

## MORTGAGE MARKET IN REVIEW



# HOMETOWN AMERICA INCORPORATED

**Jack Brady**

Hometown America Incorporated  
800 Bonaventure Way Suite 150  
Sugar Land, TX 77479  
Phone: (281) 265-4663  
Fax: (281) 313-5626  
Cell Phone: (832) 746-5626

E-Mail: [jack@hometown.cc](mailto:jack@hometown.cc)

Website: <http://www.hometown.cc>

## Market Comment

Mortgage bond prices finished the week a little better which pushed rates lower. Rates improved significantly the first portion of the week as the Fed continued their multi-billion-dollar daily MBS purchases. Unfortunately, the bounce back was temporary as there was significant weakness Thursday afternoon. The data was mixed. ISM Index was 60.8% vs the expected 58.8%. Weekly jobless claims were 745K vs 725K. Productivity fell 4.2% vs the expected 4.8% decrease. Factory orders rose 2.6% vs 2%. Unemployment was a solid 6.2% vs the expected 6.3%. Non-farm payrolls rose 379K vs the expected 200K increase. Larry Summers, former Clinton Treasury Secretary, continued to express concerns about the real risk of future inflation. He warned of the possibility of, "the most serious incipient inflation problem that we have faced in the last 40 years." Mortgage interest rates finished the week better by approximately 3/8 of a discount point despite the volatility.

## LOOKING AHEAD

Economic Indicator	Release Date & Time	Consensus Estimate	Analysis
3-year Treasury Note Auction	Tuesday, March 9, 1:15 pm, et	None	Important. Notes will be auctioned. Strong demand may lead to lower mortgage rates.
Consumer Price Index	Wednesday, March 10, 8:30 am, et	Up 0.4%, Core up 0.2%	Important. A measure of inflation at the consumer level. Weaker figures may lead to lower rates.
10-year Treasury Note Auction	Wednesday, March 10, 1:15 pm, et	None	Important. Notes will be auctioned. Strong demand may lead to lower mortgage rates.
Weekly Jobless Claims	Thursday, March 11, 8:30 am, et	745K	Important. An indication of employment. Higher claims may result in lower rates.

30-year Treasury Bond Auction	Thursday, March 11, 1:15 pm, et	None	Important. Bonds will be auctioned. Strong demand may lead to lower mortgage rates.
Producer Price Index	Friday, March 12, 8:30 am, et	Up 0.3%, Core up 0.2%	Important. An indication of inflationary pressures at the producer level. Weaker figures may lead to lower rates.
U of Michigan Consumer Sentiment	Friday, March 12, 10:00 am, et	78.5	Important. An indication of consumers' willingness to spend. Weakness may lead to lower mortgage rates.

## Gas Prices

Fears of energy price increases are growing with gasoline prices pushing higher and in some areas over the \$4/gallon mark. Most areas of the US have seen gas prices rise to levels not seen since March of last year. This comes amid a difficult time for many people as good jobs remain scarce, virus disruptions continue, and the economy remains fragile. Signs that gasoline prices are now increasing are not a welcome sight with price pressures already a concern.

The U.S. Energy Information Administration reported March 1, 2021 that the price of regular gasoline averaged \$2.711 per gallon across the country. The Gulf Coast had the lowest average prices while the West Coast had the highest. Many analysts blame the price increases on weather related production disruptions. Others point to refinery supply issues tied to a changeover from winter formulations to summer formulations. Economists debate the impact the new US Administration's Keystone pipeline cancellation has on prices. The fact is prices continue to escalate which is not good for consumers. Most predict that prices will continue to rise into the summer but there is some hope that prices will moderate as refineries come back online.

To unsubscribe, please hit "reply" and include unsubscribe in the subject line.

Copyright 2021. All Rights Reserved. Mortgage Market Information Services, Inc. [www.ratelink.com](http://www.ratelink.com) The information contained herein is believed to be accurate, however no representation or warranties are written or implied.

