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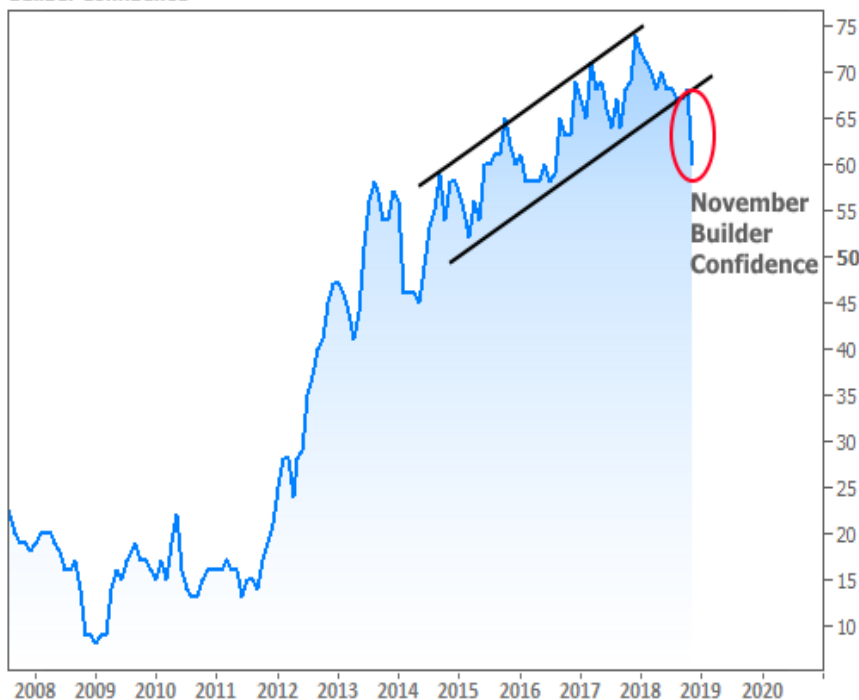
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Housing Showing Some Signs of Stabilizing

It wouldn't be 2018 in the housing market if there wasn't at least one report painting a gloomier picture. The National Association of Homebuilders Housing Market Index (or "builder confidence" for short) did those honors this week.

Up until now, builder confidence had been holding up better than other housing metrics in 2018. **That changed abruptly** this week as confidence dropped to the lowest levels in more than 2 years, and at the fastest pace in more than 4 years.

Builder Confidence



What's up with this sudden shift? Builders chalked it up, in large part, to recently **higher rates and home prices**. One other factor to consider is the psychological effect of sharp losses in the stock market.

Builder confidence was the **only** downbeat housing report of the week though! Numbers were roughly as-expected elsewhere. This keeps longer-term trends in decent shape, especially with respect to residential construction numbers.

National Average Mortgage Rates



| | Rate | Change | Points |
|----------------------------|------|--------|--------|
| Mortgage News Daily | | | |

| | | | |
|--------------|-------|-------|------|
| 30 Yr. Fixed | 7.28% | -0.09 | 0.00 |
| 15 Yr. Fixed | 6.75% | -0.07 | 0.00 |
| 30 Yr. FHA | 6.70% | -0.12 | 0.00 |
| 30 Yr. Jumbo | 7.48% | -0.07 | 0.00 |
| 5/1 ARM | 7.35% | -0.07 | 0.00 |

Freddie Mac

| | | | |
|--------------|-------|-------|------|
| 30 Yr. Fixed | 7.22% | -0.22 | 0.00 |
| 15 Yr. Fixed | 6.47% | -0.29 | 0.00 |

