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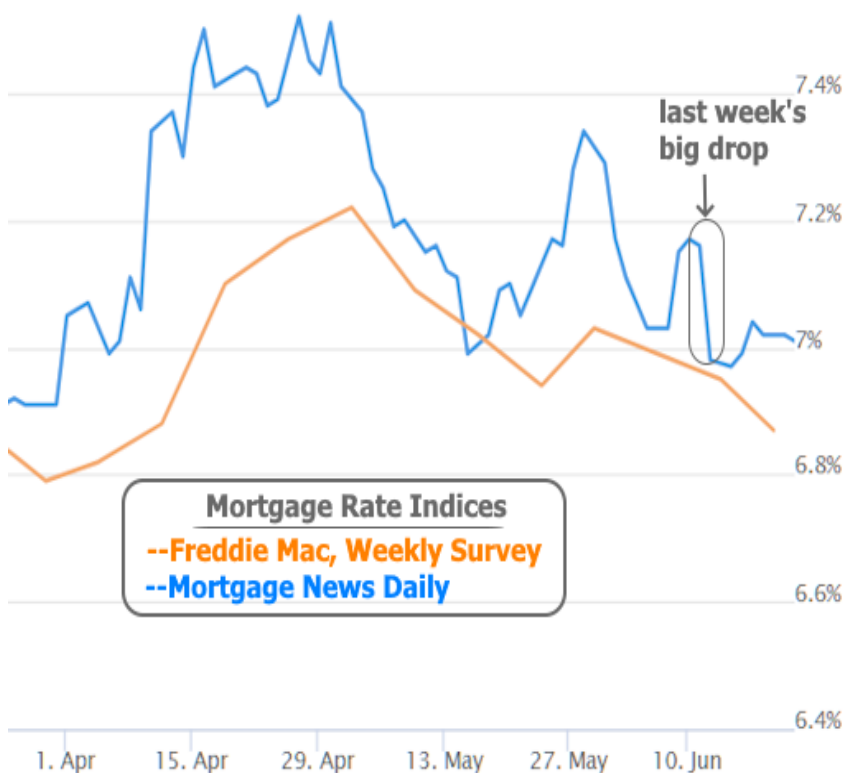
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June Shaping Up Nicely, But Bigger Tests Are Yet to Come

After a rocky start to the year, things began to improve for rates and the inflation outlook in May. June took the improvement to the next level, but this week didn't affect the bigger picture.

Ahead of Wednesday's market closure for Juneteenth, the most relevant economic report was Retail Sales on Tuesday morning. It came in slightly below forecast and the previous month was revised lower. Rates responded by moving back toward recent lows, but not below them.

Some sources suggest mortgage rates are in fact at multi-month lows, but this relies on Freddie Mac's weekly survey which is notorious for modest inconsistencies with reality due to the timing and methodology of the survey. In both 10yr Treasury yields and mortgage rates, the reality has been more of a sideways fizzle as opposed to additional improvement.



National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00

Rates as of: 8/30

Market Data

	Price / Yield	Change
MBS UMBS 5.0	99.35	-0.16
MBS GNMA 5.0	99.91	-0.04
10 YR Treasury	3.9039	+0.0424
30 YR Treasury	4.1932	+0.0468

Pricing as of: 8/30 5:59PM EST

Recent Housing Data

	Value	Change
Mortgage Apps	Aug 28 226.9	+0.49%
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%

Apart from Retail Sales, Friday's PMI data from S&P Global caused the most notable market reaction after coming in at the strongest levels in more than 2 years--albeit, just barely.



