



Fidelity Lending Northwest's

Weekly Mortgage Update

**Week of
Jan. 21,
2007**

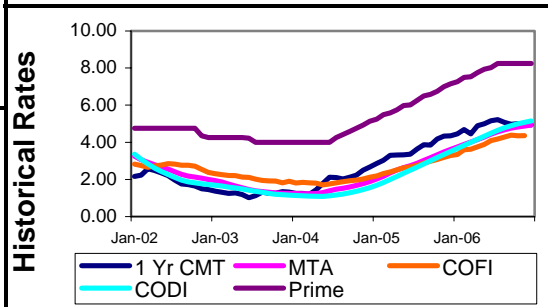
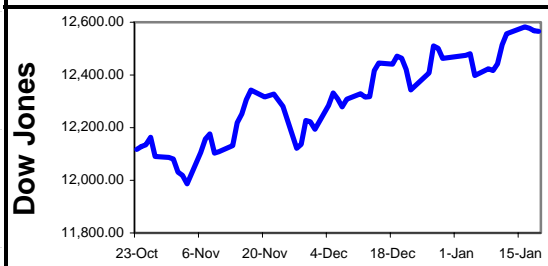
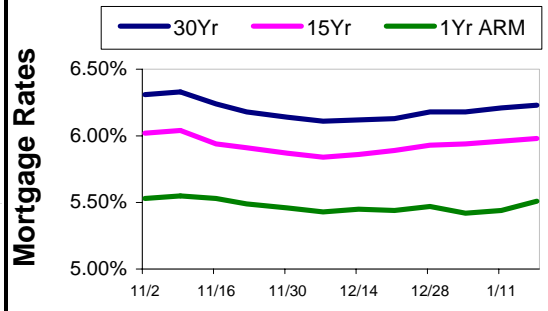
Mortgage rates continued their slow climb last week as economic news continued to point toward better-than-anticipated growth, and inflation has stubbornly refused to slack as much as many hoped. Both the Producer and Consumer Price Indices' core readings rose 0.2%, effectively eliminating hopes for any Fed rate cuts in the near future.

**Mortgage
Market
Commentary**

This week will likely see mortgage rates continue to rise. Many analysts have been revising their estimates for GDP growth upward with the recent decline in energy prices. With less money being spent on energy, consumers and businesses tend to spend that money elsewhere. The result is usually increased GDP. Add that to the strong labor market, concerns over wage-driven inflation, and a housing market that has been way more resilient than expected, and interest rates will likely continue to trend upward. If the only significant report of the week, Orders For Durable Goods, comes in higher than expected, this moderate upward pressure on rates may linger for a while.

This Week's Top Economic Reports and Events

<u>Report/Event</u>	<u>Date</u>	<u>Prior</u>	<u>Est.</u>	<u>Impact</u>
Leading Economic Indicators	1/22	0.1%	0.2%	Moderate
Delayed from last week, a below expectations reading could pull a little bit of the steam out of the recent upward trend in mortgage rates.				
Weekly Jobless Claims	1/25	290K	310K	Moderate
If we get another lower-than-expected number of new claims, rates will feel more upward pressure as wage-driven inflation fears will grow.				
Existing Home Sales	1/25	6.28M	6.30M	Limited
A higher-than-expected reading for home sales would add to the idea that housing is doing okay and generate some more upward pressure on rates.				
Orders for Durable Goods	1/26	1.6%	3.5%	Significant
Some analysts are predicting a much higher reading for durable goods. If they are right, all interest rates will experience some upward pressure.				
New Home Sales	1/26	1.05M	1.05M	Limited
Recent surveys of builder attitudes have improved. If the optimism stems from more sales than expected, rates will feel more upward pressure.				

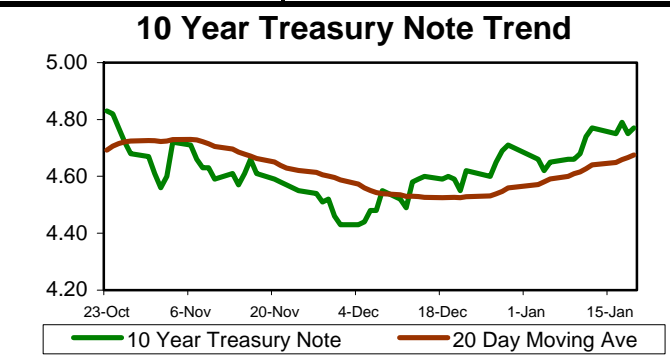


Mortgage Rate Trends

Short-Term	↗↗
Long-Term	→→
Volatility	High

Interest Rates and Indexes

1 Yr T-Bill	5.030%	11th D. COFI	4.358%
10 Yr T-Note	4.700%	COSI	4.650%
6 Month Labor	5.390%	CODI	5.153%
Prime Rate	8.250%	MTA	4.933%



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