MORTGAGE RATE WATCH

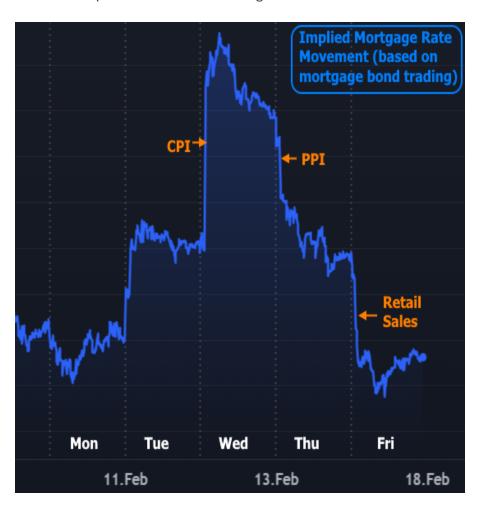
Daily Coverage. Industry Leading Perspective.

Mortgage Rates Drop to Lowest Levels Since December 17th

The final two days of the present week weren't on many bingo cards as of Wednesday afternoon. At the time, rates were jumping higher in response to inflation data. That same morning, the Consumer Price Index (CPI) showed consumer inflation accelerating much faster than expected last month.

As we discussed yesterday, the Producer Price Index (PPI) helped rates completely reverse Wednesday's jump because of its implications for lower PCE inflation (different than CPI/PPI, and also the Fed's favorite) in 2 weeks.

Now today, we have a more straightforward example of economic data helping rates with Retail Sales coming in MUCH lower than expected. All else equal, weaker data = lower rates and that was plain to see in this morning's market movement.



The net effect is a move to the lowest 30yr fixed rate index in nearly 2 months.

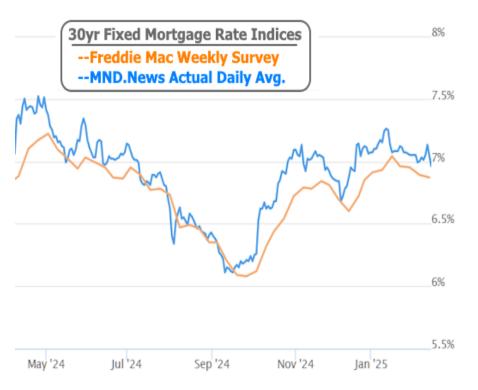


Adam Fuller

Senior Loan Officer, Mortgage 1 Inc.

www.m1gr.com/af P: (616) 552-4663 x2 afuller@mortgageone.com 3243 East Paris Ave. SE Grand Rapids MI 49512 1317422





Bond markets (and thus mortgage lenders' ability to publish new rates) will be closed on Monday for the holiday.