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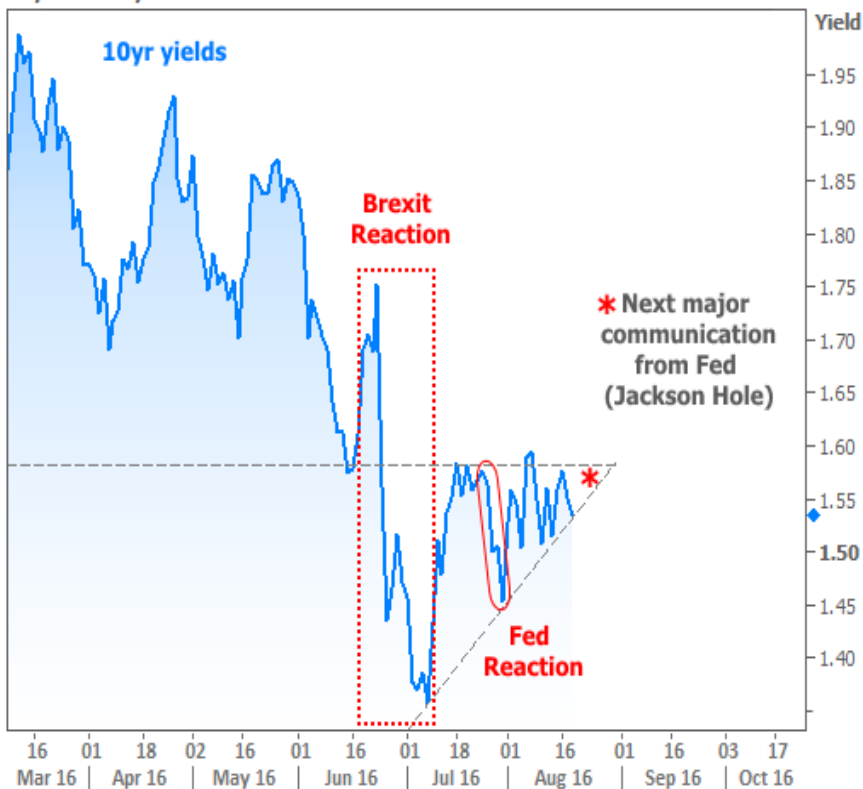
## What Will It Take To Break Holding Pattern in Housing and Markets?

Two separate holding patterns were in focus this week--one in housing-related economic data, and the other in broader financial markets. One of these holding patterns stands a good chance of **being broken** next week. The other is anyone's guess.

The holding pattern in financial markets was precipitated by the UK's vote to leave the European Union (Brexit) in late June. Brexit, itself, did not force financial markets to get locked in a tight trading range. Rather, it sent markets on a relatively **wild ride**. It's in the aftermath of that wild ride that we see markets wondering which way to go next.

The following chart shows 10yr Treasury yields (the best benchmark for big picture domestic interest rate movement). Notice that even the late July Fed announcement **couldn't manage** to break yields out of the increasingly narrow range.

10yr Treasury Yield



## National Average Mortgage Rates



	Rate	Change	Points
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### Mortgage News Daily

30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00

### Freddie Mac

30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00

Rates as of: 7/22

## Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.50	+0.11
MBS GNMA 5.5	99.91	+0.14
10 YR Treasury	4.2325	-0.0200
30 YR Treasury	4.4542	-0.0183

Pricing as of: 7/23 9:01AM EST

## Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
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%

Then, this week's release of the Fed "Minutes" (more detailed notes from the meeting that resulted in the "Fed Reaction" above) couldn't even cause enough movement to earn a place on the chart. Instead, it will take something more potent.