Rates as of: 5/3

Market Data

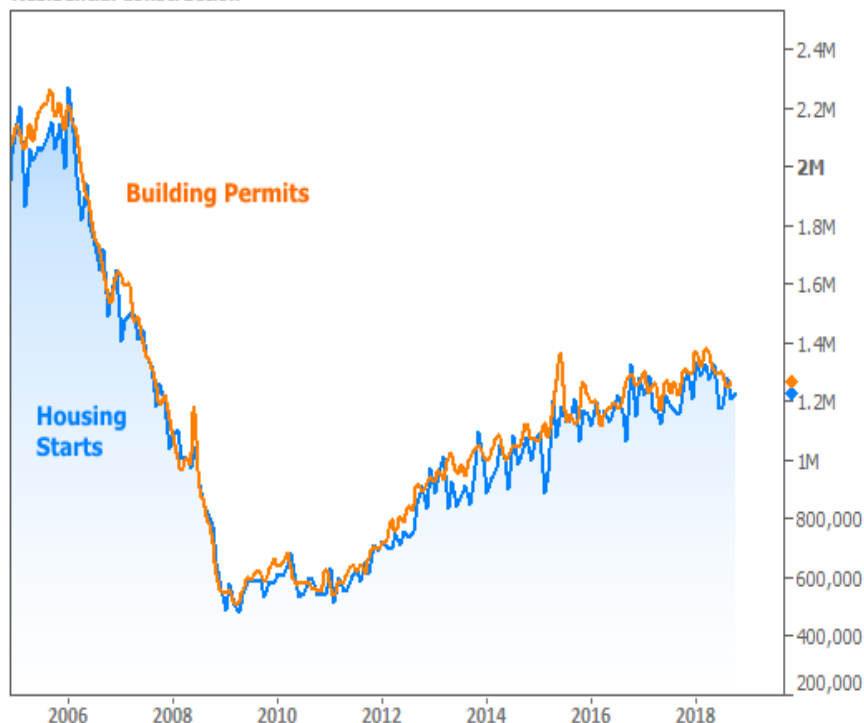
| | Price / Yield | Change |
|----------------|---------------|---------|
| MBS UMBS 6.0 | 100.09 | +0.31 |
| MBS GNMA 6.0 | 101.03 | +0.29 |
| 10 YR Treasury | 4.5138 | -0.0657 |
| 30 YR Treasury | 4.6711 | -0.0579 |

Pricing as of: 5/3 5:04PM EST

Recent Housing Data

| | | Value | Change |
|---------------------|--------|-------|---------|
| Mortgage Apps | Apr 24 | 196.7 | -2.67% |
| Building Permits | Mar | 1.46M | -3.95% |
| Housing Starts | Mar | 1.32M | -13.15% |
| New Home Sales | Mar | 693K | +4.68% |
| Pending Home Sales | Feb | 75.6 | +1.75% |
| Existing Home Sales | Feb | 3.97M | -0.75% |
| Builder Confidence | Mar | 51 | +6.25% |

Residential Construction



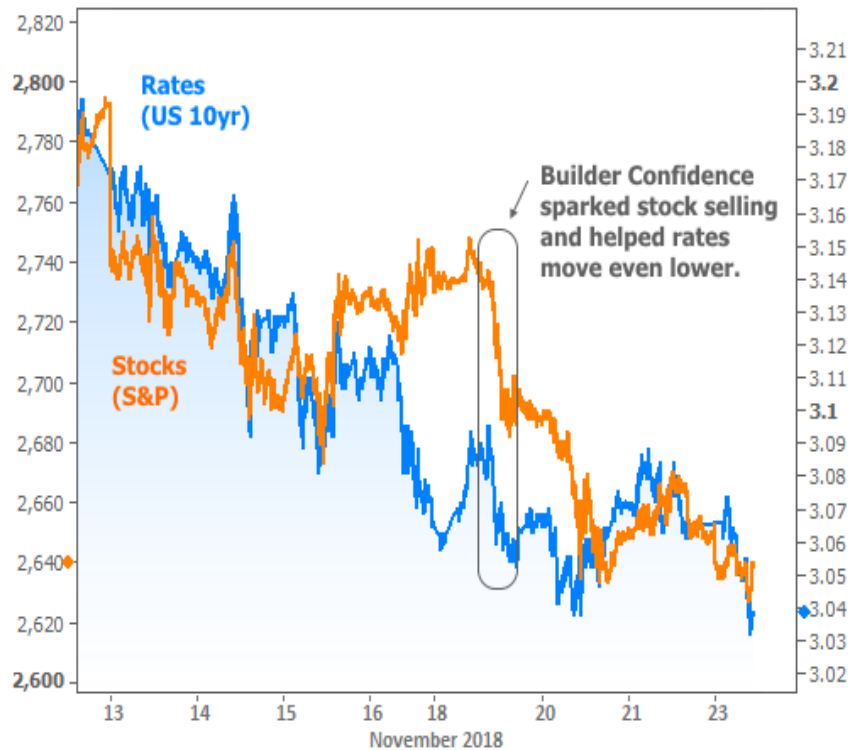
Existing Home Sales have fallen a bit more noticeably in 2018, but by bouncing here, they would be able to maintain a **longer-term uptrend** that began roughly 5 years ago.

