



Linda's Mortgage Update

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**Week of
Nov. 04
2007**

**Mortgage
Market
Commentary**

Financial markets went on a roller coaster ride last week as economic news, data, and analysis painted a rather fuzzy picture of the economy. On one hand, the Fed cut interest rates again to add additional stimulus to the economy, and the ISM Index revealed that manufacturing is expanding, but just barely. On the other hand, the economy added 166,000 jobs last month and 3rd quarter GDP came in at 3.9% with inflationary pressure dropping. Mix in the challenges in the credit markets, and a number of analysts pointing out the statistical quirks in how the government calculates GDP and inflation, and the result is increased volatility for financial markets and interest rates.

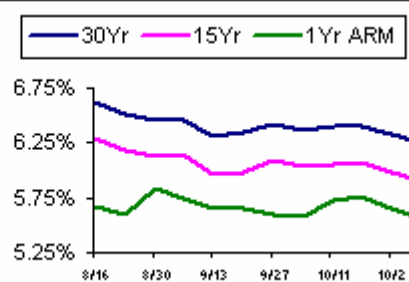
While there is not a huge amount of new data for markets to digest this week, mortgage rates could go either way. With markets obsessing on the credit challenges and a number of major financial institutions changing senior management, we could see stock indices dropping next week. If this happens, we could see money pouring into bonds, and mortgage rates would likely move downward.

Mortgage Rates

**Freddie Mac's
Primary Mortgage Market Survey**

	November 1		10/25/07
30 Year Fixed	6.26%	▼	6.33%
15 Year Fixed	5.91%	▼	5.99%
One Year ARM	5.57%	▼	5.66%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	3.970%
12 Mn Libor	4.621%
6 Mo Libor	4.794%
11 th D. COFI	4.383%
Prime	7.500%
Fed Fund	4.500%

Economic Snapshot

Gross Domestic Product

31-Oct ▲ %pt Chg
+3.9% 0.1
Healthy Growth

Consumer Confidence

30-Oct ▼ pt Chg
95.6 3.9
Confidence Dropping

Housing Starts

17-Oct ▼ % Chg
1.19m 10.2%
Slowing Growth

Dow Jones 13,595.10 **NASDAQ** 2,810.38
NYSE 10,052.26 **S&P 500** 1,509.65



Unemployment Rate

2-Nov ↔ %pt Chg
4.7% 0.0
Healthy Labor Market

US Retail Sales

12-Oct ▲ % Chg
380.2b 0.6%
Continuing Growth

Existing Home Sales

24-Oct ▼ % Chg
5.05m 8.0%
Slowing Growth

Leading Indicators (LEI)

18-Oct ▲ % Chg
137.9 0.3
Slowing Growth

Manufacturing Activity

1-Nov ▼ pt Chg
50.9 1.1
Manufacturing Slowing

New Home Sales

25-Oct ▲ % Chg
770K 4.8%
Slowing Growth

Worth Remembering



Never measure the height of a mountain until you reach the top. Then you will see how low it was.

Dag Hammarskjöld

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