

INSIDELENDING



[email me now](#)



Candice King

Mortgage Professional

6987 Halcyon Park Dr

Montgomery, AL 36117

Direct: (334) **523-9110**

Cell Phone: (334) **220-9059**



For the week of April 25, 2011 - Vol. 9, Issue 17

>> Market Update

QUOTE OF THE WEEK... "I couldn't wait for success, so I went ahead without it."-- Jonathan Winters

INFO THAT HITS US WHERE WE LIVE... The housing recovery isn't yet a success, but last week gave us a few good reasons to keep plugging along. First came March Housing Starts, bursting UP 7.2% to a 549,000 unit annual rate. February starts were also revised UP 6.9%. Then we found out new Building Permits surged 11.2% in March to a 594,000 annual rate and were revised UP 3.3% for February. Starts and permits are still down over 13% from a year ago, as residential construction has dropped to only 2.3% of GDP, its lowest level on record. But economists say it won't go much lower, and that's what these latest numbers are signaling.

We also had Existing Home Sales UP 3.7% in March and off only 6.3% compared to a year ago. The median existing home price rose for the month and is down just over 5% for the year, while average prices are off just over 3% from 12 months ago. Looks like existing home prices are stabilizing. Finally, the supply of existing homes dropped to 8.4 months in February. Some experts see existing home sales getting back to an annual level around 5.5 million units, but caution that the recovery will be volatile.

BUSINESS TIP OF THE WEEK... The secret to success in business? Give terrific value, treat your customers well and watch your expenses. Experts say to focus on these three things and everything else will take care of itself.

>> Review of Last Week

STOCKS REVERSE RECENT SLIDE... In a four-day week of trading, investors sent stock prices back in the right direction (UP!), as all three major indexes posted gains. This happened in spite of some negative items that could have easily pulled things the opposite way. The biggest bit of bad news came Monday when Standard & Poor's lowered its outlook to negative on the U.S. AAA credit rating. They threatened to downgrade this rating unless Washington can cut its huge federal budget deficit in the next two years. We also had the Philly Fed index showing manufacturing sentiment in that region dropping to a five-month low.

But a bunch of blow-out corporate earnings reports got everyone feeling more hopeful and started the stock market rallies. Big winners who exceeded Q1 earnings expectations included Intel, United Technologies, Yahoo! and Freeport-McMoRan. Then Capital One, Qualcomm and UnitedHealth joined the party, but the big star was Apple, with a 95% boost in earnings during its last quarter, mostly from iPhone and Mac sales, since the new iPad 2 has been slowed by a production backlog. The week ended with March Leading Economic Indicators UP better than expected.

For the week, the Dow ended UP 1.3%, at 12,506; the S&P 500 was also UP 1.3%, to 1,337; and the Nasdaq was UP 2.0%, ending at 2,820.

Bond prices drifted slightly higher for the week, as the market figured that all the federal government belt tightening would slow economic growth. This helps bonds and the price of the FNMA 4.0% bond we watch ended the week up .05, closing at \$98.20. National average rates for conforming mortgages eased lower in Freddie Mac's weekly survey, and remain at historically low levels. The Mortgage Bankers Association reported demand for purchase loans UP 10% compared to the week before.

DID YOU KNOW?...Existing home sales are now at an annual rate of 5.1 million units, 32.1% above their low of 3.86 million units. This occurred in July 2010, just eight months ago.

>> This Week's Forecast

HOUSING, THE FED, INFLATION AND A FIRST LOOK AT Q1 GDP...This is a week full of popular topics, starting with March New Home Sales, forecast to be up a bit from February. Thursday's Pending Home Sales for March will give us an idea of existing home closings a couple of months out, expected to be up a tad too. Wednesday, it's the Fed's FOMC rate decision. No one expects the rate to budge, but the policy statement will be scrutinized for signs of when that situation might change.

The inflation watch continues with Friday's Core PCE Prices for March. It should be up slightly, but not enough to concern the Fed. This key inflation indicator excludes food and gas prices which we all know are on the rise. Finally, we'll check into the overall state of the economy during Q1, with Advanced GDP expected to show growth, though at a slower rate.

>> The Week's Economic Indicator Calendar

Weaker than expected economic data tends to send bond prices up and interest rates down, while positive data points to lower bond prices and rising loan rates.

Economic Calendar for the Week of April 25 - April 29

<i>Date</i>	<i>Time (ET)</i>	<i>Release</i>	<i>For</i>	<i>Consensus</i>	<i>Prior</i>	<i>Impact</i>
<i>M Apr 25</i>	<i>10:00</i>	<i>New Home Sales</i>	<i>Mar</i>	<i>280K</i>	<i>250K</i>	<i>Moderate</i>
<i>Tu Apr 26</i>	<i>10:00</i>	<i>Consumer Confidence</i>	<i>Apr</i>	<i>64.4</i>	<i>63.4</i>	<i>Moderate</i>
<i>W Apr 27</i>	<i>08:30</i>	<i>Durable Goods Orders</i>	<i>Mar</i>	<i>1.9%</i>	<i>-0.6%</i>	<i>Moderate</i>

