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For the week of Nov 10, 2008 --- Vol. 6, Issue 46

### Last Week in Review ▶

**"What do you need a fancy suit for Charlie, you got no job to wear it to". From the 1984 movie, The Pope of Greenwich Village.** And there are a lot of fancy suits not being used, due to the massive job losses of late.

The Labor Department reported that 240,000 jobs were lost in October, which was worse than the expected loss of 200,000 jobs. In addition, the Unemployment Rate jumped to 6.5%, up from last month's read of 6.1% and reaching the highest unemployment rate since 1994. And if the current numbers weren't bad enough, there were heavy downward revisions to August and September numbers, which erased an additional 179,000 jobs. So far in 2008, a total of 1.18 million jobs have been lost, with 651,000 job losses coming in just the past three months. Look for things to get worse before they get better, as the unemployment rate will likely top 7% soon.

Friday's Jobs Report was brutal and would typically nudge the Fed to cut their benchmark rates in an effort to spur on the economy. But with the Fed Funds Rate already at 1%, the Fed doesn't have much more room to cut. This means that Stocks, which worsen on poor economic news, will likely continue to struggle as a result.

Speaking of rate cuts, the Bank of England, the European Central Bank and a few other countries central banks all lowered interest rates last week to help their economies. The good news is that these cuts should have a positive effect on the US Dollar - and therefore will also help Dollar denominated oil prices stay near present levels.

With some of the negative economic news, Bonds did manage a huge, three-day 160bp rally in the middle part of last week, and Bonds and home loan rates were able to hang on to much of this improvement on Friday. **As a result, Bonds and home loan rates ended the week nearly .25% better than where they began.**

**THE WEEKEND IS THE PERFECT TIME TO ENJOY SPENDING SOME OF YOUR HARD EARNED MONEY, BUT DID YOU KNOW THAT A SAFE DEPOSIT BOX MAY NOT BE THE BEST PLACE TO STASH YOUR TREASURES AND VALUABLES? CHECK OUT THIS WEEK'S MORTGAGE MARKET VIEW TO LEARN MORE.**

