



Market Watch Report

AXIOM FINANCIAL

**Week of
Feb. 19,
2012**

Mortgage Market Commentary

Are we really starting to see a more broad-scale economic recovery? Mortgage rates remained nearly unchanged last week, held in place by both potential government intervention, low inflation, and the global risks to the economy. However, we are seeing more and more signs that our economy is gaining some steam. Retail sales sported a healthy 0.4% increase and the minutes from the Fed's last meeting note that the economy is "expanding moderately." After years of a jobless, sputtering recovery, many analysts are pronouncing the US on a much healthier path than in previous years. One interesting sign is the interest by institutional buyers in secondary mortgage market products. While few new products are coming to market, investors are buying mortgage-backed securities, which shows that the market sees a reduced risk in foreclosures on the homes in these securities.

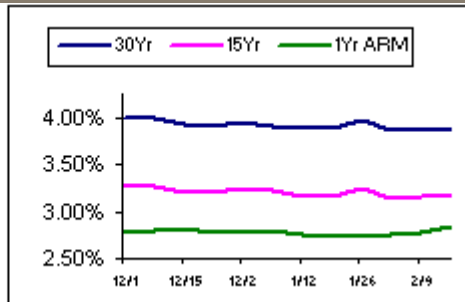
This week has both new and existing home sales data due. If we see better numbers than expected, financial markets may improve, and mortgage rates might move upward toward the end of the week.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	February 16		2/9/12
30 Year Fixed	3.87%	↔	3.87%
15 Year Fixed	3.16%	↔	3.16%
One Year ARM	2.84%	▲	2.78%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.150%
12 Mn Libor	1.066%
6 Mo Libor	0.751%
11 th D. COFI	1.221%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product 27-Jan ▲ %pt Chg 2.8 1.5 <i>Economy Growing</i>	Consumer Confidence 31-Jan ▼ pt Chg 61.1 3.7 <i>Confidence Slipping</i>	Housing Starts 19-Jan ▼ % Chg 657K 4.1% <i>Starts Slowing</i>	Dow Jones 12,949.87 NASDAQ 2,951.78 NYSE 8,114.51 S&P 500 1,361.23 <i>Dow Jones</i>
Unemployment Rate 3-Feb ▼ %pt Chg 8.3% 0.2 <i>Unemployment Decreasing</i>	US Retail Sales 14-Feb ▲ % Chg 401.4 0.4% <i>Sales Growing</i>	Existing Home Sales 20-Jan ▲ % Chg 4.61m 5.0% <i>Sales Increasing</i>	
Leading Indicators (LEI) 17-Feb ▲ % Chg 94.9 0.4 <i>Improving Economy</i>	Manufacturing Activity 1-Feb ▲ pt Chg 54.1 1.0 <i>Manufacturing Expanding</i>	New Home Sales 26-Jan ▼ % Chg 307K 2.2% <i>Sales Steady</i>	

Worth Remembering



The spirited horse,
which will of itself
strive to win the race,
will run still more
swiftly if encouraged.

Ovid

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