

MARKET INDICATORS

BENCHMARK	FN30 CURRENT CPN	FN30 3.5 CURRENT	FN15 3.0 CURRENT	GNI130 3.5 CURRENT	10YR. YIELD
ONE WEEK AGO	3.605	99 14/32	99 18/32	101 12/32	2.743
CURRENT	3.567	99 20/32	99 17/32	101 14/32	2.91
DELTA	-0.038	6/32	- 1/32	2/32	0.167

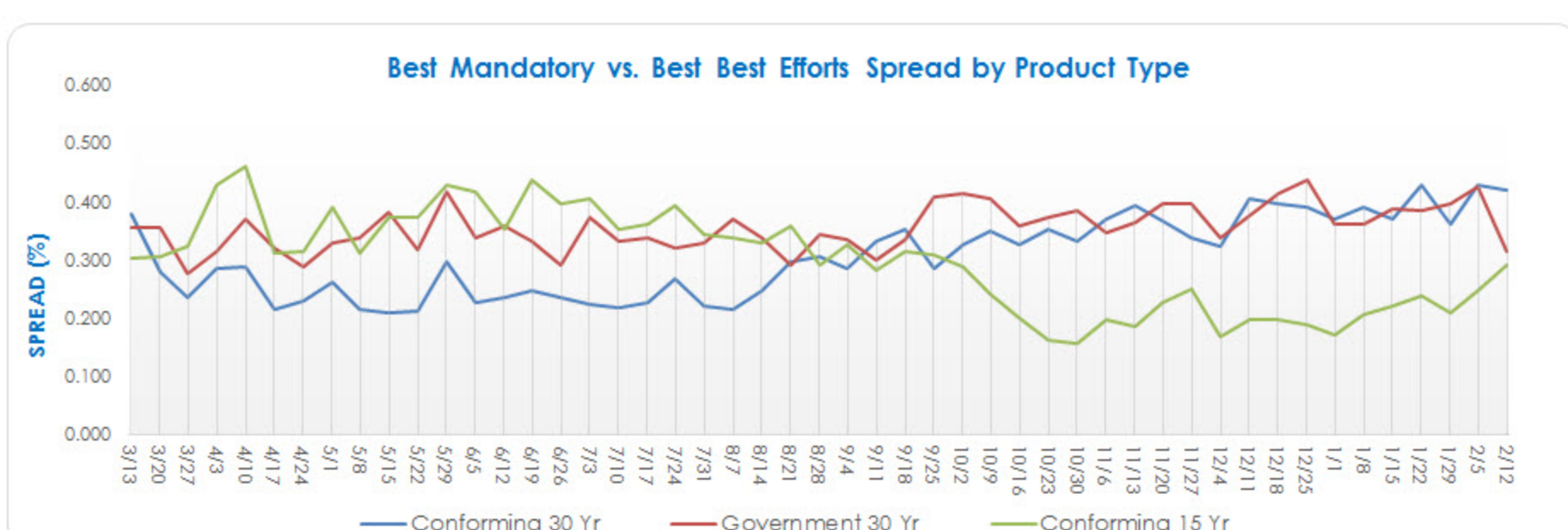
– Prices/Yields are current as of 11:30 AM ET on February 20, 2018 –

MARKET UPDATE

Mortgages started this holiday-shortened week in the red and look to continue their trend higher. The sell off in treasuries that started in Q42017 hasn't shown many signs of looking back. If you're a technical analyst, typically you're looking for some support along the way... no dice! Thus far, we have broken through all resistance levels on our run up to 3%. We all now faced with the realization that the last time we saw the 10-year creep up to 3% (Q42013), originations slowed significantly. The silver lining this time around is that the consumer is much more resilient due to average hourly pay increases and tax reform putting more money in their pockets. Yields tend to "correct" themselves after the market sends signals from the demand side that higher yields can not be afforded; at this point, just how much more can the consumer afford? Until then, the market has a lot of data to digest -- inflation data in particular. The highlight of the economic releases this week is the Fed minutes on Wednesday that shows how the Fed might react to market indicators such as PPI, CPI, and payroll data. Recent comments from the Fed president's speeches would lead us to believe that not much has changed from their perspective. Powell, George, Dudley, Mester, and Williams still expect the same amount of hikes this year. However, we will see if there is anything different in the release tomorrow. Stay tuned, and remember that loose lips sink ships... in other words, keep your positions tight!

