



Matthew Hibler's Monday Mortgage Update

CHERRY CREEK
MORTGAGE COMPANY

BUILT WITH TRUST

**Week of
Oct. 16,
2017**

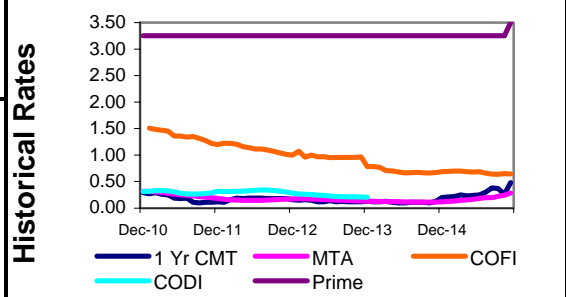
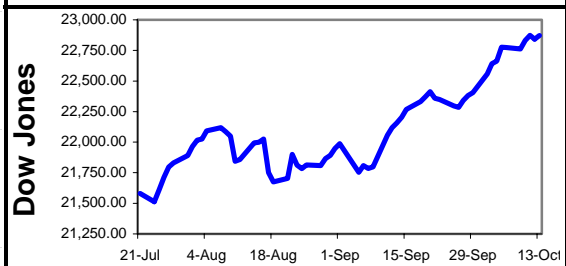
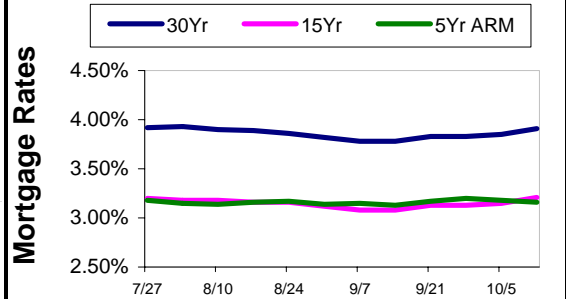
**Mortgage
Market
Commentary**

Mortgage rates managed to increase again last week, on a robust 1.6% increase in Retail Sales and some upward inflationary pressure. While the increase in Retail Sales was welcome, the core reading rose by only 0.5%. While the core reading has only hit this mark once in the last 8 months, it comes on the heels of a decrease in August's reading. Upstream inflationary pressures did flare upward some, but we've yet to see any of these increases passed along to consumers. All-in-all, we continue to power forward in a somewhat baffling and uncharted territory. Solid growth hasn't generated significant inflation, and we're about to start history's first slowdown in an asset repurchase program. Most experts and industry participants are hoping rates remain rational and don't get too volatile.

This week features a number of housing-related data points, and we're likely to see the same message to which we've grown accustomed. Home prices are being forced upward by constrained inventories. Industrial Production is expected to bounce back upward, which will likely keep rates from dropping.

This Week's Top Economic Reports and Events

| <u>Report/Event</u> | <u>Date</u> | <u>Prior</u> | <u>Est.</u> | <u>Impact</u> |
|--|-------------|--------------|-------------|--------------------|
| Industrial Production | 10/17 | -0.9% | 0.2% | Significant |
| With expectations of a bounce back into positive territory, a negative reading would likely generate some strong downward pressure on rates. | | | | |
| Federal Reserve Beige Book | 10/18 | | | Moderate |
| With odds rising for a December rate increase, any hints that support a hike will lead to more upward pressure on mortgage rates. | | | | |
| Weekly Jobless Claims | 10/19 | 243K | 236K | Moderate |
| We should be moving past storm-related effects, and the further we move toward 225K, the more likely we are to see rates pushing upward. | | | | |
| Leading Economic Indicators | 10/19 | 0.4% | 0.1% | Moderate |
| A bit of a deceleration in the LEI won't cause great concern this time around, but could help stem any rising pressure on interest rates. | | | | |
| Existing Home Sales | 10/20 | 5.34M | 5.29M | Limited |
| What would home sales look like with more inventory? We won't know, but there's a high probability that home prices will have increased again. | | | | |



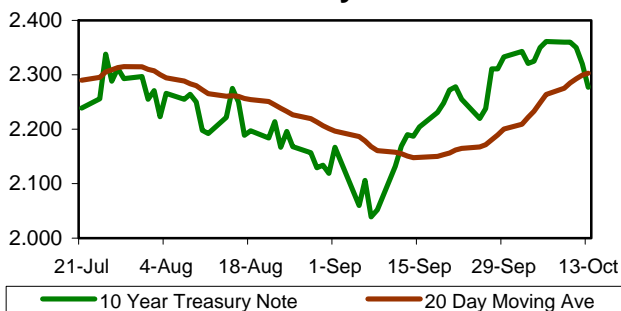
Mortgage Rate Trends

Short-Term →→
Long-Term →→
Volatility **High**

Interest Rates and Indexes

| | | | |
|---------------|--------|--------------|--------|
| 1 Yr T-Bill | 1.310% | 11th D. COFI | 0.732% |
| 10 Yr T-Note | 2.280% | COSI | 0.280% |
| 6 Month Libor | 1.514% | CODI | 0.229% |
| Prime Rate | 4.250% | MTA | 1.002% |

10 Year Treasury Note Trend



Cherry Creek Mortgage

Matthew Hibler

Loan Officer • NMLS# 287502

Phone

303-916-1666

mhibler@ccmclending.com