



Matthew Hibler's Monday Mortgage Update



**Week of
August 8,
2022**

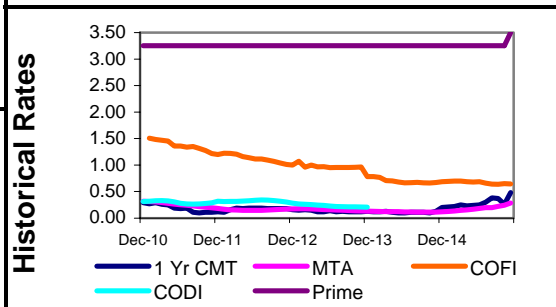
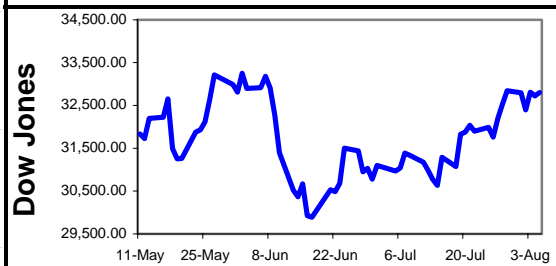
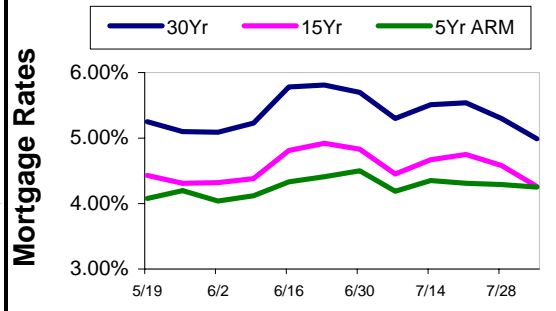
**Mortgage
Market
Commentary**

The headlines may have read that mortgage rates dipped below five percent, but the decline was short-lived. Over the last few weeks, fears that the US had sunk into a recession dominated the market thinking. This helped pull mortgage rates downward. Indeed, many signs pointed to reduced economic activity. However, the labor market is showing almost no signs of cooling. Last week, the monthly employment data revealed that 528,000 new jobs were created in July, and an additional 26K jobs were added to June. On top of that, the unemployment rate dropped back to 3.5%. Data now shows that for every two job openings available in the country, only one worker exists to fill the position. Unsurprisingly, mortgage rates were trending upward as the week ended.

This week is lighter in terms of economic data, with the exception of inflation data. The CPI comes out mid-week, and if it reveals that inflation is not slowing at the core level, then it will be very hard for mortgage rates not to climb upward for the week, and perhaps the next week or two.

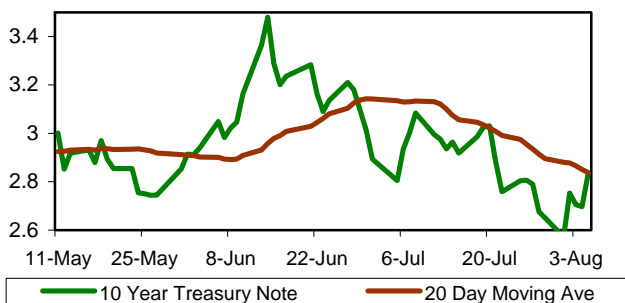
This Week's Top Economic Reports and Events

<u>Report/Event</u>	<u>Date</u>	<u>Prior</u>	<u>Est</u>	<u>Impact</u>
Consumer Price Index (core)	8/10	0.7%	0.5%	Significant
With the market thinking less about a recession this week, another 0.7% would very likely drive mortgage rates back upward.				
EIA Petroleum Status Report	8/10			Significant
If this report provides some more signs that we could see future gas prices continuing to move downward, then rates might push downward.				
Weekly Jobless Claims	8/11	260K	265K	Moderate
The Fed really wants to see the labor market cooling down, but another tiny, tiny increase would likely help push mortgage rates upward.				
Producer Price Index (core)	8/11	0.4%	0.4%	Moderate
If both headline and core readings of the CPI and PPI can manage a decrease, then rates may experience some downward pressure.				
Consumer Sentiment	8/12	51.5	52.2	Moderate
If all the week's data comes in around expectations, and this one also does, then mortgage rates are likely to end the week moving upward.				



Mortgage Rate Trends	Interest Rates and Indexes			
Short-Term →→	1 Yr T-Bill	3.010%	11th D. COFI	0.223%
Long-Term →→	10 Yr T-Note	2.750%	COSI	0.130%
Volatility High	6 Month Libor	3.393%	CODI	0.229%
	Prime Rate	5.500%	MTA	1.104%

10 Year Treasury Note Trend



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