

# Economic CALENDAR

March  
2025

Monday	Tuesday	Wednesday	Thursday	Friday
<b>3</b> Construction Spending ISM Manufacturing Index	<b>4</b>	<b>5</b> ADP Employment ISM Non-Manufacturing Index Factory Orders MBA Mortgage Applications	<b>6</b> Productivity Trade Balance Weekly Jobless Claims	<b>7</b> <b>Employment Report</b> Consumer Credit
<b>10</b>	<b>11</b> JOLTS NFIB Business Optimism	<b>12</b> <b>CPI</b> Fed Budget MBA Mortgage Applications	<b>13</b> <b>PPI</b> Weekly Jobless Claims	<b>14</b> Consumer Sentiment
<b>17</b> <b>Retail Sales</b> NAHB Index Business Inventories	<b>18</b> <b>FOMC Meeting</b> <b>Housing Starts &amp; Permits</b> Industrial Production Import-Export Prices	<b>19</b> <b>FOMC Meeting &amp; Statement</b> MBA Mortgage Applications	<b>20</b> <b>Existing Home Sales</b> Leading Economic Indicators Weekly Jobless Claims	<b>21</b>
<b>24</b>	<b>25</b> <b>New Home Sales</b> Consumer Confidence S&P CS Home Price Index FHFA Home Price Index	<b>26</b> Durable Goods MBA Mortgage Applications	<b>27</b> <b>GDP</b> Pending Home Sales Weekly Jobless Claims	<b>28</b> <b>PCE</b> Personal Income & Spending Consumer Sentiment
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## Mortgage Economic Review March 2025

The **Mortgage Economic Review** is a monthly summary of Key Economic Indicators, Data, and Events pertinent to Mortgage, Housing, and Finance Professionals.

### AT A GLANCE - Key Economic Events and Data released during February 2025

- **Interest Rates:** The 10-year Treasury yield fell to 4.21% (Feb 28) from 4.52% (Jan 31).
- **Housing:** Existing Home Sales fell 4.9% (+2.0% YoY), New Home Sales fell 10.5% (-1.1% YoY), and Home Prices are up about 4.5% YoY.
- **Labor:** The US Economy created 143,000 New Jobs in January. The Unemployment Rate fell to 4.0%. Wages are growing at 4.1% YoY.
- **Inflation:** CPI rose 0.5% in January (+3.0% YoY), and PCE rose 0.3% (+2.5% YoY).
- **The Economy:** US GDP grew at a 2.3% annualized rate in 4Q2024, up 2.5% YoY.
- **Consumers:** Retail Sales fell 0.9% in January (+4.2% YoY), Consumer Confidence fell 6.6% (-6.2% YoY).
- **Stock Markets** fell in February: Dow -1.67.1%, S&P -1.4%, Nasdaq -4.0%.
- **Oil Prices** fell to \$69/Barrel (Feb 28) from \$73/Barrel (Jan 31).

### Interest Rates and Fed Watch

There was no FOMC meeting in February. Instead, all eyes were on Chairman Powell's annual testimony before the House Financial Services Committee. In his statement, he said:

"Recent indicators suggest that economic activity has continued to expand at a solid pace...If the economy remains strong and inflation does not continue to move sustainably toward 2 percent, we can maintain policy restraint for longer...If the labor market were to weaken unexpectedly or inflation were to fall more quickly than anticipated, we can ease policy accordingly...We remain committed to supporting maximum employment, bringing inflation sustainably to our 2 percent goal, and keeping longer-term inflation expectations well anchored".

**Fedspeak Translation:** The Fed is not in a hurry to lower Interest Rates, and it won't lower rates until Inflation Data and/or the Labor Market Data shows signs of weakness.