Existing Home Sales



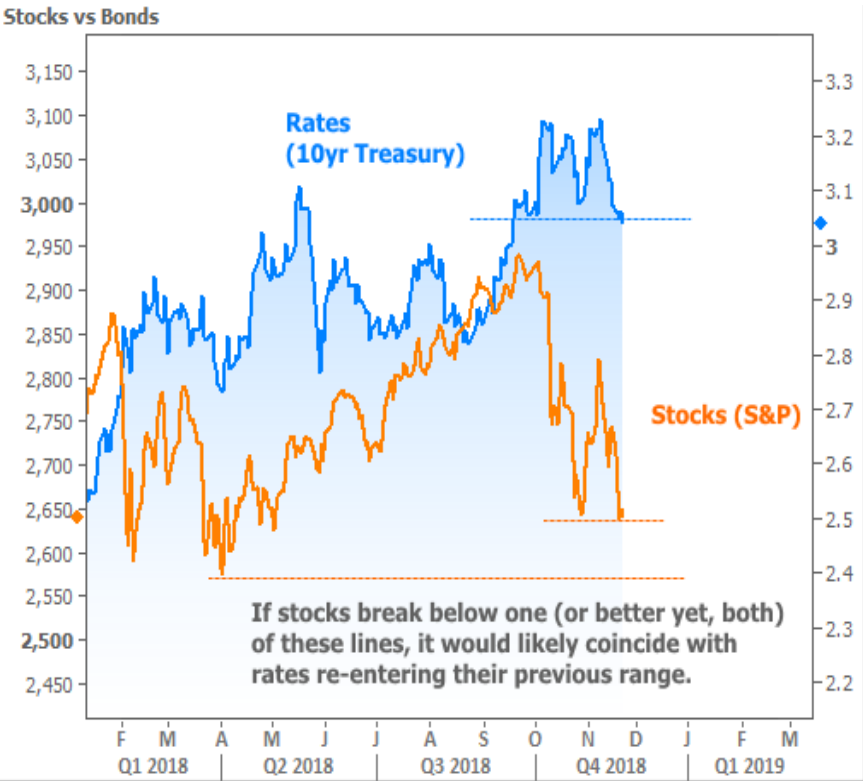
In terms of market movement this week, interest rates remained fairly flat while stocks continued lower. Incidentally, the builder confidence numbers (which don't tend to move markets) were **shocking enough** to cause a bit of a stir on Monday morning.

Stocks vs Bonds



Simply put, rates might have moved **higher** this week had it not been for the builder confidence data setting the tone (it was the first and only economic report on Monday morning).

In general though, it doesn't make much sense to read too much significance into Thanksgiving week market movement. As market participants return in greater numbers for the last few full weeks of the year, we'll be watching to see if stocks break below the key floors seen in the following chart. If they do, that could provide the inspiration for rates to continue lower.



