



Lisa Lundquist's Weekly Mortgage Newsletter



**Week of
July 16,
2018**

**Mortgage
Market
Commentary**

The summer doldrums seem to be firmly in place with mortgage rates barely budging from a tight range over many weeks. Last week saw the annualized rates of both the Producer and Consumer Price Indices rise again. While often this would result in higher rates, the market continues to absorb these increases under the assumption that the Fed will continue to allow inflation to run hot without an aggressive response. This may be partially due to the US' apparent commitment to holding the line with trade wars with many of our trading partners. While these first rounds may not shave much off GDP, an escalation in tariffs and continuing tit-for-tat could slow the entire global economy.

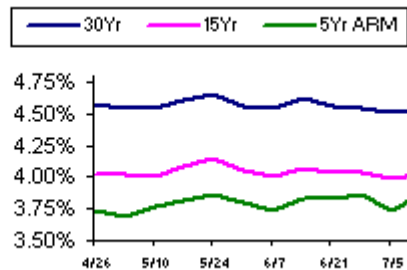
The tone for this week may be set by the two most important reports of the week: Retail Sales and Industrial Production. With consumers taking on a bit more debt than expected last month, a greater-than-expected reading for Sales could help boost rates higher. If that gets coupled with an increase in the manufacturing sub-index of the IP report, then rates may spend the week trending upward.

Mortgage Rates

**Freddie Mac's
Primary Mortgage Market Survey**

| | July 12 | | 7/5/18 |
|---------------|---------|---|--------|
| 30 Year Fixed | 4.53% | ▲ | 4.52% |
| 15 Year Fixed | 4.02% | ▲ | 3.99% |
| 5/1 Year ARM | 3.86% | ▲ | 3.74% |

For more information visit www.FreddieMac.com



Rates & Indexes

| | |
|--------------------------|--------|
| 1 Yr T-Bill | 2.330% |
| 12 Mn Libor | 2.785% |
| 6 Mo Libor | 2.520% |
| 11 th D. COFI | 0.895% |
| Prime | 5.000% |
| Fed Fund | 2.000% |

Economic Snapshot

Gross Domestic Product

| | | |
|--------------------------|---|---------|
| 28-Jun | ▼ | %pt Chg |
| 2.0% | | 0.9 |
| <i>Economy Expanding</i> | | |

Consumer Confidence

| | | |
|-------------------------|---|--------|
| 26-Jun | ▼ | pt Chg |
| 126.4 | | 2.4 |
| <i>Confidence Level</i> | | |

Housing Starts

| | | |
|--------------------------|---|-------|
| 19-Jun | ▲ | % Chg |
| 1.35M | | 5.0% |
| <i>Starts Increasing</i> | | |

| | | | |
|------------------|-----------|--------------------|----------|
| Dow Jones | 25,019.41 | NASDAQ | 7,688.39 |
| NYSE | 12,664.88 | S&P 500 | 2,759.82 |



Unemployment Rate

| | | |
|----------------------------|---|---------|
| 4-May | ▲ | %pt Chg |
| 4.0% | | 0.2 |
| <i>Unemployment Stable</i> | | |

US Retail Sales

| | | |
|----------------------------|---|-------|
| 14-Jun | ▲ | % Chg |
| 502.0 | | 0.8% |
| <i>Sales Trending Flat</i> | | |

Existing Home Sales

| | | |
|----------------------------|---|-------|
| 20-Jun | ▼ | % Chg |
| 5.43M | | 0.4% |
| <i>Sales Trending Flat</i> | | |

Leading Indicators (LEI)

| | | |
|--------------------|---|-------|
| 21-Jun | ▲ | % Chg |
| 109.4 | | 0.2% |
| <i>Slow Growth</i> | | |

Manufacturing Activity

| | | |
|--------------------------------|---|--------|
| 1-May | ▲ | pt Chg |
| 60.2 | | 1.5 |
| <i>Manufacturing Expanding</i> | | |

New Home Sales

| | | |
|----------------------------|---|-------|
| 25-Jun | ▲ | % Chg |
| 689K | | 6.7% |
| <i>Sales Trending Flat</i> | | |

Weekly Trivia Challenge



While I must know about the latest styles and trends, my most important tool might be my Brannock Device. What do I do for a living?

If you know the answer to this week's Trivia Challenge, give me a call or drop me an email!

Lisa Lundquist

Sr. Loan Officer • NMLSR ID 268664

Cell 435-659-1390 • Fax 801-441-1028

lisal@vfund.com



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