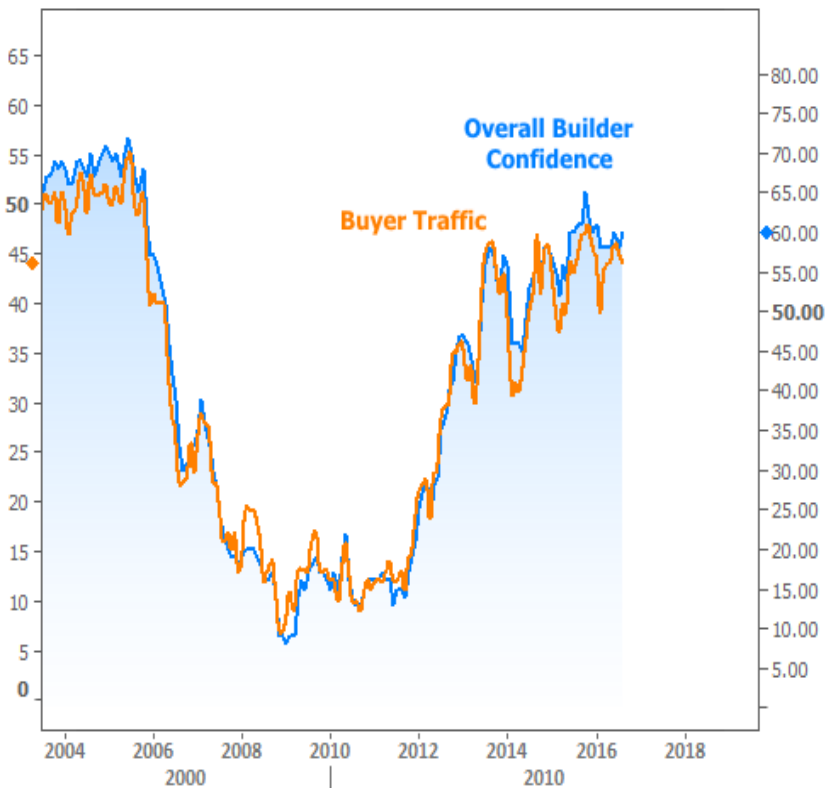
The best candidate for such a potent event is next week's Jackson Hole Symposium, generally regarded as a venue for the Fed to offer a slightly **more candid overview** of where monetary policy is headed. With markets currently seeing nearly a 50 percent chance of a rate hike by December, hopes are high that Yellen's speech next Friday will add clarity to the debate.

Even if Yellen doesn't inspire markets for better or worse, interest rates will have **run out of room** to be indecisive and must choose a path soon. Historically, such breakouts often mark the start of a new wave of momentum.

**Housing-related economic data** isn't quite so lucky when it comes to having its holding pattern forcibly ended. Two separate reports reiterated the "decent but stagnant" level of growth in construction.

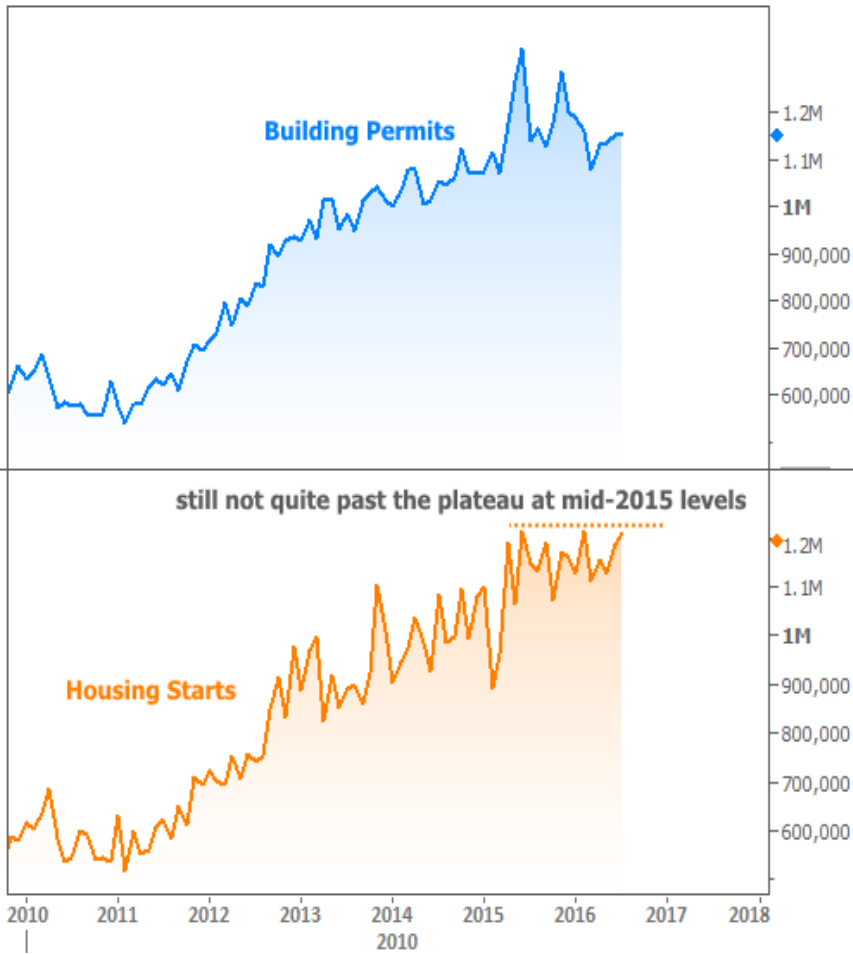
The National Association of Homebuilders released its [Housing Market Index](#). This measure of builder confidence has been **stuck** in the same range since December and is currently being weighed down by the component that measures buyer traffic.

