

# HOUSING NEWSLETTER

The Week's Most Important Housing News

A message from Nickolas Inhelder:

## We Make Home Happen.™

Our goal is simple:

To help every family we serve get to "Yes."

**Yes** to the loan that unlocks the joy of home ownership.

**Yes** to the lending solution that meets every client's unique needs and wants.

That's why we dedicate our every resource to serve as your personal guide through the lending process, solving problems, building confidence. Aslan has access to every lending option leading to the purchase or refinance of a residential home loan.

This is more than work for us. It is our unique joy in this life to share our collective skill, creativity, and care to bring you and your family right to where you belong.

**Let's make home happen.**

**CONTACT ME TODAY**



**Nickolas Inhelder**

Mortgage Broker, In Clear  
To Close - InCTC LLC

[www.AslanHLC.com](http://www.AslanHLC.com)

**P:** (720) 446-8778

**M:** (858) 229-9533

[nick@inclearartoclose.com](mailto:nick@inclearartoclose.com)

1777 S. Harrison St.

Denver CO 80210

2037157 - CO, FL

2656899 - AL, CO, FL, SD



## Interest Rates Had a Boring Week, And That's a Good Thing

Rates rocketed lower with stunning consistency starting in late February. They finally bounced last week, but rather than move back up to previous levels, they held in a relatively narrow, sideways range. That set the stage for a showdown this week.

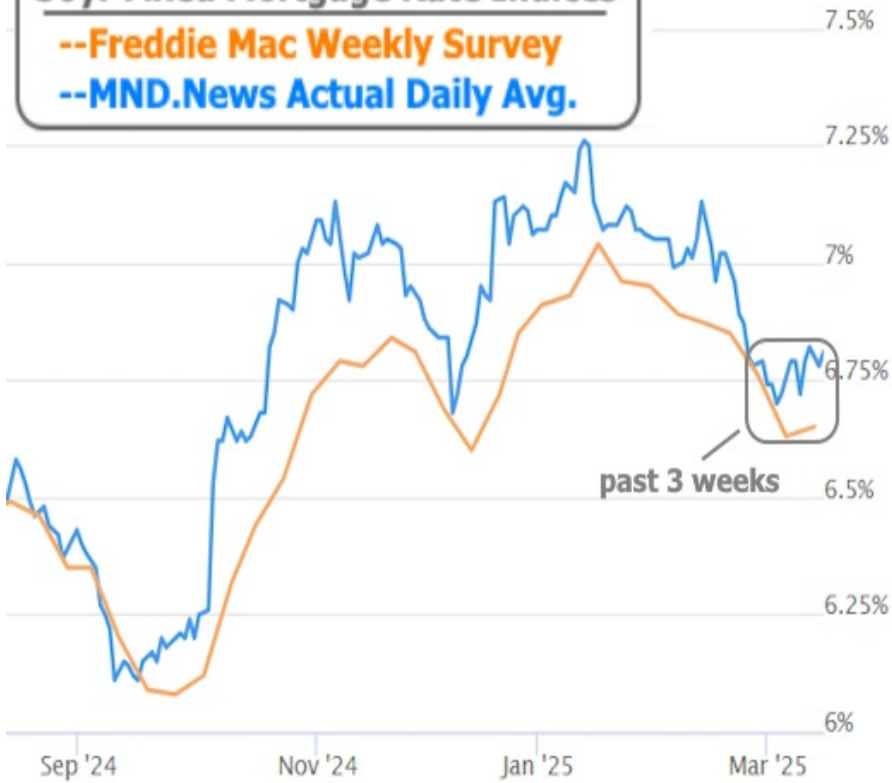
OK, a "showdown" may be a bit dramatic, but it's not an overstatement to say that rates were ready to embark on a new journey higher or lower, depending on the outcome of this week's data and events.

As it happened, data and events ended up cancelling each other out, so to speak. So despite seeing some back and forth movement, average rates continued to operate in the same mostly sideways range.

## 30yr Fixed Mortgage Rate Indices

--Freddie Mac Weekly Survey

--MND.News Actual Daily Avg.



It may not be much of a surprise when looking at the chart above, but "sideways" is a good thing at the moment. In terms of time spend near the lowest levels, this is the best run we've had since October. With that in mind, it's also not a surprise to see refinance activity picking up to the best levels since October. The chart below shows this via the Mortgage Bankers Association's refinance application index.



If there was a reason to entertain the possibility of a more directional move this week, it would have been the release of two key inflation reports, CPI and PPI. Both had a noticeable impact last month and inflation is generally a top concern for rates these days. Both reports showed inflation running lower than expected--something that would normally be a great thing for rates.

But the reaction ended up being counterintuitive for a somewhat tricky reason. While CPI and PPI are indeed important inflation indicators, there's another inflation report that is an even bigger deal: PCE. PCE won't be out for 2 more weeks, but here's where things get tricky.

Both CPI and PPI measure a multitude of different spending categories in both goods and services. Some of those measurements are used to determine PCE inflation (the bigger report that isn't out yet). In this week's case, those PCE-specific categories were higher than expected even though the overall CPI/PPI numbers were lower.

Bottom line, rates care more about PCE and thus reacted to the parts of this week's data that influence PCE as opposed to this week's data itself.

Granted, this wasn't the consideration for rates this week--just the most interesting one. The scheduled auctions of Treasury securities may have kept rates from being eager to drop. And of course, there are plenty of fiscal headlines these days. In general, these have caused more drama for stocks, and stock losses had been helping rates move lower, but that trend ended last week.



As we head into the weekend, the Senate is voting on a bill to avert a government shutdown. The market reaction has generally been good for stocks and bad for rates. Once passage is confirmed, there could be additional follow-through, but it was largely assumed during the trading day on Friday.

Looking ahead, there are several calendar events that could cause volatility next week with important economic reports coming out almost every day. Wednesday afternoon's Fed announcement is already assumed to have zero chance of a rate cut, but markets will still be curious to see how the Fed's rate outlook has evolved since December (The Fed releases updated rate forecasts at only 4 out of the 8 meetings per year).