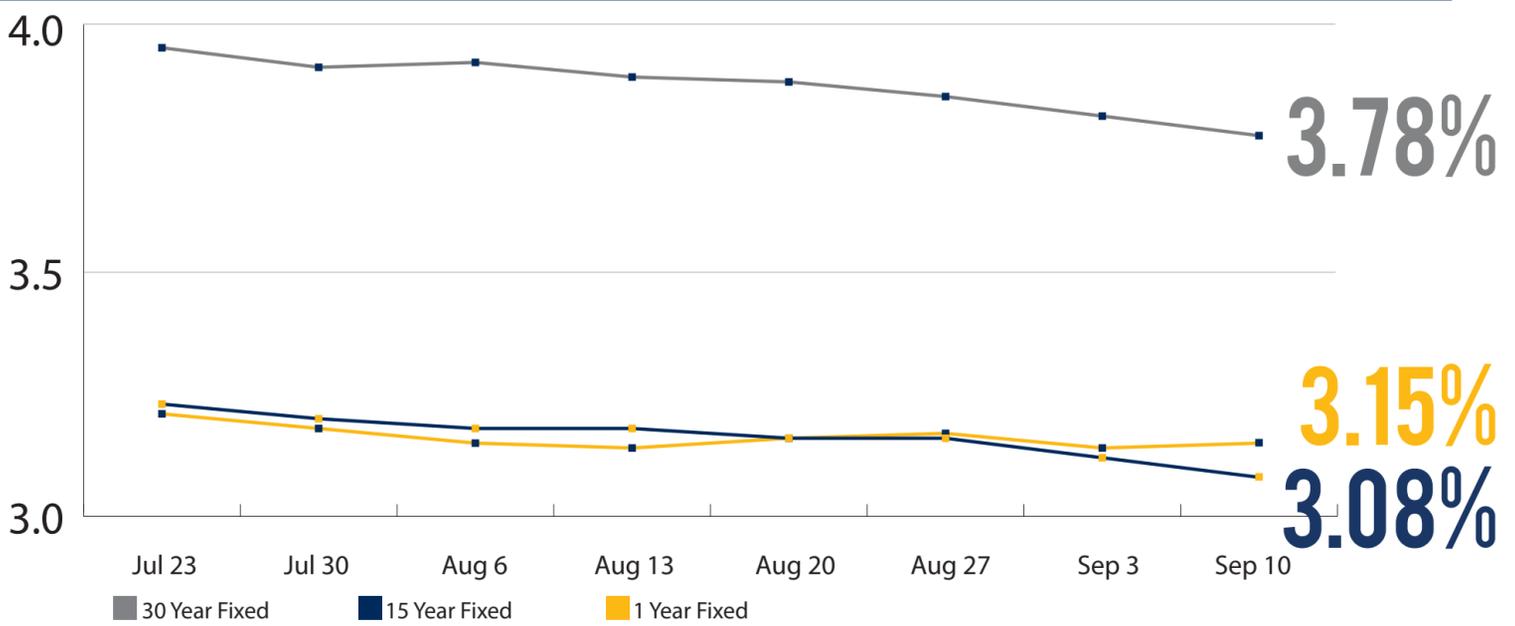


WEEKLY MORTGAGE WATCH

SEP 10

FREDDIE MAC'S PRIMARY MORTGAGE MARKET SURVEY



INTEREST RATES AND INDEXES



THIS WEEK'S TOP ECONOMIC REPORTS AND EVENTS

<p>0.2%↑</p> <p>PRODUCER PRICE INDEX (CORE)</p> <p>Date: 9/13, Prior: -0.1%</p> <p>Impact: Moderate</p> <p>If we get another unexpected negative core reading, then mortgage rates will continue to feel some ongoing downward pressure.</p>	<p>0.2%↑</p> <p>CONSUMER PRICE INDEX (CORE)</p> <p>Date: 9/14, Prior: 0.1%</p> <p>Impact: Significant</p> <p>If both the PPI and CPI core readings spike to 0.3% or better, then analysts will be baffled, and all interest rates will likely move upward.</p>	<p>0.2%↑</p> <p>RETAIL SALES</p> <p>Date: 9/15, Prior: 0.6%</p> <p>Impact: Significant</p> <p>Consumers continue to spend at a reasonable pace, but without any real increases. A drop here could send mortgage rates even lower this week.</p>	<p>0.2%→</p> <p>INDUSTRIAL PRODUCTION</p> <p>Date: 9/15, Prior: 0.2%</p> <p>Impact: Significant</p> <p>While it is too early to see the full impact of natural disasters in the IP reading, we could see some decrease without too much impact on rates.</p>	<p>95.5↓</p> <p>U OF MICH. CONSUMER SENTIMENT</p> <p>Date: 9/15, Prior: 96.8</p> <p>Impact: Moderate</p> <p>Consumer moods have most been steady, but an unexpected increase here could help generate a slight amount of upward pressure on rates.</p>
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IS YOUR IDENTITY AND CREDIT AT RISK

Last week, Equifax revealed that it was hacked, and up to 143 million people may have had their information stolen. The data theft snagged names, social security numbers, birth dates, driver's license numbers, and addresses. The company has responded by launching a website that enables consumers to find if their data was part of the breach. Visit EquifaxSecurity2017.com to learn more, and also be sure to pull your free credit report at AnnualCreditReport.com.



MORTGAGE MARKET COMMENTARY

- Hurricanes and wildfires certainly have devastating consequences for those impacted, and we don't want to discount the tragedy or human stories that accompany these events.
- From an economic standpoint, however, the national impact is historically limited. Of course, these aren't normal times and these events are gigantic and widespread.
- Because we don't have a clear idea of what the impact will be, we are seeing some money flowing into the relative safety of treasuries and bonds. In many ways, more uncertainty is creeping into the market.
- Will Washington be able to accomplish anything meaningful to improve the economy? Why does the economy continue to power ahead without generating any significant inflation? All of these unknowns appear to be helping hold rates low. We may have more of the same this week.
- The wider spread the devastation is in the southeast, the more likely we are to see rates continue to be pulled slowly downward.
- However, if we get that surprise jumps in the Producer and Consumer Prices Indices, then rates might move upward.



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