

## MORTGAGE MARKET IN REVIEW

**HOMETOWN AMERICA**  
INCORPORATED

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### Market Comment

Mortgage bond prices finished the week slightly higher which helped rates fall. Rates were negative Monday morning amid escalating oil prices and inflation fears. Those losses were reversed Tuesday and Wednesday amid mixed data. FHFA housing data was lower than expected and new home sales data was stronger than expected. Durable goods orders surged higher with a 2.7% increase versus the expected 0.9% reading. The Treasury auctions showed mixed foreign demand. Q1 GDP rose 3.2% versus the expected 1.9% increase. Consumer sentiment was 97.2 which was in line with expectations. Mortgage interest rates finished the week better by approximately 1/8 of a discount point.

### LOOKING AHEAD

Economic Indicator	Release Date & Time	Consensus Estimate	Analysis
Personal Income and Outlays	Monday, April 29, 8:30 am, et	Up 0.3%, Up 0.2%	Important. A measure of consumers' ability to spend. Weakness may lead to lower mortgage rates.
PCE Core Inflation	Monday, April 29, 8:30 am, et	Up 0.2%	Important. A measure of price increases for all domestic personal consumption. Weaker figure may help rates improve.
Q1 Employment Cost Index	Tuesday, April 30, 8:30 am, et	Up 0.6%	Very important. A measure of wage inflation. Weakness may lead to lower rates.
Consumer Confidence	Tuesday, April 30, 10:00 am, et	125	Important. An indication of consumers' willingness to spend. Weakness may lead to lower mortgage rates.
ADP Employment	Wednesday, May 1, 8:30 am, et	130K	Important. An indication of employment. Weakness may bring lower rates.
ISM Index	Wednesday, May 1, 10:00 am, et	55.4	Important. A measure of manufacturer sentiment. Weakness may lead to lower mortgage rates.
Fed Meeting Adjourns	Wednesday, May 1, 2:15 pm, et	No rate changes	Important. Few expect the Fed to change rates, but some volatility may

			surround the adjournment of this meeting.
Preliminary Q1 Productivity	Thursday, May 2, 8:30 am, et	Up 1.8%	Important. A measure of output per hour. Improvement may lead to lower mortgage rates.
Factory Orders	Thursday, May 2, 10:00 am, et	Up 0.3%	Important. A measure of manufacturing sector strength. Weakness may lead to lower rates.
Employment	Friday, May 3, 8:30 am, et	3.9%, Payrolls +195K	Very important. An increase in unemployment or weakness in payrolls may bring lower rates.

## Jobs

Keep a sharp eye on the various employment related data this week. Last week's weekly jobless claims caused a surprise with a surge higher. The data showed 230,000 new applications for unemployment. Analysts expected a number around 215,000. It is not uncommon for the weekly figures to miss estimates, but the sharply higher figure was an indicator that the U.S. economy remained uncertain. The Fed eased their rate hike course earlier this year. Strong employment data supports the call for rate hikes to resume.

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