<i>W</i> <i>Apr 27</i>	10:30	<i>Crude Inventories</i>	4/23	NA	-2.322M	<i>Moderate</i>
<i>W</i> <i>Apr 27</i>	12:30	<i>FOMC Rate Decision</i>	4/27	0%-0.25%	0%-0.25%	<i>HIGH</i>
<i>Th</i> <i>Apr 28</i>	08:30	<i>Initial Unemployment Claims</i>	4/23	390K	403K	<i>Moderate</i>
<i>Th</i> <i>Apr 28</i>	08:30	<i>Continuing Unemployment Claims</i>	4/16	3.700M	3.695M	<i>Moderate</i>
<i>Th</i> <i>Apr 28</i>	08:30	<i>GDP-Adv.</i>	<i>Q1</i>	1.7%	3.1%	<i>Moderate</i>
<i>Th</i> <i>Apr 28</i>	08:30	<i>GDP Deflator</i>	<i>Q1</i>	2.3%	0.4%	<i>Moderate</i>
<i>Th</i> <i>Apr 28</i>	10:00	<i>Pending Home Sales</i>	<i>Mar</i>	1.5%	2.1%	<i>Moderate</i>
<i>F</i> <i>Apr 29</i>	08:30	<i>Personal Income</i>	<i>Mar</i>	0.4%	0.3%	<i>Moderate</i>
<i>F</i> <i>Apr 29</i>	08:30	<i>Personal Spending</i>	<i>Mar</i>	0.5%	0.7%	<i>HIGH</i>
<i>F</i> <i>Apr 29</i>	08:30	<i>PCE Prices-Core</i>	<i>Mar</i>	0.1%	0.2%	<i>HIGH</i>
<i>F</i> <i>Apr 29</i>	08:30	<i>Employment Cost Index</i>	<i>Q1</i>	0.5%	0.4%	<i>HIGH</i>
<i>F</i> <i>Apr 29</i>	09:45	<i>Chicago PMI</i>	<i>Apr</i>	67.1	70.6	<i>HIGH</i>
<i>F</i> <i>Apr 29</i>	09:55	<i>Univ. of Michigan Consumer Sentiment-Final</i>	<i>Apr</i>	69.6	69.6	<i>Moderate</i>

>> *Federal Reserve Watch*

Forecasting Federal Reserve policy changes in coming months...Economists are sticking to their guns about no hike in the Fed Funds Rate for the near term. Note: In the lower chart, a 1% probability of change is a 99% certainty the rate will stay the same.

Current Fed Funds Rate: 0%-0.25%

After FOMC meeting on:	Consensus
<i>Apr 27</i>	0%–0.25%
<i>Jun 22</i>	0%–0.25%
<i>Aug 9</i>	0%–0.25%

Probability of change from current policy:

After FOMC meeting on:	Consensus
<i>Apr 27</i>	<i><1%</i>
<i>Jun 22</i>	<i><1%</i>
<i>Aug 9</i>	<i><2%</i>

This e-mail is an advertisement for Candice King. The material provided is for informational and educational purposes only and should not be construed as investment and/or mortgage advice, or a commitment to lend. Although the material is deemed to be accurate and reliable, there is no guarantee of its accuracy. The material contained in the newsletter is the property of Nationstar Mortgage and cannot be reproduced for any use without prior written consent. It is designed for real estate and other financial professionals only. It is not intended for consumer distribution. The material does not represent the opinion of Nationstar Mortgage. Nationstar Mortgage LLC, 350 Highland Drive, Lewisville, TX 75067. NMLS Unique Identifier #2119. Alabama Consumer Credit License #MC21042. Arizona Mortgage Banker License #BK-0904370. Licensed by the Department of Corporations under the Finance Lenders License. To check the license Status of your mortgage loan originator, visit <http://www.dora.state.co.us/real-estate/index.htm>. District of Columbia: Conducting Business as: Nationstar Mortgage LLC of Delaware. Georgia Residential Mortgage Licensee, #11585. Illinois Residential Mortgage Licensee, #MB.0004414. Kansas Licensed Mortgage Company, Massachusetts Mortgage Lender License, #ML1443. Minnesota: This statement is not an offer to enter into an agreement. Any such offer may only be made in accordance with the requirements of Minn. Stat. § 47.206(3), (4). Mississippi Licensed Mortgage Company. Crown Center 296, Two Pershing Square, 2300 Main Street, Suite 908, Kansas City, MO 64108. Montana Mortgage Lender Licensee # 57. Nevada Mortgage Banker License #575, 871 Coronado Center Dr., Suite 200, Office 259, Henderson, NV 89052, (702) 952-2872. Licensed by the New Hampshire Banking Department. Licensed by the N.J. Department of Banking and Insurance. Licensed Mortgage Banker-NYS Banking Department. Oregon Mortgage Banker License, #ML-1175. Licensed by the Pennsylvania Department of Banking. Rhode Island Licensed Lender and Rhode Island Licensed Loan Broker. Virginia Nationstar Mortgage LLC, Licensed by the Virginia State Corporation Commission, MC-2075.



This email was sent to ron@ronsellsalabama.com.