- **10-Year Treasury Note Yield** fell to 4.21% (Feb 28) from 4.52% (Jan 31).
- **30-Year Treasury Bond Yield** fell to 4.51% (Feb 28) from 4.76% (Jan 31).
- **30-Year Fixed Mortgage** fell to 6.76% (Feb 27) from 6.95% (Jan 30).
- **15-Year Fixed Mortgage** fell to 5.94% (Feb 27) from 6.12% (Jan 30).

### Housing Market Data Released during February 2025

New, Existing, and Pending Homes Sales all declined during January. Was it extreme and cold weather or high Mortgage Rates that kept buyers away? Probably a combination of both. The Housing Market in 2025 is having a rocky start. Affordability continues to depress Home Sales. On the bright side, Mortgage Rates drifted lower, New and Existing Home listings increased, and Single Family Completions rose 7.1% YoY. Higher inventory and lower Mortgage Rates will help Affordability. Hopefully, this trend will continue and set the stage for the Housing Market to thaw from this winter's chill.

- **Existing Home Sales** (closed deals in January) fell 4.9% to an annual rate of 4,080,000 homes (3,680,000 SFR + 400,000 Condos), up 2.0% in the last 12 months. The median Single-Family Home price is \$402,000, up 5.1% YoY. The Median Condo price is \$349,000, up 2.9% YoY. Homes were on the market for an average of 41 days. Currently, 1,118,000 homes are for sale, up 16.8% YoY.
- **New Home Sales** (signed contracts in January) declined 10.5% to a seasonally adjusted annual rate of 657,000 homes, down 1.1% YoY. (683,000 New Homes were sold in 2024 and 668,000 in 2023). The median New Home price is \$446,300 (Peak of \$496,800 in Oct 2022). The average price is \$510,000 (Peak of \$568,700 in Dec 2022). There are 495,000 New Homes for sale (a low of 281,000 in October 2020), a 9.0 month supply.
- **Pending Home Sales Index** (signed contracts in January) fell 4.6% to 70.6 from a revised 71.2 (74.2 initially) the previous month, down 5.2% YoY.
- **Building Permits** (issued in January) rose 0.1% to a seasonally adjusted annual rate of 1,483,000 units - down 1.7% YoY. Single-Family Permits were unchanged with an annual pace of 996,000 homes, down 3.4% YoY.
- **Housing Starts** (excavation began in January) fell 9.8% to a seasonally adjusted annual rate of 1,366,000, down 0.7% YoY. Single-Family Starts fell 8.4% to 993,000 units, down 1.8% YoY.
- **Housing Completions** (completed in January) rose 7.6% to a seasonally adjusted annual rate of 1,651,000 units - up 9.8% YoY. Single-Family Completions rose 7.1% to an annual adjusted rate of 982,000 homes - up 8.9 YoY.
- **S&P/Case-Shiller 20 City Home Price Index** rose 0.5% in December, up 4.5% YoY.
- **FHFA Home Price Index** rose 0.4% in December, up 4.5% YoY.
- **NAHB Index** for February fell 10.6% to 42 from 47 the prior month, down 12.5% YoY.

## Labor Market Economic Data Released during February 2025

The Labor Markets continued on a robust path in the first month of 2025. The **Economy created 143,000 New Jobs during January** while the Unemployment Rate fell to 4.0%. Plus, the number of New Jobs created in December and November was revised up 49,000 and 51,000 respectively. For all of 2024, the US Economy created 1,896,000 New Jobs, which averages 158,000 New Jobs per month. Job Openings fell 1.3 million during 2024 to 7,600,000 in December from a peak of 8,813,000 in February 2024. Worker Productivity fell significantly in 2024 to 1.6% from 2.7% in 2023. These are still preliminary numbers and will be revised again, but they give a good picture - the Labor Market remains robust but is softening.

