

Economic CALENDAR

April
2019

Monday	Tuesday	Wednesday	Thursday	Friday
1 Retail Sales ISM Manufacturing PMI Manufacturing Index Construction Spending	2 Vehicle Sales Durable Goods Orders	3 ADP Employment Report, PMI Service Index, ISM Non-Mfg Index, Mortgage Applications	4 Challenger Job Cuts Weekly Jobless Claims	5 Employment Report Consumer Credit
8 Factory Orders	9 JOLTS NFIB Business Optimism	10 CPI, FOMC Minutes Fed Budget MBA Mortgage Applications	11 PPI Weekly Jobless Claims	12 Consumer Sentiment Import - Export Prices
15 Empire State Report TIC	16 NAHB index Industrial Production	17 Beige Book Trade Balance Wholesale Trade MBA Mortgage Applications	18 Retail Sales Leading Indicators Philly Fed Report Weekly Jobless Claims	19 Good Friday Markets Closed Housing Starts & Permits
22 Existing Home Sales Chicago Fed Report	23 New Home Sales FHFA HPI Richmond Fed Report	24 MBA Mortgage Applications	25 Durable Goods Orders Kansas Fed Report Weekly Jobless Claims	26 GDP Consumer Sentiment
29 Personal Income & Spending Dallas Fed Report	30 FOMC Meeting, Pending Home Sales, S&P Case Shiller HPI, Employment Cost Index, Consumer Confidence	The Government Shutdown affected the April Economic Calendar delaying many Economic Reports, especially data from the Census Bureau. Some dates have been rescheduled, some have been cancelled, and others are still pending. This calendar has been updated to reflect some of the rescheduled dates but information is still changing. The orange highlights are the rescheduled dates.		



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Good Afternoon,

For a copy of the Mortgage Economic Calendar for April 2019 [Click Here](#).

March had some very significant Economic developments for the Mortgage Business. The Fed did a stunning turnaround and announced they scrapped plans for Interest Rate increases for the remainder of 2019. They also lowered their projections for Inflation and GDP growth. The Fed's new tactics reinforces what many Economists already suspected, the US and Global Economies are slowing. We can see the slowdown reflected in key Economic Indicators: Inflation, Housing Sales, Trade, Production, Retail Sales, etc. Most Indicators are down except for Wages. Wage growth is having one of the best years in a decade. Higher income means more workers can qualify for a mortgage and afford a home - or afford a bigger home. Keep in mind: first quarter Economic data is always erratic, especially since many of the data providers are Government agencies still catching up from the shutdown. Here is a quick review of Key Economic Indicators and Data released in March 2019 that are important to Mortgage and Real Estate Professionals.

The Government Shutdown affected the April Economic Calendar. April will be another catch-up month for many Economic Reports and Indicators that were delayed, especially data coming out of the Census Bureau. The April Economic Calendar will have some delayed reports, but most reports should be caught up by May.

Key Economic Data and Events in March 2019

- The Fed turned surprisingly "dovish" and suspended additional rate increases in 2019.
- The Fed lowered its forecast for 2019 Inflation and GDP.
- Trade talks with China continue with no final decision.
- 2018 GDP clocked in at 3.0%.
- Inflation continues to decline with the latest CPI at 1.5% YoY.

Interest Rates and Fed Watch

The latest FOMC Meeting ended March 20 with a surprising turnaround in the Fed. In the statement that was issued after the meeting, the Fed acknowledged that the Economy was indeed slowing down due to higher Interest Rates, slowing global growth, and tariffs. The statement had a very "dovish" tone - surprising most Economists. At this point, it looks like the Fed won't be raising Interest Rates in 2019 or anytime soon. In fact, the opposite might occur, the Fed may lower rates. The odds of an Interest Rate cut have risen from 40% to 47%. It was only 6 months ago, in October 2018, that the Fed was planning 2 to 4 rate hikes for 2019. At this point, keep your eyes on the yield curve. An inverted yield curve is a harbinger of an impending recession. If it inverts (short term yield are higher than long term yields), and stays inverted - expect a rate cut from the Fed.

