

Housing/Real Estate Market

The U.S. existing-home sales saw a minor decline in April: Despite sales falling by 0.4% from March and 4.4% from a year ago, April marked the 86th straight month of year-over-year price growth. Still, price gains have moderated nationwide as they have in California, and NAR believes that they will continue to moderate as inventory and other market indicators improve in favor of buyers trying to enter the market.

New-home sales fell in April, but YTD sales is still solidly up from same time last year: New-home sales in April also slumped 6.9% from March. However, sales on a year-to-date basis are up 6.7% compared to 2018. Revised data shows that March 2019 turned out to be the highest month in terms of new-home sales since October 2007.

Macro Economy

National activity index falls in April: The Chicago Fed's Index dipped 0.45 points in April after increasing 0.05 points in March and declining 0.31 points in February. Monthly data tends to be volatile by nature, but even the index's less-volatile, three-month moving average also weakened, suggesting that growth will remain subdued as the factory sector in particular has softened.

U.S. jobless claims dipped to 211,000, hovering almost half-century low: Applications for unemployment benefits decreased once more in mid-May and return to lowest level seen in almost 50 years, which continues to indicate a very strong labor market with very low levels of layoffs.

U.S. Manufacturing growth slumped to 9-year low in May: American businesses grew in May at the slowest pace in nearly a decade. Manufacturing conditions have been soft for several months, but dropped to 50.6 in May from a 52.6 in April, which experts are attributing to the rising tensions with China over trading tariffs.

Orders for durable goods dropped 2.1% in April, and March's increase in orders was revised down: Transportation often exaggerates the ups and downs in orders because of changes in demand from one month to the next, so leaving transportation out, orders were practically flat. However, a decrease in car, trucks and planes,, and the continued weakening of business investment which dropped from 3.8% to 1.3% on year-over-year basis, corroborates the idea that slower growth is ahead.

Real Estate Finance

Mortgage rates skipped a beat and fell to 4.06%: The 30-year fixed-rate mortgage (FRM) fell for the fourth consecutive week, continuing the trend of lower rates since late 2018. Lower rates should lead to a rise in purchase demand.

Mortgage applications jump as rates decline: According to data from the Mortgage Bankers Association (MBA), mortgage applications increased 2.4% from a week prior. An increase in mortgage applications to purchase a home, shows that Americans still want to become homeowners, and are watching closely for their best shot at financing their American dream.

Upcoming Data Releases

- Home Price Index – 5/28/19
- Consumer Confidence – 5/28/19
- Q1 GDP (Revised) – 5/30/19
- Pending Home Sales – 5/30/19
- Jobless Claims – 5/30/19
- Personal Income – 5/31/19
- Consumer Sentiment – 5/31/19