Homebuilder Confidence



In separate data, [Housing Starts and Building Permits](#) also **continue to struggle** breaking their last major high from the middle of 2015.

Housing Starts / Building Permits



The data isn't all stagnant when it comes to housing, however. In particular, both [Freddie Mac](#) and [CoreLogic](#) released updated predictions for originations in 2016. Both see **significant increases in loan volume** thanks to historically low interest rates. Unsurprisingly, a majority of that volume is attributable to refinance demand, although purchase loans have increased as well.

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Recent Economic Data

Date	Event	Actual	Forecast	Prior
<b>Monday, Aug 15</b>				
8:30AM	Aug NY Fed manufacturing	-4.21	2.50	0.55
10:00AM	Aug NAHB housing market indx	60	60	59
<b>Tuesday, Aug 16</b>				
8:30AM	Jul CPI index, nsa	240.65	240.831	241.040
8:30AM	Jul Core CPI mm, sa (%)	+0.1	0.2	0.2
8:30AM	Jul Core CPI yy, nsa (%)	+2.2	2.3	2.3
8:30AM	Jul Housing starts number mm (ml)	1.211	1.180	1.189
8:30AM	Jul Building permits: number (ml)	1.152	1.160	1.153

Event Importance:

- No Stars = Insignificant
- ☆ Low
- ★ Moderate
- ★★ Important
- ★★★ Very Important

Date	Event	Actual	Forecast	Prior
9:15AM	Jul Industrial output mm (%)	+0.7	0.3	0.6
9:15AM	Jul Capacity utilization mm (%)	75.9	75.6	75.4
<b>Wednesday, Aug 17</b>				
7:00AM	w/e Mortgage Market Index	541.5		564.0
<b>Thursday, Aug 18</b>				
8:30AM	Aug Philly Fed Business Index	2.0	2.0	-2.9
8:30AM	w/e Initial Jobless Claims (k)	262	265	266
<b>Tuesday, Aug 23</b>				
10:00AM	Jul New home sales-units mm (ml)	0.654	0.580	0.592
1:00PM	2-Yr Note Auction (bl)	26		
<b>Wednesday, Aug 24</b>				
9:00AM	Jun Monthly Home Price mm (%)	0.2		0.2
10:00AM	Jul Existing home sales (ml)	5.39	5.51	5.57
1:00PM	5-Yr Note Auction (bl)	34		
<b>Thursday, Aug 25</b>				
8:30AM	Jul Durable goods (%)	+4.4	3.3	-3.9
1:00PM	7-Yr Note Auction (bl)	28		
<b>Friday, Aug 26</b>				
8:30AM	Q2 GDP Prelim (%)	+1.1	1.1	1.2
10:00AM	Aug U Mich Sentiment Final (ip)	89.8	90.6	90.4
<b>Wednesday, Apr 05</b>				
2:00PM	FOMC Minutes			

## We're here to help with all home mortgage needs.

With over 20 years of mortgage industry experience, Scott Kepler has helped thousands of families to purchase or refinance their homes. As a Mortgage Lender, Scott and his team are able to give families access to a variety of home loan options; after all, no two situations are the same.

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Offering financing for:

First Time Home Buyer

Conventional (Fannie Mae/Freddie Mac)

FHA

VA

USDA

Jumbo

Reverse

Renovation

Self Employed

Home Equity Loans/Lines of Credit

Credit Challenged / Alt-A

Investor or Second Home

Hard Money

Small Commercial

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