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HOME LOANS

Economic Calendar For Dec 1-5

Market Watch

10Yr Treasury Hits 1956 Levels...

In 1956, the Ford Thunderbird was the envy of most Americans, Elvis Presley got his first #1 single with Heart Break Hotel and played it on the Ed Sullivan show, the Price Is Right airs live, television began to spread across the nation with many TV stations beginning operations however less than 25% of all Americans actually owned a TV, the cost of a US postage stamp was 3 cents, Richard Nixon was our VP, the US test its first Hydrogen Bomb, the unemployment rate was 4.4% and the 10 year treasury was in the 2.85% range.

Over the past 52 years, many things have changed but today we are now at interest rate levels that have not been seen since 1956 (the 10 year treasury). The massive drop in rates over the past several months is beginning to shine a light on a possible economic recovery that may happen a bit faster than many have projected. Many economist continue to point to 2010 or even 2011 before our economy recovers from the deep recession that we are now facing. However,

during the last 7 recessions that we have experienced real estate has lead us out of these hard economic times 6 of the past 7 times and I believe that this will happen once again. I am not say-



ing that we have seen the "bottom" of this economic recession. But I am saying that we are near or at the bottom in the real estate sector and now is a great time to buy real estate. Mortgage rates are at their lowest point since 2003 and have the potential to breach those levels and may even break below the 5% mark before Christmas of this year. Real estate values of dropped over 30% in many areas and over

50% in some. People today have the opportunity to buy real estate at or near the bottom of this cycle with the added bonus of securing a FIXED rate mortgage near 5%. It is not a matter of if real estate prices will once again move significantly higher but when!!! The problem is that most people wait until the surge is happening or has already happened. The same can be said about people waiting to refinance their loans. Fixed rates are near 5%....what are they waiting for??? While the news will continue to portray the economy as continuing to fall deeper and deeper into recession, there are tremendous opportunities to buy real estate. It has been over 13 years since we saw the last slow down in real estate....do you want to wait another 13 years or more for this opportunity???

Keep your eyes on the market this week....especially on Friday's unemployment data.

Have a great week...

DC AIKEN, VP

Wednesday: The FED "Beige Book" is released. Should be no surprise here. The FED will likely state that economic growth is weak and continued weakness is expected.

Thursday: October Factory Orders @ 10am. The market is expecting that factory orders continued to decline in October. The market is looking for a decline of 4% as compared to Septembers 2.5% decline.

Friday: Unemployment data @ 8:30am. This is by far the "biggie" of the week. The market is expecting that non farm payrolls fell by a whopping 316,000!!! Most likely the largest one month decline in years. The unemployment rate is expected to have risen to 6.8% which would be a level that has not been reached since 1993!!!

Market Conditions As of 9:09zm EST	
FNMA 30yr	+7
10yr Treasury	+19
10yr Treasury	2.850
DOW JONES	8829
DOW JONES	NA
Bank of America	\$16.25
Bank of America	NA

Economic releases stated in this report do not necessarily depict all economic releases for the week. Market Watch is for informational purposes and its accuracy is not warranted. The opinions expressed in Market Watch are not necessarily those of Countrywide Home Loan.