BEST EFFORTS – MANDATORY SPREAD INDEX

	CONFORMING 30 YEAR	GOVERNMENT 30 YEAR	CONFORMING 15 YEAR
WEEKLY	0.42	0.31	0.29
30 DAYS	0.41	0.38	0.25
90 DAYS	0.38	0.38	0.22
1 YEAR	0.30	0.36	0.30



LIGHT READING

<https://www.bloomberg.com/news/articles/2018-02-20/upon-further-review-fed-may-finally-say-what-that-word-meant>

MBS GRAPHS

FNMA 30 3.5 – 1 Week



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US Treasury 10YR. Yield – 1 year



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WEEKLY TECH TIP

Did you know...

There is an option in the Admin tab that will allow any set number of days to go from one status to the next. For instance, if you fund a loan and need a day or two to complete a post funding audit, you can set the "funded to committed" days to 1 or 2. This will stop the system from showing the loan in Available to commit and allowing you the time needed to do any sort of audit.

ECONOMIC CALENDAR: DATA and EVENTS

Date	TIME (ET)	Release	Actual	Briefing.com Forecast	Prior
21-Feb	7:00	MBA Mortgage App Index	NA	NA	-4.10%
21-Feb	10:00	Existing Home Sales	NA	5.65M	5.57M
21-Feb	14:00	FOMC Minutes	NA	NA	
22-Feb	8:30	Initial Claims	NA	235K	230K
22-Feb	8:30	Continuing Claims	NA	NA	1942K
22-Feb	10:00	Leading Indicators	NA	1.00%	0.60%
22-Feb	10:30	Natural Gas Inventories	NA	NA	-194 bcf
22-Feb	11:00	Crude Inventories	NA	NA	1.8M
26-Feb	8:30	New Home Sales	NA	NA	625K
27-Feb	8:30	Durable Orders	NA	NA	2.90%
27-Feb	8:30	Durable Goods	NA	NA	0.60%
27-Feb	9:00	FHFA Housing Price Index	NA	NA	0.40%
27-Feb	10:00	Consumer Confidence	NA	NA	125.4
28-Feb	7:00	MBA Mortgage App Index	NA	NA	NA
28-Feb	8:30	Q4 GDP: 2nd Est.	NA	NA	2.60%
28-Feb	8:30	Q4 GDP Deflator: 2nd Est.	NA	NA	2.40%
28-Feb	9:45	Chicago PMI	NA	NA	65.7
28-Feb	10:00	Pending Home Sales	NA	NA	0.50%
28-Feb	10:30	Crude Inventories	NA	NA	NA
1-Mar	8:30	Personal Income	NA	NA	0.40%
1-Mar	8:30	Personal Spending	NA	NA	0.40%
1-Mar	8:30	PCE Prices	NA	NA	0.10%
1-Mar	8:30	PCE Prices: Core	NA	NA	0.20%
1-Mar	8:30	Initial Claims	NA	NA	NA
1-Mar	8:30	Continuing Claims	NA	NA	NA
1-Mar	10:00	ISM Index	NA	NA	59.1
1-Mar	10:00	Construction Spending	NA	NA	0.70%
1-Mar	10:30	Natural Gas Inventories	NA	NA	NA
1-Mar	14:00	Auto Sales	NA	NA	4.11M
1-Mar	14:00	Truck Sales	NA	NA	9.18M
2-Mar	10:00	Michigan Sentiment: Final	NA	NA	99.9