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For the week of Nov 19, 2007 --- Vol. 5, Issue 47

### Last Week in Review ▶

**"I CAN SEE CLEARLY NOW, THE RAIN IS GONE..."** Johnny Nash hit number one on the charts with this classic tune in 1972...and 35 years later, Fed Chairman Big Ben Bernanke is singing the same tune, mentioning in comments last week that the Fed would be more transparent so we all can see their policies clearly.

The new, improved, and more transparent Fed is a far cry from the days of "The Cryptic One"...Former Fed Chair Alan Greenspan, who was famous for his hidden messages. After a Greenspan speech, many traders were left scratching their heads and wondering what exactly was said. In sharp contrast, Bernanke has been very clear and easy to understand.

More importantly, Ben has done a good job of keeping inflation under control. The latest read on inflation was tame for last month, as a large jump in energy costs were offset by meek automobile, housing, and clothing prices. This suggests that higher oil prices haven't yet pushed up the prices of other goods overall.

But one topic that is still cloudy is the Fed's next move on December 11th. The latest chatter from the "more transparent" Fed indicates that the Fed will not cut - but traders in the pits are betting the ranch on another quarter-point cut. One thing is very clear - this topic will be debated right up until the Fed makes the announcement.

**Bonds and home loan rates saw quite a bit of activity in the holiday shortened week, but ended up exactly where they started.**

**THANKSGIVING WITH ALL THE TRIMMINGS IS RIGHT AROUND THE CORNER...WILL YOUR WAISTLINE END UP EXACTLY WHERE IT STARTED? READ THIS WEEK'S MORTGAGE MARKET VIEW FOR SOME INTERESTING TABLE TOPICS.**

### Forecast for the Week ▶

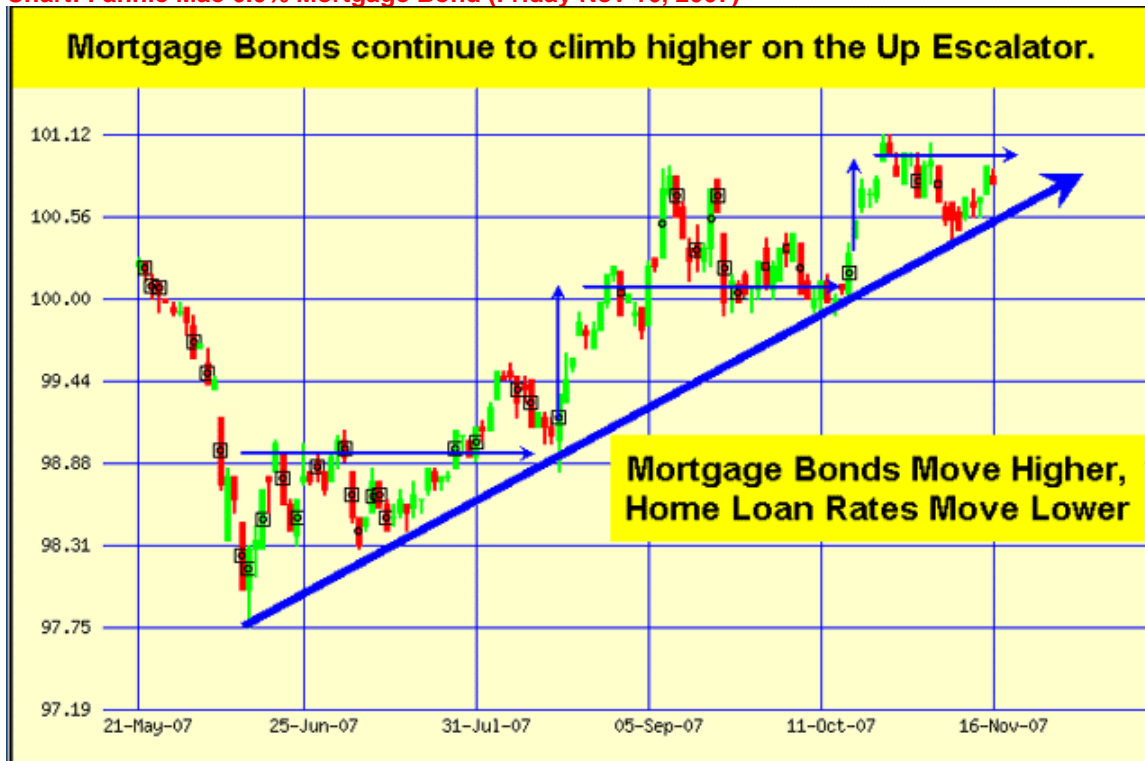
What little economic news we'll have during this Thanksgiving Holiday shortened week takes place this Tuesday and Wednesday...and the market is scheduled to close early on Wednesday and Friday with a full-day close on Thursday.

