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Last Week in Review ▶

"IN THE SPRING, I HAVE COUNTED 136 DIFFERENT KINDS OF WEATHER. AND THAT WAS JUST INSIDE OF 24 HOURS." *Mark Twain.* And Bonds have certainly weathered all kinds of days this spring, with this past week being no exception. Bonds did enjoy some high times starting with Monday's move to the upside after National City Corporation announced they would be receiving a \$7 Billion cash infusion. This move suggests that investors are seeing value in the battered financial sector, and perhaps are feeling that there is a bottom being reached in the credit crunch.

In other headlines, Existing Home Sales met expectations, but New Home Sales numbers for March were worse than expected, possibly due to the large increase in the costs for materials needed to construct a home. But then there was a change in climate on Friday, as inflation news from around the World created some strong adverse headwinds for Bonds and home loan rates. **Overall, home loan rates ended the volatile week unchanged to slightly higher.**

Now is still a good time to take advantage of historically low home loan rates before more inflation talk pushes them higher. I'm always here to help advise you, your friends, and your colleagues...no matter the season!

SPRING ISN'T JUST THE SEASON FOR CRAZY WEATHER...IT'S ALSO THE PERFECT TIME FOR SPRING CLEANING. CHECK OUT THIS WEEK'S MORTGAGE MARKET VIEW FOR SOME GREAT SPRING CLEANING TIPS AND ADVICE!

Forecast for the Week ▶

After last week's relatively slow economic news calendar, things will heat up this week with several events that have the potential to move the market. On Wednesday, the Fed will announce their interest rate decision...and then the very next day, the Fed's most favored gauge of inflation will be released, the Personal Consumption Expenditure Index (PCE). It will be interesting to play armchair quarterback to the Fed's decision, and watch what the inflation numbers reveal! And let's not forget, on Friday we will see the important Jobs Report, where early estimates are for a net loss of 80,000 jobs.

As you can see in the chart below, Bond prices ended the week between a technical "floor of support" at the 200-day Moving Average and an overhead "ceiling of resistance" at the 50-day Moving Average...**and that ceiling might just stop any improvement for Bonds and home loan rates for the short term, unless the news of the week is really Bond-friendly.** We'll have to wait and see if the week's upcoming news leads to calm or stormy times ahead.

Chart: Fannie Mae 5.5% Mortgage Bond (Friday Apr 25, 2008)



The Mortgage Market View... ▶

SPRING HAS SPRUNG...

...and that means it's time to wash away those winter blues! In fact, according to the Soap and Detergent Association - did you even know there was such a thing? - three-quarters of Americans engage in spring-cleaning. In fact, their surveys indicated that more than 80 percent of people who spring clean agree that it helps them save time throughout the year, and 96 percent of people donate or discard items during their spring-cleaning.

But the advantages can go much further than that. Check out these top ten spring-cleaning activities, compiled by www.medicinenet.com, that can help make your home healthier and safer:

1. **Thoroughly dust your home.** Also clean any air conditioning and heating filters, ducts, and vents to minimize pollens and other airborne allergens.
2. **Organize your medicine cabinet.** Throw away expired medications and old prescription medicines that you no longer need.
3. **Inventory your garage and basement.** Get rid of any old paint, thinners, oils, solvents, stains, and other similar items you no longer need. Note: You may need to take these items to a hazardous waste drop off center.
4. **Inventory under your sinks and around your house.** Dispose of old or potentially toxic cleaning products.
5. **Have your chimney professionally cleaned.** This will help you lessen the chances of carbon monoxide exposure when the cold weather returns.
6. **Clean all mold and mildew from bathrooms and other damp areas.** Use non-toxic cleaning products.
7. **Check your rugs.** Make sure that rugs on bare floors have non-skid mats and that older or dusty mats are either washed or replaced.
8. **Inspect outdoor playground equipment.** Make sure that all elements are sturdy and safe, especially guardrails, protruding bolts, and other potential sources of injury.
9. **Change your batteries.** Do so for both smoke detectors and carbon monoxide detectors.

- 10. **Collect old batteries throughout the house for disposal.** Dispose of them in a battery recycling or hazardous waste center.

And make it easy on yourself - take it one room, one cleaning task at a time. You'll be more likely to accomplish more if you tackle each spring-cleaning project separately. And that's great advice...any time of year!

The Week's Economic Indicator Calendar ▶

Remember, as a general rule, weaker than expected economic data is good for rates, while positive data causes rates to rise.

Economic Calendar for the Week of April 28 – May 02

Date	ET	Economic Report	For	Estimate	Actual	Prior	Impact
Tue. 29	April	10:00 Consumer Confidence	Apr	63.2		64.5	Moderate
Wed. 30	April	02:15 FOMC Meeting					HIGH
Wed. 30	April	08:15 ADP National Employment Report	Apr	-55K		8K	Moderate
Wed. 30	April	08:30 Gross Domestic Product (GDP)	Q1	0.4%		0.6%	Moderate
Wed. 30	April	08:30 GDP Chain Deflator	Q1	2.4%		2.4%	HIGH
Wed. 30	April	08:30 Employment Cost Index (ECI)	Q1	0.8%		0.8%	HIGH
Wed. 30	April	09:45 Chicago PMI	Apr	48.5		48.2	HIGH
Wed. 30	April	10:30 Crude Inventories	4/26	NA		2421K	Moderate
Thu. 01	May	08:30 Personal Consumption Expenditures and Core PCE	YOY	NA		2.0%	HIGH
Thu. 01	May	08:30 Personal Consumption Expenditures and Core PCE	Mar	0.1%		0.1%	HIGH
Thu. 01	May	08:30 Personal Spending	Mar	0.2%		0.1%	Moderate
Thu. 01	May	08:30 Personal Income	Mar	0.4%		0.5%	Moderate
Thu. 01	May	08:30 Jobless Claims (Initial)	4/26	NA		342K	Moderate
Thu. 01	May	10:00 ISM Index	Apr	48.0		48.6	HIGH
Fri. May 02		08:30 Average Work Week	Apr	33.7		33.8	HIGH
Fri. May 02		08:30 Hourly Earnings	Apr	0.3%		0.3%	HIGH
Fri. May 02		08:30 Non-farm Payrolls	Apr	-80K		-80K	HIGH
Fri. May 02		08:30 Unemployment Rate	Apr	5.2%		5.1%	HIGH

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