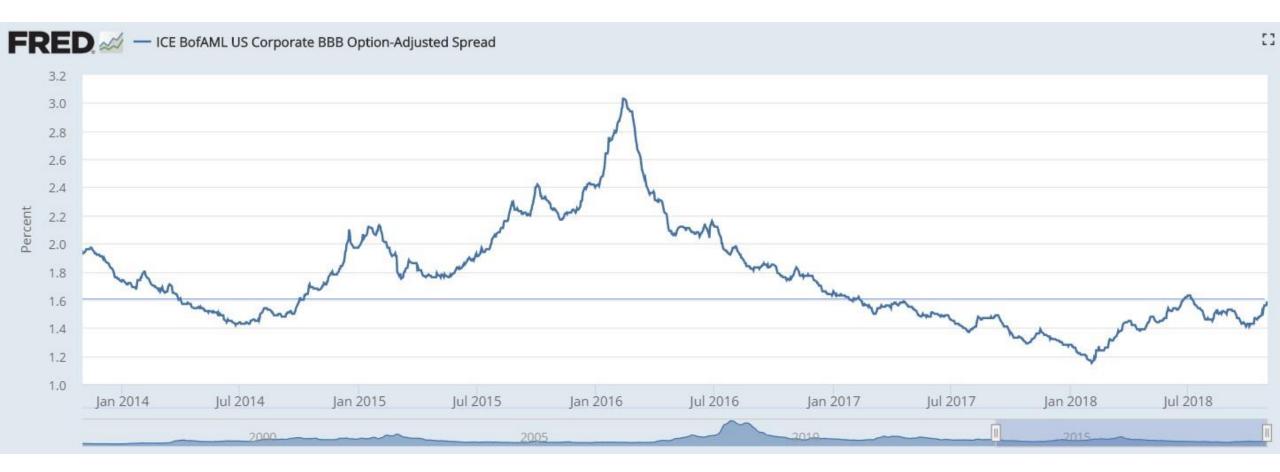
Nov

16

### iShares Investment Grade Corporate Bond ETF (LQD) November 1<sup>st</sup>, 2018



## ICE BofAML US Corporate BBB Option-Adjusted Spread November 1<sup>st</sup>, 2018



# SPDR Bloomberg High Yield Bond ETF (JNK) November 1<sup>st</sup>, 2018



2019

41.50

32.50 32.00 31.50

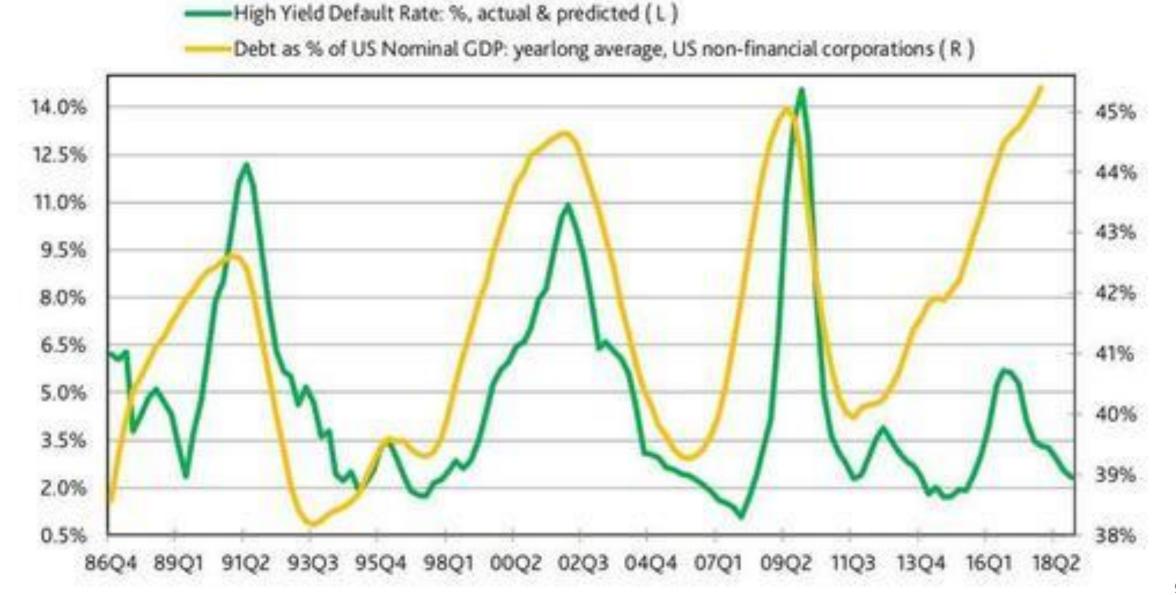
31.00



# ICE BofAML US High Yield Master II Option-Adjusted Spread November 1<sup>st</sup>, 2018



#### Figure 2: Recent Default Rate and Its Projected Trend Defy Record Ratio of Corporate Debt to US GDP sources: Moody's Analytics, Federal Reserve



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### U.S. High Yield Spread Heading into Recession

#### From May 8, 2018

-2001 -2007 -Now (6mo to Recession) -Now (1yr to Recession) -318 -289 -260 -250 -231 -231 -86 -57 -28 59 88 146 175 204 2233 2233 2291 2291 2291 2291 2378 378 378 378 407 407 465 **Trading Days to Recession** 

US HY Spread Heading into Recession

Source: Bloomberg, DoubleLine as of May 1, 2018

US HY = Moody's Bond Indices Corporate BAA Index are an average of the daily values for the corresponding month and weekly values are averages for the daily yields of the corresponding week. Spread = the difference between the yields of two bonds with differing credit ratings. You cannot invest directly in an index. 5-8-18 Asset Allocation Webcast 11



## How to Catch Market Tops Using Options

Video available on our website

### http://bigpicturetrading.com

Questions? Email us at contact@bigpicturetrading.com