The most interesting news of note for the coming week will be the latest housing data, coming with Tuesday's release of the Housing Starts and Building Permits report. Also on Tuesday, the Fed "unplugged"...the Minutes from the last Fed meeting will be released, providing the commentary and discussion between both voting and non-voting members. This may provide additional insight into the Federal Reserve's recent decision to cut rates by another quarter percent - and any unexpected comments could cause some movement in Bonds and home loan rates prior to the Thanksgiving Holiday.

**In general, Bonds and home loan rates have improved in recent weeks - and until a catalyst arrives to**

**knock Bonds and home loan rates off the "Up Escalator" of improvement, we will likely continue to see more of the same.**

**Chart: Fannie Mae 6.0% Mortgage Bond (Friday Nov 16, 2007)**



**The Mortgage Market View... ▶**

**A DAY OF THANKS**

Thanksgiving is upon us! This popular autumn holiday traces its roots back to a three-day feast held in 1621 to celebrate the blessing of a bountiful harvest. It took more than 240 years, however, for Thanksgiving to become a national holiday. In 1863, President Abraham Lincoln finally proclaimed the last Thursday of November as a national day of thanksgiving. Years later, President Franklin Roosevelt stated that Thanksgiving should always be celebrated on the fourth Thursday of the month--as opposed to the occasional fifth Thursday.

**Mmmm... Eel and Seal. My favorite!**

What exactly did the pilgrims eat at the first Thanksgiving? According to food historian Kathleen Curtin, the answer may surprise you. In addition to wild turkey, other popular sources of meat that were likely served include eel, clams, lobster, wild goose, eagles, venison, and seal...yes, seal. Peas, beans, and carrots were probably on the table, but sweet potatoes and corn on the cob weren't. And although pumpkins were likely consumed, pumpkin pie wasn't...because no such thing existed at that time.

**Talking Turkey...272 Million Turkeys!**

The popularity of turkeys during the holidays and throughout the year has turned turkey farming into a big business. In fact, the USDA National Agricultural Statistics Service estimates that 272 million turkeys will be raised in the US this year alone. That's an increase of 4% over 2006!

**Weighing In on What We Eat**

Ever wonder how many cranberries, pumpkins, and other Thanksgiving Day foods we go through each year?

The US Census Bureau has the skinny! According to their research, the US produces some serious poundage when it comes to these holiday favorites, including:

- 690 million pounds of cranberries
- 1.6 billion pounds of sweet potatoes
- 1 billion pounds of pumpkins
- 841,280 tons of snap green beans

No wonder we feel so full after those holiday meals!

### Can Turkey Really Make You Tired?

Here's how the story goes. Turkey contains tryptophan...which helps the body produce niacin...which then helps produce serotonin. And serotonin is the key to this theory because it calms the brain and induces sleep.

The problem with that theory is that tryptophan actually works best on an empty stomach-which most of us don't have after our Thanksgiving feast! So, it's more likely that the heaviness and the high carbohydrate content of the entire Thanksgiving meal are responsible for that sense of lethargy you feel, as your body works to digest it all. Add a glass of wine or a cocktail to your meal, and you'll increase that sense of sleepiness even more.

***Here's to another happy Thanksgiving Day for you and yours! As always, if you have any questions or need any assistance, please don't hesitate to call.***

### 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 19 – November 23

Date	ET	Economic Report	For	Estimate	Actual	Prior	Impact
Mon. November 19	10:00	Index of Leading Econ Ind (LEI)	Oct	-0.3%		0.3%	Low
Tue. November 20	08:30	Building Permits	Oct	1190K		1226K	Moderate
Tue. November 20	08:30	Housing Starts	Oct	1160K		1191K	Moderate
Tue. November 20	02:00	FOMC Minutes	10/31				HIGH
Wed. November 21	08:30	Jobless Claims (Initial)	11/17	330K		339K	Moderate
Wed. November 21	10:00	Consumer Sentiment Index (UoM)	Nov	75.0		75.0	Moderate
Wed. November 21	10:30	Crude Inventories	11/16	NA		2814K	Moderate

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