



Matthew Hibler's Monday Mortgage Update

CHERRY CREEK
MORTGAGE COMPANY

BUILT WITH TRUST

**Week of
Feb. 11,
2018**

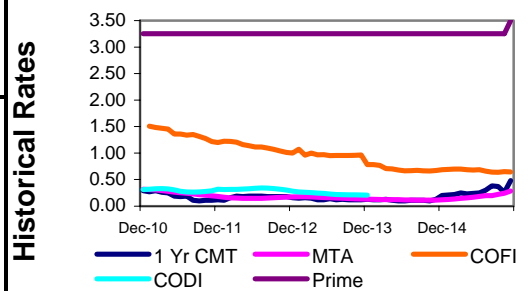
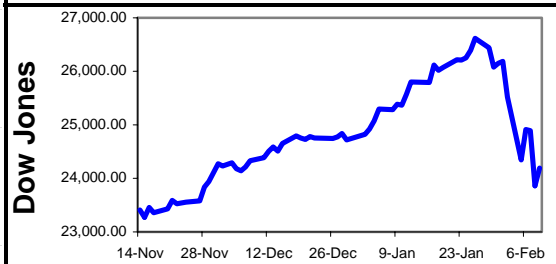
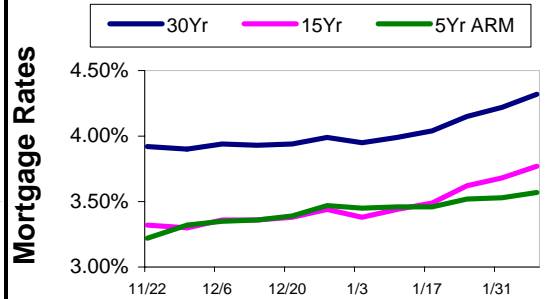
**Mortgage
Market
Commentary**

Even as equity markets thrashed, mortgage rates continued to move upward last week. The ISM Services Index jumped to a 12-year high while concerns about the increasingly inflationary environment continued to grow. The nation's imbalance of trade revealed more signs that import prices are increasing and beginning to contribute to inflation. The Bank of England also noted that monetary policy might need to be tightened quicker than expected. Some analysts are discussing the growing probability that the Fed may raise rates four times this year, rather than the expected three.

This week is shaping up to be another week with rates moving upward. Both the Consumer and Producer Price Indexes are due this week. With rising inflation fears, any signs in these reports about stronger-than-expected inflation could send mortgage rates marching even higher. Retail sales data and Industrial Production are also due and are expected to show only small increases. If either or both of these reports show larger-than-expected gains, there will be little to slow rates upward climb.

This Week's Top Economic Reports and Events

<u>Report/Event</u>	<u>Date</u>	<u>Prior</u>	<u>Est.</u>	<u>Impact</u>
Consumer Price Index (core) If this reading comes in at 0.3% again, then one of the few things that could slow rate increases would be a massive "flight to safety."	2/14	0.3%	0.2%	Significant
Retail Sales With everyone concerned about high-side readings, negative sales growth could dampen the increases in mortgage rates, at least somewhat.	2/14	0.4%	0.2%	Significant
Weekly Jobless Claims The sustained health of the labor market continues to stoke fears of future wage-driven inflation, and a good reading would reinforce that.	2/15	221K	227K	Moderate
Producer Price Index (core) Another shrinking of prices at the wholesale level could slow rate increases, but if the CPI comes in at 0.3%, it might not have much effect.	2/15	-0.1%	0.2%	Moderate
Industrial Production Rates could move downward for the week if the CPI and PPI are tame, along with Retail Sales and this indicator coming up below expectations.	2/15	0.9%	0.2%	Significant



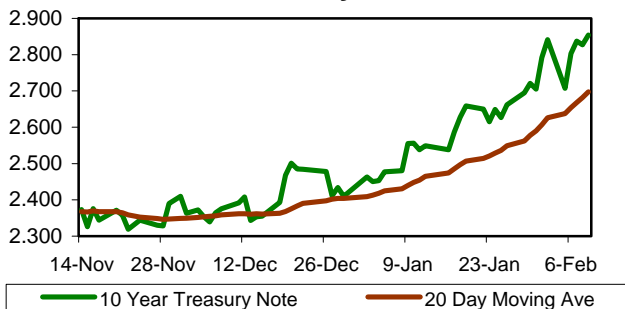
Mortgage Rate Trends

Short-Term	↗↗
Long-Term	↗↗
Volatility	High

Interest Rates and Indexes

1 Yr T-Bill	1.790%	11th D. COFI	0.753%
10 Yr T-Note	2.650%	COSI	0.290%
6 Month Libor	1.983%	CODI	0.229%
Prime Rate	4.500%	MTA	1.282%

10 Year Treasury Note Trend



Cherry Creek Mortgage

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