222 Fed Target

- Inflation 1.5% CPI for the last 12 months
- Wage Growth 3.4% for the last 12 months
- GDP Growth 3.0% annualized rate for the last 12 months

Housing Market Data released in March 2019

This month we got 3 months of New Home Sales data as the Census Bureau catches up from the Government shutdown. More green in the Housing Data this month with numbers turning positive in New, Existing, and Pending Home Sales. Lower Interest Rates, moderating Home Prices, a healthy Labor Market, and higher inventory are all pointing to a robust spring buying season for housing. Data on Housing Starts and Building Permits were mixed, but that has always been a volatile indicator.

Economic Indicators for the Housing Market Released in March 2019

- **Existing Home Sales** (closed deals in February) rose 11.8% to an annual rate of 5,510,000 homes, now down 1.8% in the last 12 months. The median price for all types of homes is now \$249,500 - up 3.6% from a year ago. The median Single Family Home price is \$251,400 and \$233,300 for a condo. First Time Buyers were 32%, Investors 16%, Cash Buyers 23%. Homes were on the market an average of 44 days, and 41% were on the market for less than a month. Currently, 1,630,000 homes are for sale, up from 1,580,000 a year ago.
- **New Home Sales** (signed contracts in December) rose 3.7% to a seasonally adjusted annual rate of 621,000 homes. The median home price was \$318,600 and the average home price was \$377,000. Number of homes for sale in December rose 3.0% to 344,000 which represents a 6.6 month supply.
- **New Home Sales** (signed contracts in January) fell 6.9% to a seasonally adjusted annual rate of 607,000 homes. The median home price was \$317,200 and the average home price was \$373,100. Number of homes for sale in January fell 1.5% to 336,000 which represents a 6.6 month supply.
- **New Home Sales** (signed contracts in February) rose 4.9% to a seasonally adjusted annual rate of 667,000 homes. The median home price was \$315,300 and the average home price was \$379,600. Number of homes for sale in February rose 1.1% to 340,000 which represents a 6.1 month supply.
- **Pending Home Sales Index** (signed contracts in February) fell 1.0% to 101.9 from a revised 102.9.
- **Housing Starts** (excavation began in January) rose 18.6% to a seasonally adjusted annual rate of 1,230,000 units. Single Family Housing Starts rose 25.1% to an annual pace of 926,000 units.
- **Housing Starts** (excavation began in February) fell 8.7% to a seasonally adjusted annual rate of 1,162,000 units - down 9.9% YoY. Single Family Housing Starts fell 17.0% to an annual pace of 805,000 units - down 10.6% YoY.
- **Building Permits** (issued in January) rose 1.4% to an annual rate of 1,345,000. Single Family permits fell 2.1% to 812,000 units.

- **Building Permits** (issued in February) fell 1.6% to an annual rate of 1,296,000 - down 2.0% YoY. Single Family permits were unchanged at 812,000 units.
- **S&P/Case-Shiller 20 City Composite Home Price Index** rose 0.1% in January - up 3.6% YoY.
- **FHFA Home Price Index** rose 0.6% in January, now up 5.6% year over year.

Labor Market Economic Data Released in March 2019

The US Economy added 20,000 new jobs in February - a shockingly low number, surprising Economists who were expecting 180,000 new jobs. It is in stark contrast to the previous month's Jobs Report where the Economy added 308,000 jobs, but it's really not as bad as it looks. Always look at the trend. If you average Job Growth over the past 3 months, the Economy created 186,000 per month - that's not bad. Economic data is still recovering from the government shutdown, and first quarter data is always suspect. Between the holiday hangover, cold winter weather, politics, and the government shutdown, this year's first quarter data may be especially erratic. At this point, the Labor Market is still strong with low Unemployment and good Wage Growth.

