

## Housing/Real Estate Market

**Existing home sales fall back in March:** NAR reported a pullback of 4.9% sales of previously-owned homes. They stated that while they did not expect to see a similar surge as the one reported in February; March fell more sharply than expected.

**New home sales take a jump in March from February's tally:** The U.S. HUD and Census Bureau, announced that the sale of new single-single family homes for March is 4.5% more than in February and 3% from same time last year. Lower interest rates and a demand for construction of more affordable housing seem to be boosting sales.

**Homeownership rate and residential vacancies practically unchanged:** First quarter residential vacancies and the homeownership rate reported by the Census Bureau seem to support the conclusion of a slowing housing market as they remain flat when compared to the same time last year and give little hope of improvement.

## Macro Economy

**Economy grows 3.2% in first quarter:** Advanced reports of 1Q GDP reported by BEA, suggest that the U.S. economy expanded further than many would have anticipated. After further analysis, while many aspects of the economy did in fact performed strongly, there were a few short-term boosts that might have contributed to a better than expected growth for the first 3 months of the year including trade and inventory accumulation—both of which are likely to be short-lived.

**Economic index points to a pickup in economic growth in March:** The National Activity Index by the Federal Reserve Bank of Chicago moved to -0.15 in March from -0.31 February, meaning that while the economy is still below its optimal “trend” (0), it’s showing signs of modest improvement.

**April's consumer sentiment down a touch from its previous high in March:** As some measures of current economic conditions and expectations fell slightly in the current month, so did consumers sentiment according to the University of Michigan's survey of consumers. Nevertheless, for the first time since the survey has been conducted, 60% of consumers expect to be better off financially of the next five years.

**Durable-goods orders grow at fastest rate in 7 months:** Last month businesses orders for durable-goods leaped 2.7%, mainly due to stronger demand for cars, planes and networking equipment. This contributed to a rebound in business investment which had seen a bit of a slump at the end of 2018 and has boosted hope for better business investment during 2019.

## Real Estate Finance

**Mortgage interest rates continue to climb:** The 30-year fixed-rate mortgage (FRM) averaged 4.20% this past week, which is up from 4.17% the week prior. While 4.20% is the highest it's been this month, it is still more than a 30 basis points lower than it was a year ago and should bode well with buyers entering the housing market at the bloom of the spring season.

### Upcoming Data Releases

- Personal Income – 4/29/19
- 1Q ECI – 4/30/19
- Case-Shiller Prices – 4/30/19
- Cons. Confidence – 4/30/19
- Pending Home Sales – 4/30/19
- ISM Manufacturing – 5/1/19
- Construction Spending – 5/1/19
- 1Q Productivity – 5/2/19
- Employment – 5/3/19

**Mortgage applications decreased:** The Mortgage Bankers Association reported a decline of 7.3% in the number of mortgage applications from the week prior, suggesting that while consumers seem to be a little more confident about the economy, they are still very sensitive to changes in interest rates. However, much of the decline was concentrated in refinancing, but purchase applications dipped by 4% as well.