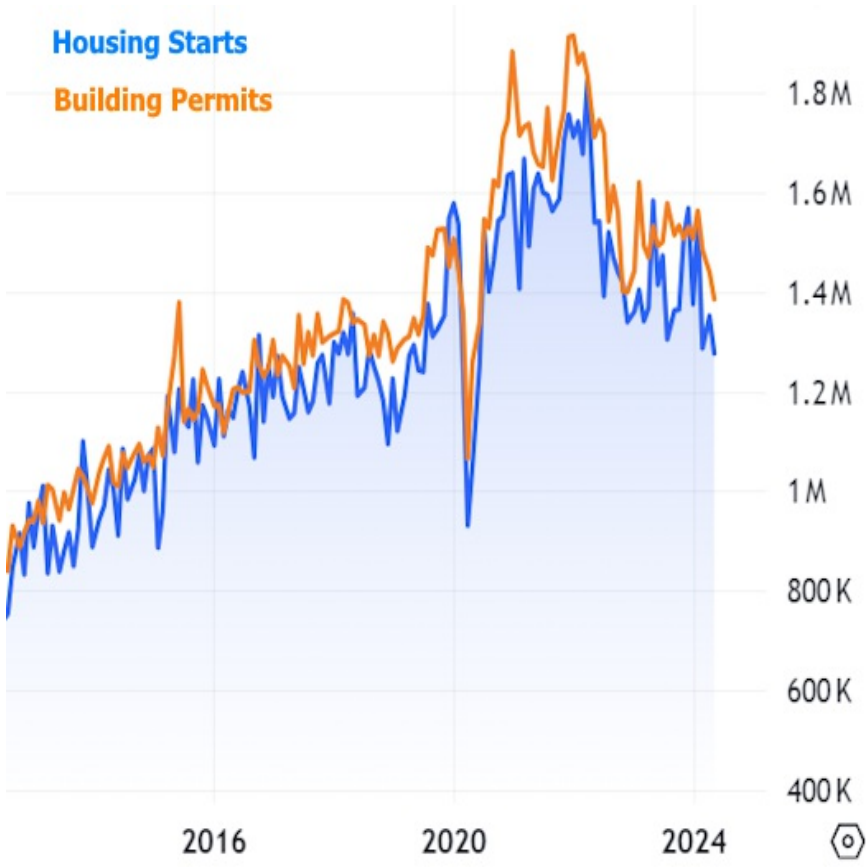
Stronger economic data tends to coincide with rates moving up. Using 10yr Treasury yields as a convenient intraday benchmark for mortgage rate momentum, we can see the impact relative to Retail Sales earlier in the week. Neither were remotely on the scale of last week's CPI data. Additionally, they each argued opposite cases, thus helping the rate range remain subdued for now.



In other words, most of June's progress was already in place before this week began. It gets rates within striking distance of a longer term uptrend--one that will be hard to definitively break unless June's forthcoming economic data paints a picture of economic weakness and lower inflation. It will be several weeks before most of June's data starts coming in.

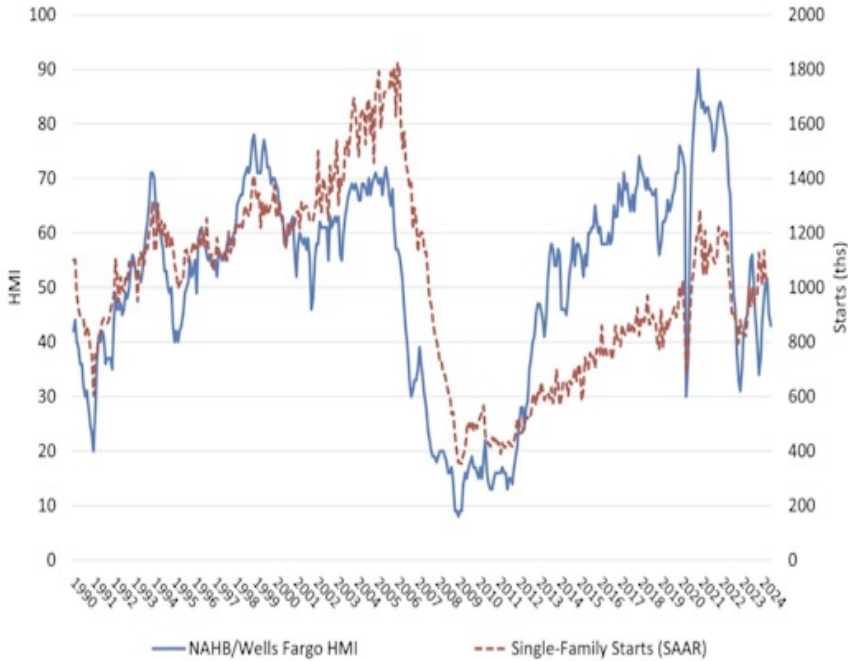


While the rest of this week's data didn't necessarily move markets, much of it was housing-focused. New Residential Construction is measured at several stages with building permits and housing starts (the start of the physical construction process) being the two main headlines. Both have been trending gently lower (but remain elevated compared to the pre-pandemic levels) and this week's update was no exception.



The National Association of Homebuilders (NAHB) also released its Housing Market Index which is essentially builder confidence. In general, the high rate/low affordability environment continues weighing on builders, forcing them to cut prices and/or offer additional incentives.