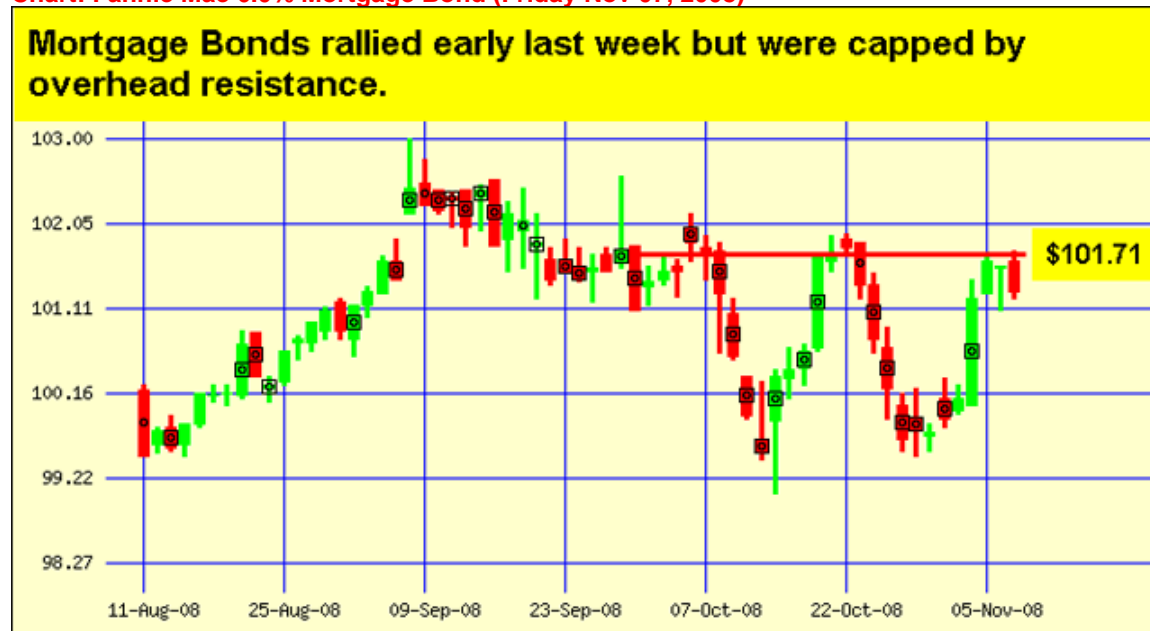
### Forecast for the Week ▶

Just like last week, Friday will again be this week's big day for economic reports, as the Retail Sales Report will be released. The Retail Sales Report is a measure of the total receipts of retail stores from samples representing all sizes and kinds of business in retail trade throughout the nation. This report is the most-timely indicator of broad consumer spending patterns, and given the current economic climate, it could be very ugly. Retailers are already anticipating one of the worst Christmas seasons in a long time, so it will be important to see where things currently stand as we head into the holidays. But the dismal retail situation could spell bargains for those who are still shopping.

Remember, when Bond prices move higher, home loan rates improve. **And as you can see in the chart below, Bonds did enjoy a huge rally last week on the heels of heavy losses from a few weeks ago.** I will

continue to be watching closely to see if Bonds can break through overhead technical resistance and help home loan rates to continue improving.

**Chart: Fannie Mae 6.0% Mortgage Bond (Friday Nov 07, 2008)**



[The Mortgage Market View... ▶](#)

### Are Safe Deposit Boxes Actually Safe?

We all have important documents and valuables in our homes that we want to protect from theft and disaster. For many people, safe deposit boxes at banks provide a safe place to store those valuables outside of the home. After all, file cabinets and even fire-resistant cases in your house are still susceptible to intense fires, water damage, and even theft.

But, did you know that safe deposit boxes may be susceptible as well? In fact, during the attack on the World Trade Center and Hurricane Katrina hundreds of bank vaults were damaged or destroyed. Worse yet, valuables stored in a safe deposit box aren't insured by the bank if damage or theft occurs.

And if you use a safe deposit box to sock away cash for an emergency, you may be surprised to know that a safe deposit box isn't completely protected. Law enforcement officers can get a court order to raid your safe deposit box, and if the IRS ever freezes your assets, that freeze includes your cash and valuables in a safe deposit box.

All this doesn't mean that you should hide valuables and cash in your closet or drawer...but it does mean you should take precautions and specific steps to make sure your valuables are protected if you put them in a safe deposit box. If you have a safe deposit box or are considering getting one, the following steps can help you make sure your documents and valuables are protected:

- Call your homeowners insurance company to make sure the contents are covered, especially when placing jewelry or collectibles of value in the safe deposit box.
- Put important documents such as marriage licenses, car titles, insurance policies and family records in airtight plastic bags or sealed containers to help protect them from water damage.
- Make copies of your important documents and store them at home or with your attorney, so you can access your information if something does happen to the originals. Remember, important legal documents such as wills and power of attorney documents should always stay with your attorney. You can place copies in your safe deposit box or keep them at home, if you want to have access to the information. But leave the originals at the attorney's office.

- Make an inventory list of everything in your safe deposit box and keep the list in a safe place at home or in another location. You may even want to take pictures or a videotape of the contents just in case you need to show more proof if something happens.

***Finally, make sure you inform your family members and your attorney about your safe deposit box! Otherwise, the contents may revert to the state when you pass away.***

**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 November 10 – November 14**

Date	ET	Economic Report	For	Estimate	Actual	Prior	Impact
Thu. November 13	08:30	Jobless Claims (Initial)	11/8	479K		481K	Moderate
Thu. November 13	08:30	Balance of Trade	Sept	-\$56.8B		-\$59.1B	Moderate
Fri. November 14	08:30	Retail Sales	Oct	-1.2%		-1.2%	HIGH
Fri. November 14	08:30	Retail Sales ex-auto	Oct	-0.9%		-0.6%	HIGH
Fri. November 14	10:00	Consumer Sentiment Index (UoM)	Nov	57.0		57.5	Moderate

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**As your trusted advisor, I am sending you the *MMG WEEKLY* because I am committed to keeping you updated on the economic events that impact interest rates and how they may affect you.**

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