



Provided to you Exclusively
By **Julie Whalen**

Building Trust. Financing Dreams.

Julie Whalen, CML
Senior Mortgage Advisor
Guild Mortgage Company
Cell: 303-881-9332
Fax: 720-863-2555
E-Mail: Julie@juliewhalen.com
Website: www.juliewhalen.com



'Your Lender for Life'

For the week of Jan 30, 2012 --- Vol. 10, Issue 5

In This Issue

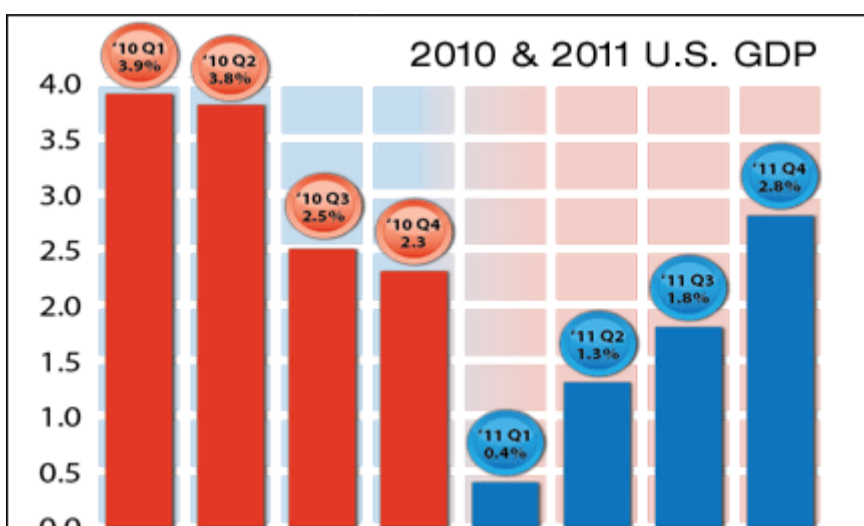
Last Week in Review: The Fed met and a "Gross" Domestic Product was reported.

Forecast for the Week: A busy week is ahead, with important news on inflation, manufacturing, and the job market.

View: Ever wondered what the world was really like when you were born? There's a fun way to find out.

Last Week in Review

If at first you don't succeed, try, try again. Last week, that popular idiom could have applied to the Gross Domestic Product (GDP) Report. Read on to learn why...and how all the week's news impacted Bonds and home loan rates.



The Advanced GDP reading - or first of three readings - for the 4th Quarter of 2011 came in at 2.8%, a bit below expectations of 3.2%. This number will be revised two more times, but if the final GDP remains at 2.8%...then the overall GDP for 2011 would be a scanty 1.57%. That is certainly a "Gross" Domestic Product, when you consider that the government has underwritten more than half of that economic growth with the Payroll Tax benefit.

Also in the news last week, the Fed's Policy Statement after its regularly scheduled Federal Open Market Committee meeting

was pretty much the same story as recent Statements, including stable long-term inflation expectations, a tepid economic recovery, and fragile job market. But there was one big exception to their norm. The Policy Statement said there will be "exceptionally low levels for the Federal Funds Rate at least through late 2014." This is a huge change from the previous statements of "low rates until mid-2013."

On the surface, extending the zero interest policy until 2015 tells us the Fed thinks the economy will just be slogging along, and accommodative monetary policy will be required to keep the economy growing at least at a modest pace. One could argue that recent economic data is better of late and that all this loose monetary policy is unnecessary. But the Fed has spoken, and as the old adage goes: "Don't fight the Fed."

In news out of Europe, yields in European Bonds have come down...and by quite a bit. This sparked some optimism that Europe's Long-term Refinance Operation (LTRO) has helped alleviate some pressure in the peripheral countries in the Eurozone, like Spain and Italy. So what's the takeaway? In honor of the upcoming Super Bowl, here's a football analogy: think of the LTRO as a super punt or "kick of the can" down the road. Europe needs to play a serious offensive line by creating a tighter fiscal union, implementing austerity measures, and developing growth strategies to help pay down the enormous debt.

The bottom line is that Bonds and home loan rates remain at historic best levels, which means now is still a great time to purchase or refinance a home. Let me know if I can answer any questions at all for you or your clients.

