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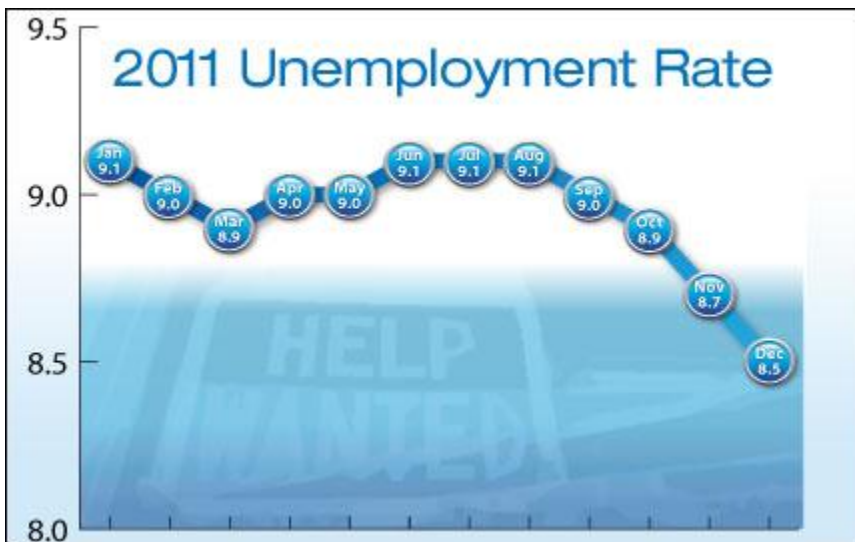
Last Week in Review: Unemployment hit a three-year low. How did Bonds and home loan rates react?

Forecast for the Week: The second half of the week will be a busy one, with news on retail sales, consumer sentiment, and more.

View: Want some help keeping your New Year's Resolutions? There's an app for that!

Last Week in Review ▶

"Workin' nine to five. What a way to make a livin.'" Dolly Parton. And with last week's Jobs Report showing that unemployment has reached three-year lows, that's something more people have been able to do lately. Read on to learn more about what's happening in the labor market...and with home loan rates.



On Friday, the Labor Department reported that 200,000 jobs were created in December, with 212,000 private job gains offsetting modest losses in government jobs. Adding to the positive spin of the report was the Unemployment Rate falling to 8.5% from a previously reported and upwardly revised 8.7% reading.

While people being removed from the labor force are skewing this unemployment number to some degree, it's important to note that the U-6 unemployment rate dropped a few ticks as well, to 15.2%. This number includes ALL unemployed individuals, including those "marginally attached" to the labor force, who are either 'discouraged' and haven't sought work recently, as well as those folks working part-time who really desire full-time jobs.

Overall the Jobs Report was a modestly positive reading on the labor market. We still have 5.6 million people unemployed for 27 weeks or more, and that number is little changed this month. But the big takeaway today is that the trend is improving.

The other big takeaway is that bad news out of Europe helped balance out the good Jobs news here at home...allowing Bonds and home loan rates to recover from their initial negative reaction to the Labor Department's report. The Euro is continuing to be weighed down by rising concern on member countries' ability to get their deficits in order and their debt in manageable position.

The bottom line is that the problems in the Eurozone are vast, complicated, and without easy solutions, so it will take a very long time for clear resolution. And during times of global uncertainty, money will flow into the relative safe haven of the US Dollar and US Bonds - including Mortgage Bonds, which home loan rates are tied to. **This**

means that home loan rates should continue in their sideways trend and remain near historic lows, making now a great time to purchase or refinance a home. Let me know if I can answer any questions at all for you or your clients.

Forecast for the Week ▶

The second half of the week features several important economic reports:

- The **Fed's Beige Book** will be released on Wednesday. This is a report on economic conditions from the 12 Federal Reserve District Banks around the country.
- **Initial Jobless Claims** will be released on Thursday. Last week's number fell by 15,000 to 372,000 and the report signaled that the labor market could be turning the corner to greener pastures.
- **Retail Sales** will be released on Thursday and will be closely watched by both investors and traders. Last week, it was reported that retailers saw better-than-expected revenues for same-store sales in December, but the numbers were achieved by big discounts. Sales on Black Friday were robust, but fell off in the ensuing weeks during December. So the markets will be watching closely for the final numbers this week.
- The first look on **Consumer Sentiment** for January will be released on Friday.

In addition to those reports, the Treasury Department will sell a total of \$66 Billion in government securities on Tuesday, Wednesday, and Thursday. Those auctions could impact the markets, depending on how they're received. So, I'll be watching the results - and their impact - closely.

