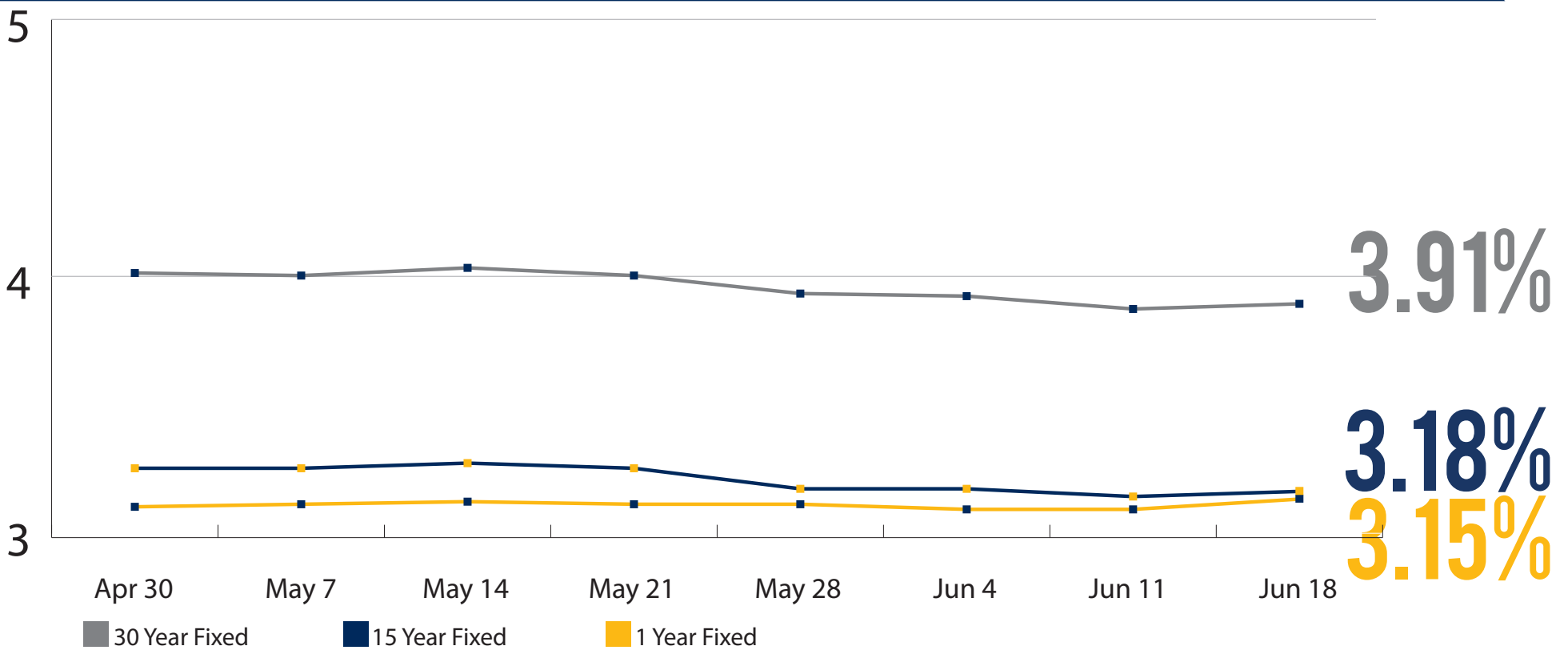


WEEKLY MORTGAGE WATCH

JUN 18

FREDDIE MAC'S PRIMARY MORTGAGE MARKET SURVEY



INTEREST RATES AND INDEXES



THIS WEEK'S TOP ECONOMIC REPORTS AND EVENTS

<p>5.52M ↓</p> <p>EXISTING HOME SALES</p> <p>Date: 6/21, Prior: 5.57M</p> <p>Impact: Limited</p> <p>If Sales can beat expectations and move over 5.6M, then we are likely to see some limited upward pressure on mortgage rates.</p>	<p>240K ↑</p> <p>WEEKLY JOBLESS CLAIMS</p> <p>Date: 6/22, Prior: 237K</p> <p>Impact: Moderate</p> <p>Weekly claims remain near historic lows, and another week of sub-245K claims could easily help press rates slightly higher for the week.</p>	<p>0.5% ↓</p> <p>FHFA HOUSE PRICE INDEX</p> <p>Date: 6/22, Prior: 0.6%</p> <p>Impact: Limited</p> <p>Home prices continue to be pressed upward by extremely tight inventories and fewer than ideal numbers of new homes being built.</p>	<p>0.3% →</p> <p>LEADING ECONOMIC INDICATORS</p> <p>Date: 6/22, Prior: 0.3%</p> <p>Impact: Moderate</p> <p>The LEI seems to reinforce the story that we all know: economic growth is slow. Any number near expectations will help hold rates level.</p>	<p>599K ↑</p> <p>NEW HOME SALES</p> <p>Date: 6/23, Prior: 569K</p> <p>Impact: Limited</p> <p>If both Existing and New Home Sales slump, then we may see mortgage rates experiencing a little bit of downward pressure as the week ends.</p>
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DON'T FLIP OUT. IT JUST MIGHT BE YOUR TURN

Many of us watch the television shows on flipping homes, and dream of breathing new life into that rundown gem of a home. Of course, flipping really is only for those can flip dozens of homes, right? Wrong! According to research from ATTOM data solutions, a whopping 69% of flippers in the first quarter of this year were mom and pop operations that only flipped one home.



MORTGAGE MARKET COMMENTARY

- Even with a Fed rate hike last week, mortgage rates barely budged.
- The Fed did announce plans to begin reducing its massive balance sheet, at some point later in the year. The plan is very gradual and should help the market slowly adjust to a less accommodative policy.
- Overall, the economy seems to continue to remain in the same slow recovery mode that we've all grown accustomed too. As the 2nd quarter's data trickles in, it appears we won't have any large increase in overall economic activity.
- Industrial Production flat-lined, with manufacturing pulling back.
- Once again, inflationary pressures cooled while consumer moods are becoming less enthusiastic.
- Retail Sales retreated 0.3%. This week is relatively light for economic data, but we will get more insight into the housing market. We are expecting new and existing sales to head in opposite directions. If both can move upward, then we might see a little upward movement in rates.
- However, given last week's somewhat weaker-than expected data, mortgage rates may have a stronger tendency to slip downward.



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