



MARKET COMMENTARY

dfYasmin --- Is this working? Thanks Jeff

A tame read on core consumer inflation has helped Bonds hold their price in face of strong stocks. The Core Personal consumption Expenditure (PCE) Price Index was reported at a soft 0.1% for June, which was lower than expectations of 0.2% and levaveeeeees the year-over-year Core CPE within the Fed's target zone of 1 - 2%. Stocks are trading higher this morning, thanks in part to General Motors (GM) and Dupont which reported better than expected earnings.

Mortgage Bonds are trading in a tight 23bp range in the 50-day Moving Average which eludes to a flat trading range and flat interest rates to consumers.



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Current Rates

MORTGAGE INDEXES		JUMBO LOANS	1% Point	0% Point
12 Mo. MTA	5.022%	30 Year Fixed Rate	7.125%	7.625%
1-YEAR CMT	4.910%	5/1 Interest-Only	6.375%	7.00%
1-YEAR LIBOR	5.389%	7/1 Interest-Only	6.625%	7.125%
PRIME RATE	8.250%	10/1 Interest-Only	6.875%	7.375%
		30/10 Fixed Interest-Only	7.125%	7.625%

MORTGAGE RATE TREND SURVEY

"Currently, about 55% of the participating mortgage experts believe mortgage rates will decline over the next 30 days and 34% believe they will decline slightly over the next 90 days.."

Other Facts...

(filler text from chase.com) In creating the suite of Chase Clear & Simple materials, the company wants to increase transparency with easy-to-understand communications and empower cardmembers to make smarter choices with tools that will help them more effectively control credit card accounts and avoid the fees they don't want to pay.

"Through extensive research, we listened to what consumers had to say, and more than one in five tell us that when choosing a new credit card, easy-to-understand terms and rules was a very important selection criteria for them," said Carter Franke, marketing executive, JP Morgan Chase. "More than half of consumers also believe that a credit card company should be proactive in contacting them with advice if they make late payments, exceed their credit limits or exhibit other behavior that could get them into financial difficulty."