NAHB/Wells Fargo Housing Market Index



Existing Home Sales are much more sensitive to the post-pandemic rate volatility and have been doing much worse than new construction as a result. This week's update did little to change that, but didn't offer any fireworks relative to expectations.



The more interesting consideration for home sales is a potential future with another move toward lower rates. The last notable rate rally resulted in a clear response from the housing market. The upcoming data in early July will determine whether rates are able to challenge the bigger picture uptrend. While that challenge could go either way, if it's successful, it suggests a meaningful uptick in housing activity.



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Recent Economic Data

Date	Event	Actual	Forecast	Prior
Monday, Jun 17				
8:30AM	Jun NY Fed Manufacturing	-6.00	-9	-15.60
Tuesday, Jun 18				
8:30AM	May Retail Sales (%)	0.1%	0.2%	0%
9:15AM	May Industrial Production (%)	0.9%	0.3%	0%
Wednesday, Jun 19				
7:00AM	Jun/14 MBA Refi Index	552.7		554.7
7:00AM	Jun/14 MBA Purchase Index	146		143.7
10:00AM	Jun NAHB housing market indx	43	45	45
Thursday, Jun 20				
8:30AM	Jun Philly Fed Business Index	1.3	5	4.5
8:30AM	Jun Philly Fed Prices Paid	22.50		18.70
8:30AM	May Building permits: number (ml)	1.386M	1.45M	1.44M
8:30AM	May Housing starts number mm (ml)	1.277M	1.37M	1.36M
8:30AM	Jun/15 Jobless Claims (k)	238K	235K	242K
Friday, Jun 21				
9:45AM	Jun S&P Global Services PMI	55.1	53.7	54.8

Event Importance:

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

Date	Event	Actual	Forecast	Prior
9:45AM	Jun S&P Global Manuf. PMI	51.7	51	51.3
10:00AM	May CB Leading Index MoM (%)	-0.5%	-0.3%	-0.6%
10:00AM	May Existing home sales (ml)	4.11M	4.10M	4.14M
Tuesday, Jun 25				
9:00AM	Apr Case Shiller Home Prices-20 y/y (%)	7.2%	6.9%	7.5%
9:00AM	Apr FHFA Home Prices y/y (%)	6.3%		6.7%
Wednesday, Jun 26				
10:00AM	May New Home Sales (ml)	0.619M	0.64M	0.634M
Thursday, Jun 27				
8:30AM	Jun/22 Jobless Claims (k)	233K	236K	238K
8:30AM	May Durable goods (%)	0.1%	-0.1%	0.7%
8:30AM	Q1 GDP (%)	1.4%	1.4%	3.4%
10:00AM	May Pending Home Sales (%)	-2.1%	2.5%	-7.7%
Friday, Jun 28				
8:30AM	May Core PCE (m/m) (%)	0.1%	0.1%	0.2%
8:30AM	May Core PCE Inflation (y/y) (%)	2.6%	2.6%	2.8%
9:45AM	Jun Chicago PMI	47.4	40	35.4
10:00AM	Jun Consumer Sentiment (ip)	68.2	65.8	69.1

About Me

I am proud to say that I am one of the top producing mortgage brokers in the country, ranking in the top 20 nationally by Scotsman Guide for each of the past 5-years, the top producing mortgage broker for Utah volume 2019-2023, and the top producing VA mortgage broker in 2024. I have personally closed over 12,000 mortgage loans for \$4 billion in my 22-year career. In 2023, I was ranked #6 nationally by Scotsman Guide Top Mortgage Brokers, closing 400 loans for \$185 million, while guiding my clients through the entire loan process.

Since I began in this industry over 20-year ago, my focus has always been on improving systems and increasing efficiencies to drive down the cost of a mortgage loan for the consumer. I am obsessed with originating mortgage loans and helping consumers achieve their home financing goals in expeditious fashion. I adopt a "do whatever it takes" and "do it now" mentality until the job is done and my clients are completely satisfied.

My customer experience pillars are 1) An Extremely Low Price, 2) Fast Closing Time (~18 day average), 3) Instant Response and 4) Extreme Efficiency. My success in the mortgage field is attributable to my high level of integrity, reliability, efficiency, and obsession with client service. I look forward to helping you with any mortgage questions, and helping you obtain some of the very lowest mortgage rates available in the market.

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