- The **Economy created 143,000 New Jobs** during January and 307,000 (revised) in December.
- The **Unemployment Rate** fell to 4.0% in January from 4.1% in December.
- The **Labor Force Participation Rate** rose to 62.6% during January from 62.5% in December.
- The **Average Hourly Wage** rose 0.5% during January, up 4.1% YoY.
- **Job Openings** fell to 7,600,000 in December from 8,156,000 in November, down 14.5% YoY.
- **Productivity** rose 1.2% during 4Q2024, up 1.6% in 2024 and 2.7% in 2023.

## Inflation Economic Data Released during February 2025

The CPI rose 0.5% in January and 3.0% in the last 12 months. If you examine the CPI Data for the previous 6 months, there is a definite trend of re-acceleration. In the summer of 2024, the CPI was down to 0.1% in July and 0.2% in August, September, and October. That looked pretty good. Unfortunately, it started back up: 0.3% in November, 0.4% in December, and 0.5% in January. That is a definite trend in the wrong direction. The usual suspects are to blame. Shelter and Energy were up the most, followed by Food, Used Cars, Car Insurance, and Medical Care.

The Fed and the US Government are pulling in opposite directions. The Fed is trying to lower Inflation with high Interest Rates. At the same time, massive overspending by the Federal Government exerts upward pressure on wages, prices, and the debt markets, which raises Inflation. In Fiscal 2024, the US Budget Deficit was \$1.83T. There is no way to get Inflation under control while the Federal Government runs enormous deficits.

- **CPI** rose 0.5%, up 3.0% YoY | **Core CPI** rose 0.4%, up 3.3% YoY
- **PPI** rose 0.4%, up 3.5% YoY | **Core PPI** rose 0.3%, up 3.4% YoY
- **PCE** rose 0.3%, up 2.5% YoY | **Core PCE** rose 0.3%, up 2.6% YoY

## GDP Economic Data Released during February 2025

The 2nd estimate of 4th Quarter 2024 GDP showed the **US Economy grew at a 2.3%** annualized rate (+2.5% YoY). That's down from 3.2% growth in 2023. The Economy is slowing down. That is what the Fed wants - a gradual, controlled slowdown in GDP growth. A "Soft Landing" so the Economy doesn't slip into a recession.

## Consumer Economic Data Released during February 2025

Consumers' attitudes and spending were a little chilly in January. Retail Sales and Consumer Confidence cooled off. The hangover from the Holiday Buying Season is part of the decrease in Consumer Spending. However, Consumers are worried that Inflation could be re-accelerating. This is reflected in an increase in the Savings Rate and a reduction in Consumer Spending. Consumers may be saving for a rainy day.

- **Retail Sales** fell 0.9% during January, up 4.2% in the last 12 months.
- **Consumer Confidence Index** fell 6.6% to 98.3 from a revised 102.8 (104.1 initial reading) the prior month, down 6.2% YoY.
- **Personal Income** rose 0.9% in January, up 4.6% YoY.
- **Personal Spending** fell 0.2% in January, up 5.6% YoY.
- **Personal Savings Rate** rose to 4.6% in January from 3.5% the previous month.

## Energy, International, and Things You May Have Missed

- **West Texas Intermediate Crude** fell to \$69/Barrel (Feb 28) from \$73/Barrel (Jan 31).
- **North Sea Brent Crude** fell to \$73/Barrel (Feb 28) from \$77/Barrel (Jan 31).
- **Natural Gas** rose to \$3.83/MMBtu (Feb 28) from \$3.07/MMBtu (Jan 31).
- **Gasoline** (Wholesale Futures Price) fell to \$1.97/Gal (Feb 28) from \$2.03/Gal (Jan 31).
- President Trump dismissed CFPB head Rohit Chopra. CFPB's new acting Director, Russell Vought, instructed employees to stop working on most projects.
- Russian President Putin and President Trump met in Saudi Arabia to discuss ending the Ukrainian War. Ukrainian President Zelenskyy was not at the meeting.
- A meeting at the White House between President Trump and Ukrainian President Zelenskyy escalated into a heated argument in front of reporters.

## **Click n' Close Mortgage TPO Lending**

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