Forecast for the Week

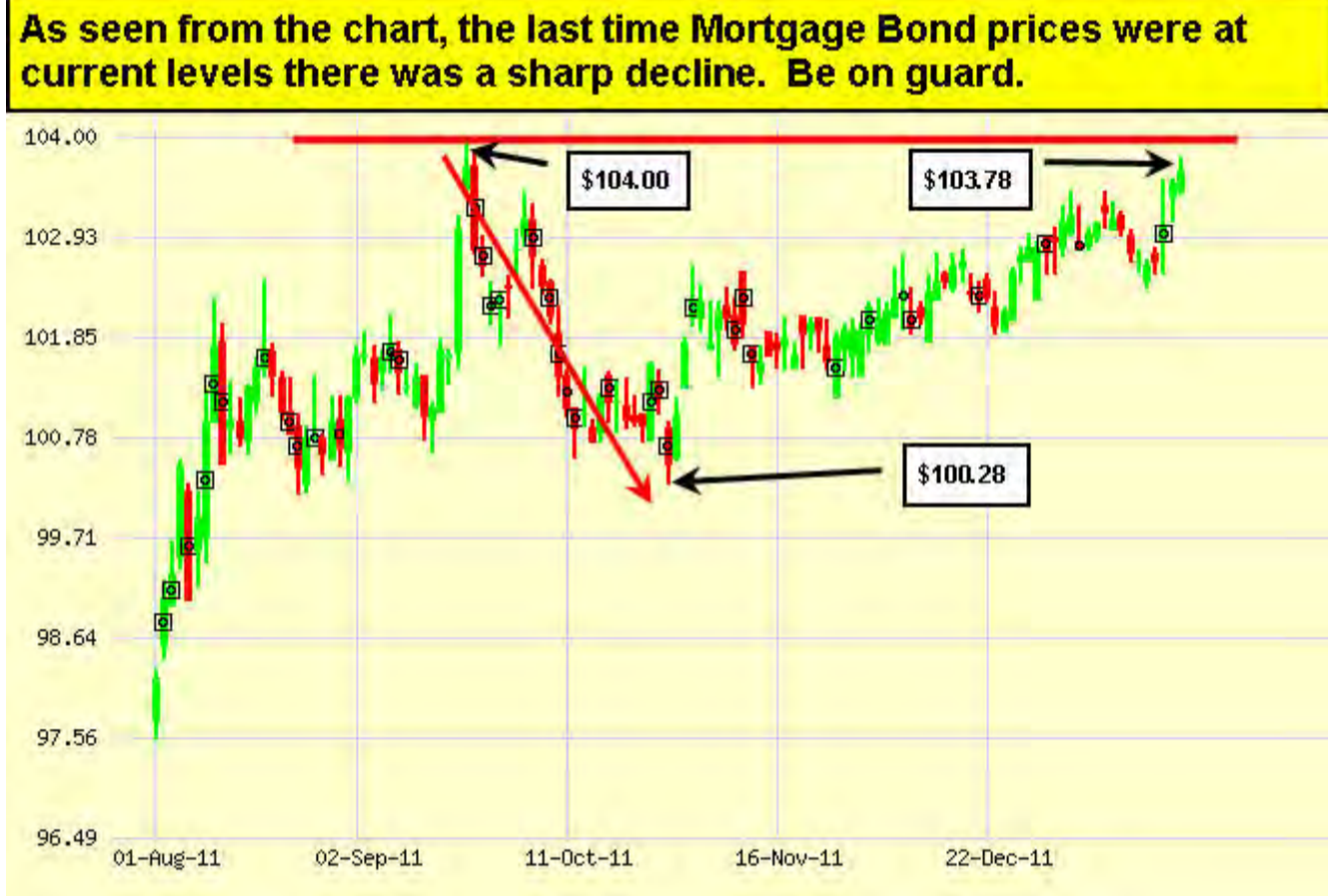
Economic reports will be plentiful - and important - this week:

- The week kicks off Monday with the **Core Personal Consumption Expenditure (PCE)**, which is the Fed's favored gauge of inflation. This report will be closely watched, since any hint of an uptick in inflation could push Bond prices lower and, in turn, move home loan rates higher.
- Manufacturing will also be in the spotlight with the **Chicago PMI** on Tuesday, followed by the **ISM Index** on Wednesday.
- **Consumer Confidence** will also be delivered on Tuesday.
- The **ADP Private Employment Report** will be released on Wednesday and comes before the government's total job's report on Friday.
- As usual, **Initial Jobless Claims** will be released on Thursday. This week's report comes after an uptick of 21,000 last week.
- Finally, on Friday the government's monthly **Employment Report** will be released. The Employment Report consists of **Non-farm Payrolls**, the **Unemployment Rate**, **Average Workweek** and **Hourly Earnings**. This is an important report that can have a big impact on the markets. So I'll be watching it closely.

