



# Lisa Lundquist's

## Weekly Mortgage Newsletter



**Week of**  
**Oct. 15,**  
**2018**

Financial markets went for a wild ride last week, with stocks plummeting and bonds climbing and then retreating. While fingers were pointing in many directions, the fact that interest rates are rising shouldn't be a surprise. We've had a long run of robust economic growth, inflation is running at a level that has the Fed increasing rates, and the US government is issuing lots of debt. The large increase could have been worse for long-term mortgage rates, but the amount of money flowing into bond markets helped turn the tide back. The week's economic data also calmed nervous bond traders with inflationary pressures coming in very muted for last month.

**Mortgage**  
**Market**  
**Commentary**

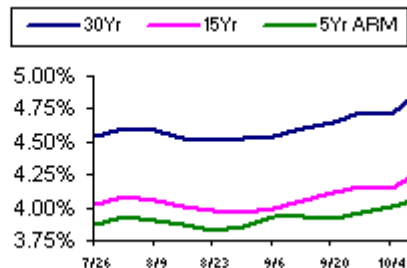
This week is likely to see mortgage rates slip backward as is often the case after a sizable spike upwards. However, if Retail Sales and Industrial Production come in with stronger-than-expected readings, we could see rates remaining closer to flat. While international news hasn't made any recent oversized impact on rates recently, the drama with Saudi Arabia bears keeping a watchful eye.

### Mortgage Rates

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

	<u>October 11</u>		<u>10/4/18</u>
30 Year Fixed	4.90%	▲	4.71%
15 Year Fixed	4.29%	▲	4.15%
5/1 Year ARM	4.07%	▲	4.01%

For more information visit [www.FreddieMac.com](http://www.FreddieMac.com)



**Rates & Indexes**

1 Yr T-Bill	2.620%
12 Mn Libor	2.954%
6 Mo Libor	2.635%
11 <sup>th</sup> D. COFI	1.015%
Prime	5.000%
Fed Fund	2.000%

### Economic Snapshot

**Gross Domestic Product**

27-Sep ▲ %pt Chg  
4.2% 2.0  
*Economy Expanding*

**Consumer Confidence**

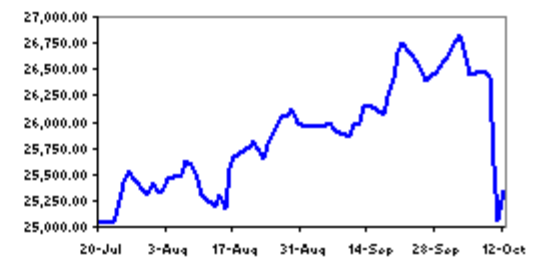
25-Sep ▲ pt Chg  
138.4 3.7  
*Confidence Improving*

**Housing Starts**

19-Sep ▼ % Chg  
1.23M 5.7%  
*Starts Trending Flat*

**Dow Jones** 25,339.99 **NASDAQ** 7,496.89  
**NYSE** 12,439.42 **S&P 500** 2,767.13

Dow Jones



**Unemployment Rate**

5-Oct ▼ %pt Chg  
3.7% 0.0  
*Unemployment Stable*

**US Retail Sales**

14-Sep ▲ % Chg  
509.0 0.1%  
*Sales Trending Upward*

**Existing Home Sales**

20-Sep ↔ % Chg  
5.34M 0.0%  
*Sales Trending Flat*

**Leading Indicators (LEI)**

20-Sep ▲ % Chg  
111.2 0.4%  
*Slow Growth*

**Manufacturing Activity**

1-Oct ▼ pt Chg  
59.8 1.5  
*Manufacturing Expanding*

**New Home Sales**

26-Sep ▲ % Chg  
629K 3.5%  
*Sales Trending Flat*

### Weekly Trivia Challenge



What pair of German brothers collected fairy tales and stories such as "Hansel & Gretel"?

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

## Lisa Lundquist

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