

MONDAY, July 27th

■ The S&P CoreLogic Case-Shiller 20-city home price index rose 3.7% year-over-year in May, down from a 3.9% annual gain in the previous month. Phoenix, Seattle and Tampa reported the highest year-over-year gain in among the 19 cities (excluding Detroit). Phoenix led the way with an 9.0% annual gain, followed by Seattle with a 6.8% increase and Tampa with a 6.0% increase. As has been the case in the last several months, prices were particularly strong in the West and Southeast, and comparatively weak in the Northeast.

TUESDAY, July 28th

▼ Consumer attitudes about the economy and labor market downshifted in July due to the recent rise in COVID-19 cases. The Conference Board's consumer confidence index slipped to 92.6 in July from a revised level of 98.1 in June. The July score remains below the neutral threshold of 100 for the index. Consumers' assessments of present conditions improved to 94.2 from 86.7 last month but has a long way to go, as it was around 170 before the crisis. Expectations tumbled from 106.1 in June from 91.5 in July. Consumer attitudes about labor market conditions improved as well as the country continues to reopen and people go back to work.

WEDNESDAY, July 29th

■ The MBA mortgage applications index fell 0.8% for the week ending July 24. The purchase index declined 1.5% on the week while the refinance index edged 0.4% lower. Contract mortgage interest rates were unchanged last week with the 30-year fixed rate for a conforming loan at 3.2%. Following weeks of volatility at the start of the COVID-19 pandemic, activity made a vigorous rebound. Rock-bottom interest rates have helped mortgage applications recover faster than expected; especially impressive is that the purchase index has been above its year-ago level since the end of May. Supply constraints will keep a lid on activity, but demand for refinancing remains high, as well. The recovery will moderate, however, as middle-income households remain squeezed out of the market.

■ The NAR's pending home sales index jumped 16.6% in June, adding to May's sharp gain to hit 116.1, its highest level since early 2006. With the gain last month, the index is now 6.3% higher than in June of last year. Each of the four census regions registered monthly increases in sales contract signings, and all but the Northeast increased on an annual basis. "It is quite surprising and remarkable that, in the midst of a global pandemic, contract activity for home purchases is higher compared to one year ago," said Lawrence Yun, NAR's chief economist. "Consumers are taking advantage of record-low mortgage rates resulting from the Federal Reserve's maximum liquidity monetary policy."

■ The Federal Open Market Committee kept the target range for the fed funds rate unchanged at zero at their meeting this week and didn't alter interest on excess reserves, its asset purchases, or forward guidance. The Fed announced Tuesday though that seven of its nine credit facilities will be extended through the end of this year; they had been scheduled to expire around the end of September. One notable change to the post meeting statement was the addition of, "The path of the economy will depend significantly on the course of the virus."

THURSDAY, July 30th

▼ Jobless claims rose 12k to 1.434 million for the week ending July 25. Improvement has stalled for the time being in the number of unemployed seeking benefits because of reopening reversals in some states.

▼ As expected, GDP collapsed in the second quarter declining by 32.9% from the second quarter of 2019. Weakness was broad based across most segments. Consumer spending, most investment components, exports and inventories contributed to the decline while government spending and

imports were slight offsets. Real disposable income surged 44.9% thanks to federal stimulus after rising 2.6% in Q1. The saving rates soared to 25.7% from 9.5%.

FRIDAY, July 31st

■ Personal income fell 1.1% in June following a 4.4% plunge in May; incomes continued to fall because of less support from fiscal stimulus. Consumer spending was 5.2% higher in June after an 8.4% surge in May. The saving rate fell to a still remarkable 19% from an upwardly revised rate of 24.2% in May. A closely watched inflation gauge contained in this data series, the core PCE price index was up 0.2% on the month and 0.9% on the year. Deflationary pressures have eased but inflation remains well below the Fed's target of 2.0%.

Stock Market Close for the Week

Index	Latest	A Week Ago	Change
Dow Jones	26428.32	26469.89	-41.57 or -0.16%
NASDAQ	10731.62	10363.18	+368.44 or +3.56%

WEEK IN ADVANCE

The employment report for June highlights on the economic calendar in the coming week. After surging by 4.8 million in June, jobs are likely to be lower but still in the millions as many continue to move forward from the economic shutdown.

Key Interest Rates	Latest	6 Mos Ago	1 Yr Ago
Prime Rate:	3.25%	4.75%	5.50%
Fed Discount:	0.25%	2.25%	3.00%
Fed Funds:	0.09%	1.55%	2.40%
11th District COF:	0.755%	1.035%	1.144%
10-Yr Treasury:	0.54%	1.59%	1.98%
30-Yr T-Bond:	1.20%	2.05 %	2.51%
30-Yr Fixed (FHLMC):	2.99%	3.51%	3.75%
15-Yr Fixed (FHLMC):	2.51%	3.00%	3.20%
6-Mo LIBOR (FNMA)	0.36925%	1.91213%	2.20050%

Sources: Federal Reserve, Freddie Mac, Fannie Mae, and Federal Home Loan Bank of San Francisco

- ▲ Upward pressure on interest rates
- ▼ Downward pressure on interest rates
- No pressure to change interest rates
- News worthy