- The **Economy** added 20,000 new jobs in February.
- The **Unemployment Rate** fell to 3.8% in February (more potential workers entered the labor force).
- The **Labor Force Participation Rate** was unchanged at 63.2% in February.
- The **Average Hourly Wage** rose 0.4% in February and 3.4% YoY.

Inflation Economic Data Released in March 2019

Inflation continues to slow down. For the year, the CPI is at only 1.5%. Keep in mind the Fed's target for Inflation is 2.0%. 18 months ago the Fed was worried about Inflation running away, so they started raising Interest Rates. Now discussions of "Deflation" are resurfacing among Economists. A lot of the decrease in the CPI was due to the drop in oil prices which lowered gasoline and energy prices. What was up and what was down in all of 2018? In 2018 the cost of food was up 2.0%, shelter up 3.4%, medical care up 2.4%, used cars up 1.1%, gasoline down 9.1%, fuel oil down 2.4%, clothes down 0.8%. It's interesting to note that shelter cost (the cost whether you rent or own) continues to escalate much faster than Inflation, exacerbating affordability issues. With Inflation moderating, there is no clear reason to continue to raise Interest Rates. If Inflation continues to decline, the Fed may need to start cutting rates.

- **CPI** rose 0.1%, now up only 1.5% in the last 12 months.
- **Core CPI** (ex-food & energy) rose 0.1%, now up only 2.1% in the last 12 months.
- **PPI** rose 0.1%, now up 1.9% in the last 12 months.
- **Core PPI** (ex-food & energy) rose 0.1%, up 2.5% in the last 12 months.

GDP Economic Data Released in March 2019

The latest estimate of 4th quarter 2018 GDP showed the Economy expanded at a 2.2% annual rate. This final revision pegs the 2018 GDP at 3.0% - not bad. The 2.2% 4th quarter growth rate was lower than previous quarters, and is further evidence of a slowing Economy, but 2018 was still an excellent year for the Economy. Early estimates for 1Q2019 GDP are around 1.5%. The US and Global Economies are slowing so don't expect 2019 to be as robust as 2018. The good news is that most Economists don't expect a recession in 2019. The spring home buying season is getting off to a good start. A healthy housing market will give 2019 GDP a nice boost.

Consumer Economic Indicators Released in March 2019

Consumer data had its ups and downs: Retail Sales up and Consumer Confidence down. Retail Sales rose 0.2% bouncing back from last month's steep 1.2% decline. Auto sales had a terrible month falling 2.4% which pulled down the entire index. Looking back on Retail Sales for all of 2018: car sales up only 0.2%, furniture down 2.7%, electronics down 3.3%. Building materials was up 3.3% and up 8.7% YoY - goods news for the Mortgage Business.

- **Retail Sales** for rose 0.2%, up 2.3% in the last 12 months.
- **Consumer Confidence Index** fell to 124.1 from 131.4 the prior month.
- **Consumer Sentiment Index** (U of M) rose to 98.4 from 93.8 the prior month.

Energy, International, and things you may have missed

- Oil Prices are up due to OPEC production cuts and disruptions in Venezuela (North Sea Brent Crude is about \$69 per barrel, West Texas Intermediate Crude is about \$61 per barrel).
- Bond Default scare in China: 3 large Chinese borrowers made late bond payments in March.
 - Chinese exports plunged 20.7% in February and imports fell 5.2%.
- Over \$10 Trillion of sovereign debt is now at negative yields - mostly from European governments.
- An Ebola epidemic in DRC (The Democratic Republic of the Congo, formerly Zaire) is now the 2nd largest Ebola outbreak in history, and still growing with no end in sight.

This Economic Commentary is written as a **succinct summary of the key Economic Indicators and Economic Data that influence the Mortgage and Real Estate Industries**. It is written for Mortgage Professionals that need to stay current on Economic Information but don't have hours to research and analyze Economic Data. Feel free to share this with a friend or colleague in the Mortgage or Real Estate business.

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