



# Linda's Mortgage Update

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**Week of  
January 04,  
2009**

**Mortgage  
Market  
Commentary**

Last week was a relatively calm week for financial markets as 2008 ended and the New Year began. There was some hopeful news for the economy as first-time jobless claims fell expectedly below 500K. While this may have been due to the holiday week, any stabilization in the job market will help calm the economy. Another inflation indicator also revealed dropping prices.

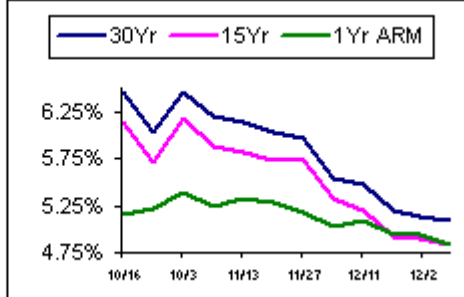
The first full week of 2009 could be a very busy week with traders returning from the holiday break. While limited economic data is due at the beginning of the week, there is plenty for markets to digest. The week is likely to start with mortgage rates on a slightly upward trend, after money moved out of bonds and into stocks as last week ended. However, with news of escalating military activity in Gaza, money could start flowing back to the relative safety of bonds. The most important news of the week will likely be the employment report on Friday. If unemployment jumps to 7.0% and another 500K jobs were lost as 2008 ended, we'll likely see rates trending downward into next week.

## Mortgage Rates

### Freddie Mac's Primary Mortgage Market Survey

	December 31		12/24/08
30 Year Fixed	5.10%	▼	5.14%
15 Year Fixed	4.83%	▼	4.91%
One Year ARM	4.84%	▼	4.95%

For more information visit [www.FreddieMac.com](http://www.FreddieMac.com)



### Rates & Indexes

1 Yr T-Bill	0.400%
12 Mn Libor	2.024%
6 Mo Libor	1.753%
11 <sup>th</sup> D. COFI	3.155%
Prime	3.250%
Fed Fund	0.250%

## Economic Snapshot

### Gross Domestic Product

23-Dec ▼ %pt Chg  
-0.5% 3.3  
*Economy Slowing*

### Consumer Confidence

25-Nov ▼ pt Chg  
38.0 6.7  
*Confidence Plunging*

### Housing Starts

16-Dec ▼ % Chg  
625K 18.9%  
*Slowing Growth*

### Dow Jones

9,034.69

### NASDAQ

1,632.21

### NYSE

5,915.73

### S&P 500

931.80

Dow Jones



### Unemployment Rate

5-Dec ▲ %pt Chg  
6.7% 0.2  
*Unemployment Growing*

### US Retail Sales

12-Dec ▼ % Chg  
355.7b 1.8%  
*Slowing Growth*

### Existing Home Sales

23-Dec ▼ % Chg  
4.43m 8.6%  
*Slowing Growth*

### Leading Indicators (LEI)

18-Dec ▼ % Chg  
99.0 0.4  
*Slowing Growth*

### Manufacturing Activity

1-Dec ▼ pt Chg  
32.4 3.8  
*Manufacturing Contracting*

### New Home Sales

23-Dec ▼ % Chg  
407K 2.9%  
*Slowing Growth*

## Worth Remembering



Everyone's life is under someone's control - it might as well be under your own so that you can direct your destiny.

Harry Tucker

# Linda Hancock

**850-747-1620 Cell**

**850-747-1650 Fax**

Linda.Hancock@mortgagefamily.com