Remember: Weak economic news normally causes money to flow out of Stocks and into Bonds, helping Bonds and home loan rates improve, while strong economic news normally has the opposite result.

As you can see in the chart below, Bonds and home loan rates remain near their historic bests. I'll be watching closely to see which way they move next.

Chart: Fannie Mae 3.5% Mortgage Bond (Friday Jan 27, 2012)



The Mortgage Market Guide View...

Share This Site...And Try it Yourself

Every once in a while, you come across a website that's just plain fun. This is one of those sites.

We've all seen websites that provide stats about what happened the year you were born. The website whathappenedinmybirthyear.com/ takes it a step further. It doesn't just offer stats and facts. Instead, it provides a picture of the world you grew up in - including what it looked like and how it was different than the world we live in today.

But it's more than just a fun website.

For one thing, it provides you with a light-hearted reason to connect with your clients on a personal level. You can share the site with them on social media or in one of your outreach pieces (such as a newsletter or email).

In addition, this site offers you a unique way to better understand your clients. If you know when a client was born, you can simply type in the year. In return, you'll get a picture of that client's social influences that have helped shape him or her. And that's exactly the kind of information you need to put yourself in your clients' shoes and understand them a little better. Of course, it doesn't hurt that it's entertaining too!

Try the site today...and consider sharing it with your clients as a way to connect with them on a more personal level.

Economic Calendar for the Week of January 30 - February 03

Date	ET	Economic Report	For	Estimate	Actual	Prior	Impact
Mon. January 30	08:30	Personal Income	Dec	0.4%	0.5%	0.1%	Moderate
Mon. January 30	08:30	Personal Spending	Dec	0.2%	0.0%	0.1%	Moderate
Mon. January 30	08:30	Personal Consumption Expenditures and Core PCE	Dec	0.2%	0.2%	0.1%	HIGH
Mon. January 30	08:30	Personal Consumption Expenditures and Core PCE	YOY	NA	1.8%	1.7%	HIGH
Tue. January 31	08:30	Employment Cost Index (ECI)	Q4	0.4%		0.3%	HIGH
Tue. January 31	09:45	Chicago PMI	Jan	62.5		62.5	HIGH
Tue. January 31	10:00	Consumer Confidence	Jan	67.0		64.5	Moderate
Wed. February 01	08:15	ADP National Employment Report	Jan	200K		325K	HIGH
Wed. February 01	10:00	ISM Index	Jan	54.5		53.9	HIGH
Thu. February 02	08:30	Jobless Claims (Initial)	1/28	375K		377K	Moderate
Thu. February 02	08:30	Productivity	Q4	0.7%		2.3%	Moderate
Fri. February 03	08:30	Non-farm Payrolls	Jan	163K		200K	HIGH
Fri. February 03	08:30	Unemployment Rate	Jan	8.5%		8.5%	HIGH
Fri. February 03	08:30	Hourly Earnings	Jan	0.2%		0.2%	HIGH
Fri. February 03	08:30	Average Work Week	Jan	34.4		34.4	HIGH
Fri. February 03	10:00	ISM Services Index	Jan	53.0		52.6	Moderate

Copyright 2004. Pacific Republic Mortgage Corporation. Licensed by the Department of Corporations under the California Residential Lending Act. All loans subject to credit approval and property review. This information is provided for business and professional uses only and is not to be provided to a consumer or the public.

The material contained in this newsletter is provided by a third party to real estate, financial services and other professionals only for their use and the use of their clients. The material provided is for informational and educational purposes only and should not be construed as investment and/or mortgage advice. Although the material is deemed to be accurate and reliable, we do not make any representations as to its accuracy or completeness and as a result, there is no guarantee it is without errors.

As your mortgage professional, I am sending you the MMG WEEKLY because I am committed to keeping you updated on the economic events that impact interest rates and how they may affect you.

In the unlikely event that you no longer wish to receive these valuable market updates, please [USE THIS LINK](#) or email: Julie@juliewhalen.com

If you prefer to send your removal request by mail the address is:

Julie Whalen, CML
Guild Mortgage
7951 E. Maplewood Ave.
Suite 290
Greenwood Village, CO 80111

Mortgage Success Source, LLC is the copyright owner or licensee of the content and/or information in this email, unless otherwise indicated. Mortgage Success Source, LLC does not grant to you a license to any content, features or materials in this email. You may not distribute, download, or save a copy of any of the content or screens except as otherwise provided in our Terms and Conditions of Membership, for any purpose.