Remember: Weak economic news normally causes money to flow out of Stocks and into Bonds, helping Bonds and home loan rates improve, while strong economic news normally has the opposite result.

As you can see in the chart below, Bonds and home loan rates remain near their record best levels. I will be monitoring this closely in the weeks ahead.

Chart: Fannie Mae 3.5% Mortgage Bond (Friday Jan 06, 2012)

After some early week problems, Mortgage Bonds continued their upward bias, which has kept home loan rates near record low levels.



[The Mortgage Market Guide View...](#) ▶

There's an App for That New Year's Resolution!

Making It Happen, Part 2

In last week's View article, we focused on 5 steps to achieving your New Year's Resolutions. Those steps included: setting realistic goals, making a simple plan for each goal, announcing your goals, tracking and celebrating your progress, and avoiding the urge to give up if you have a setback.

Luckily, you're not on your own to work through those steps. That's because there are a number of social media websites and smart phone applications designed to help you.

Obviously, popular apps like [Facebook](#) and [Twitter](#) can help you announce your goals, hold yourself accountable, and receive supportive feedback from friends and family members. But there are a number of additional resources that you may not know about.

Here are just 5 social media sites and apps that can help you set your New Year's resolutions, and stay on track!

1. Tweet Reminders. Twitter is great for connecting with people and sharing news instantaneously. But did you know it's also a great way to remind yourself about tasks? Need a reminder to go to the gym, or to call those past clients? No problem. Visit the [Tweet Reminders](#) site, and then enter your Twitter username and up to 5 tasks or reminders. You can even pick a date and time. Then, Tweet Reminders will send you a direct message on Twitter to remind you about them. It's both an easy and helpful thing to do.

2. Moteevate. Regardless of whether your goal is big or small, this site has the inspiration, energy, and advice you need to reach it. With moteevate, you get support from people you already know as well as advice from experts in the field - all while being surrounded by people looking to achieve similar goals. You can even moteevate in teams and act as moteevators for each other. The site also includes cool trackers to record your progress and milestones. Plus, you can customize the privacy settings to keep your goals to yourself or share them with others. And best of all, the basic platform is free to use with the caveat that you pay whatever you want after you achieve your goal. In fact, this honor system is the only thing old-fashioned about moteevate.

3. Toodledo. This is a businessperson's dream app. You've no doubt seen a To-Do list before, but this app kicks it up a notch! Not only does it help you easily organize your tasks and set alarms, but it also allows you to collaborate with other people and establish sub-tasks to work towards your goal in small steps! Plus, Toodledo can be used on your mobile phone, in your email, on your calendar, and even integrated directly into your web browser. So you can stay on track from anywhere, and at any time.

4. StickK. The basic principle of this app is that "incentives get people to do things." So if you really want to achieve a goal - whether it's personal or professional - it's time to put your money where your mouth is. Basically, stickK allows you to create a Commitment Contract focused on achieving a specific goal. As part of the process, you set your goal and timelines, stakes, referee who will monitor your progress, and supporters who will cheer you on. If you achieve your goal in your timeframe, you don't lose the stakes you wagered. But - the best part is - even if you don't achieve your goal, the money you wagered goes to a worthy cause or charity that you designate. So it truly is a win-win situation!

5. GymPact. This is similar to stickK in that you put money on the line, but it's different in that you can also earn some money. You start by making a commitment that you will go to the gym a certain number of times per week (don't worry, you can change your pact any week). You also set the monetary stakes that you'll pay if you don't meet your commitment. Then, you simply use the GymPact iPhone app to check in when you go to the gym. When you meet your weekly goal, you'll be rewarded with real cash, funded by the people who didn't work out! The more days you commit, the more cash you earn. The only downside is that you need an iPhone (or an iPod Touch and a gym with Wi-Fi) to participate, since apps for other systems aren't available.

Of course, this is just the tip of the iceberg when it comes to social media websites and apps designed to help you set and achieve your goals. Best wishes to you in the coming weeks and months.

And, if your New Year resolutions involve any financial or housing matters that I can help with, please call or email today. I'll be happy to help out in any way that I can.

Economic Calendar for the Week of January 09 - January 13

Date	ET	Economic Report	For	Estimate	Actual	Prior	Impact
Wed. January 11	02:00	Beige Book					Moderate
Thu. January 12	08:30	Jobless Claims (Initial)	1/7	375K		372K	Moderate
Thu. January 12	08:30	Retail Sales	Dec	0.4%		0.2%	HIGH
Thu. January 12	08:30	Retail Sales ex-auto	Dec	0.4%		0.2%	HIGH
Fri. January 13	10:00	Consumer Sentiment Index (UoM)	Jan	71.0		69.9	Moderate