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Recent Economic Data

| Date | Event | Actual | Forecast | Prior |
|-------------------|-----------------------------------|--------|----------|-------|
| Tuesday, Nov 20 | | | | |
| 8:30AM | Oct Build permits: change mm (%) | -0.6 | | 1.7 |
| 8:30AM | Oct Housing starts number mm (ml) | 1.228 | 1.225 | 1.201 |
| 8:30AM | Oct House starts mm: change (%) | +1.5 | | -5.3 |
| 8:30AM | Oct Building permits: number (ml) | 1.263 | 1.267 | 1.270 |
| Wednesday, Nov 21 | | | | |
| 7:00AM | w/e MBA Purchase Index | 227.7 | | 220.8 |
| 7:00AM | w/e Mortgage Refinance Index | 783.7 | | 824.7 |
| 8:30AM | Oct Durable goods (%) | -4.4 | -2.5 | 0.7 |
| 8:30AM | Oct Nondefense ex-air (%) | 0.0 | 0.2 | -0.1 |
| 8:30AM | w/e Jobless Claims (k) | 224 | 218 | 216 |
| 10:00AM | Oct Existing home sales (ml) | 5.22 | 5.20 | 5.15 |
| 10:00AM | Oct Exist. home sales % chg (%) | +1.4 | 1.0 | -3.4 |
| 10:00AM | Nov U Mich Sentiment Final (ip) | 97.5 | 98.3 | 98.3 |
| 10:00AM | Nov U Mich 1Yr Inf Final (%) | 2.8 | | 2.8 |
| 10:00AM | Nov U Mich 5-Yr Inf Final (%) | 2.6 | | 2.6 |
| Tuesday, Nov 27 | | | | |
| 9:00AM | Sep CaseShiller 20 yy (%) | +5.1 | 5.3 | 5.5 |

Event Importance:

No Stars = Insignificant

☆ Low

★ Moderate

★★ Important

★★★ Very Important

| Date | Event | Actual | Forecast | Prior |
|-------------------|----------------------------------|--------|----------|-------|
| 9:00AM | Sep Monthly Home Price mm (%) | 0.2 | | 0.3 |
| 10:00AM | Nov Consumer confidence | 135.7 | 135.9 | 137.9 |
| 1:00PM | 5-Yr Note Auction (bl) | 40 | | |
| Wednesday, Nov 28 | | | | |
| 7:00AM | w/e MBA Purchase Index | 247.8 | | 227.7 |
| 7:00AM | w/e Mortgage Refinance Index | 787.7 | | 783.7 |
| 8:30AM | Q3 GDP Prelim (%) | 3.5 | 3.5 | 3.5 |
| 10:00AM | Oct New home sales-units mm (ml) | 0.544 | 0.575 | 0.553 |
| 10:00AM | Oct New home sales chg mm (%) | -8.9 | 3.7 | -5.5 |
| 1:00PM | 7-Yr Note Auction (bl) | 32 | | |
| Thursday, Nov 29 | | | | |
| 8:30AM | Oct Core PCE (y/y) (%) | +1.8 | 1.9 | 2.0 |
| 8:30AM | w/e Jobless Claims (k) | 234 | 220 | 224 |
| 10:00AM | Oct Pending Sales Index | 102.1 | | 104.6 |
| 10:00AM | Oct Pending Home Sales (%) | -2.6 | 0.5 | 0.5 |
| Friday, Nov 30 | | | | |
| 9:45AM | Nov Chicago PMI | 66.4 | 58.0 | 58.4 |

Getting a mortgage doesn't have to be painful!

I call myself a Mortgage Navigator because I feel it is my duty to give you the best information possible, not matter what! I love making homebuyers homeowners! I've been a mortgage broker for 29 years and compare options from multiple lenders, delivering 5 ⭐ rates & service. Combined with my goal based mortgage planning, my desire is to help people make the best mortgage decisions while making the process less annoying and more fun. Not sure where to start?.. give me a call at 800-340-5465 or visit www.IcanSaveMortgage.com to find your best options today. Be sure to check out my YouTube channel link below for more helpful mortgage information.

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