



Weekly Mortgage Update

**Week of
April 23,
2006**

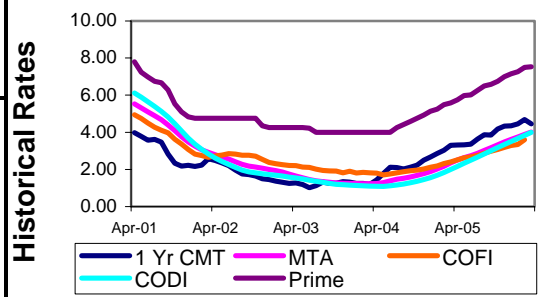
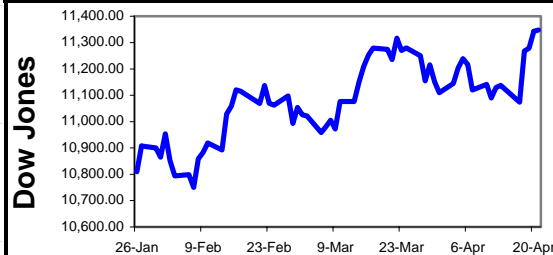
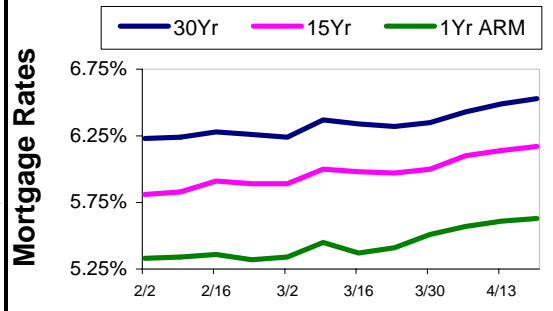
**Mortgage
Market
Commentary**

Mortgage rates continued to move upward last week with another round of mostly positive economic news and continued inflationary pressure readings. Both the PPI and CPI came in with modest increases. Both the bond and stock markets seemed to shrug off soaring oil prices. If the economy is powering ahead, perhaps we can absorb the increases, if not, markets may be in for a rough spell.

This week has a couple of very important pieces of economic data for the financial markets to digest. Consumer Confidence is expected to slip a bit. If energy prices have a larger than anticipated impact, and confidence slides further than expected, we might see a slight dip in mortgage rates. The biggest news of the week comes with the advance reading of the 1st quarter's GDP. With expectations of a bounce upward from 4th quarter's sluggish 1.7%, a lot is riding on this report. If the economy did not power upward at least 4.0%, we could see mortgage rates reverse course and head down. However, if it comes in at or above 5%, mortgage rates are almost assured to continue their trek upward.

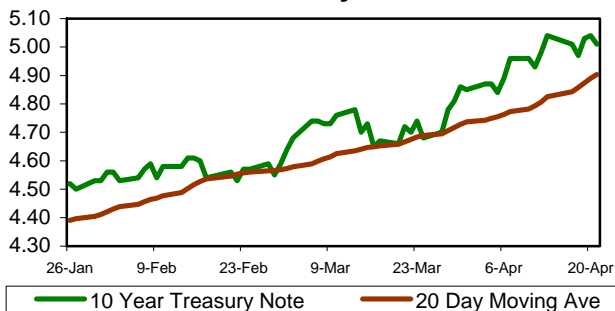
This Week's Top Economic Reports and Events

<u>Report/Event</u>	<u>Date</u>	<u>Prior</u>	<u>Est.</u>	<u>Impact</u>
Consumer Confidence If confidence goes up rather than down, mortgage rates will feel some significant upward pressure waiting for the GDP reading to be released.	4/25	107.2	106.0	Significant
Existing Home Sales The markets are looking for another step down in sales. An up-tick in sales could put a bit more upward pressure on mortgage rates.	4/25	6.91M	6.70M	Limited
New Home Sales A traditional up-tick in spring sales is expected to notch new home sales up a bit. Even a significant shortfall will likely not impact rates.	4/26	1.08M	1.16M	Limited
Gross Domestic Product (Adv) Expectations of a 1st quarter bounce are high. Anything short of 4.0% could send the market into a tailspin with mortgage rates dipping.	4/28	1.7%	5.0%	Significant
U Of Mich. Consumer Sentiment The week's second consumer attitude reading may be a non-event if it matches the direction of the Consumer Confidence reading.	4/28	89.2	89.0	Moderate



Mortgage Rate Trends	Interest Rates and Indexes			
Short-Term ↗↗	1 Yr T-Bill	4.910%	11th D. COFI	3.604%
Long-Term ↗↗	10 Yr T-Note	4.980%	COSI	3.560%
Volatility High	6 Month Libor	5.220%	CODI	3.996%
	Prime Rate	7.750%	MTA	4.011%

10 Year Treasury Note Trend



Fidelity Lending Northwest

Ph: 503-259-8655 • Fax: 503-259-8608
 Toll Free: 866-400-FLNW
 Email: mortgages@flnw.net
 Web: www.SuperLowRates.info



4580 SW 185th Ave., Aloha, OR 97007

