

## Le point sur l'économie US par Rafic Vartan

L'économie US au 11 août 2018 par Rafic Vartan



### Market update for the week ending August 11 2018

CRUDE OIL **67.75** – GOLD **1219.20** – SILVER **15.31** – EUR/USD **1.14**

**Stocks lower for the week** - Stock market indexes posted their first weekly loss since the last week of June. Markets, which were within 1/2% of all-time highs last week, after a stellar second quarter earnings season, reacted to a financial crisis in Turkey and an increase in back and forth tariff threats between The U.S. and China. The Dow Jones Industrial Average closed the week at 25,313.14, down from 25,462.08 last week. It is up 2.4% year to date. The S&P 500 closed the week at 2,833.28, down from 2,840.30 last week. It's up 6.0% year to date. The NASDAQ closed the week at 7,839.12, up from 7,812.01 last week. It's up 13.6% year to date.

**Treasury Bond Yields lower this week** - The 10 year Treasury bond closed the week yielding 2.87%, down from 2.96% last week. The 30 year Treasury bond

yield ended the week at 3.03%, down from 3.09% last week. Mortgage rates follow bond yields. I'd expect next week's mortgage rates to be slightly lower.

**Mortgage rates almost unchanged for the week** - The August 9, 2018 Freddie Mac Primary Mortgage Survey reported that the 30 year fixed mortgage rate average was 4.59%, almost unchanged from 4.60% last week. The 15 year fixed was 4.05%, almost unchanged from 4.08% last week. The 5 year ARM was 3.90%, down slightly from 3.93% last week.

**Housing affordability drops to a 10 year low in the second quarter** - The California Association of Realtors reported that only 26% of California households could afford to purchase a median priced home in California. That was down sharply from 31% in the first quarter of 2018. It was also down from 29% in the second quarter of 2017. Rising home prices, higher interest rates and stagnant incomes have driven affordable down. For example, home prices in June rose over 8% while wages grew just 2.7% from one year earlier. Interest rates were no higher in the second quarter of 2018 than in the first quarter, but were higher than in the second quarter of 2017.

**Decided to buy a home. First use this checklist** - As everyone knows, a house is not an impulse purchase. You can't just walk in and declare "I'll take it!" Long before you get to make that offer - on paper, through your real estate agent - and even before going to your first open house, there are a ton of things to do and to prepare. Overwhelmed? Here's a checklist of everything you need to do to get ready to buy a home.

- **Check your credit score** - This is the number that mortgage lenders will look at to determine whether you are "creditworthy," and thus dictates the rates you will get.
- **Clean up any credit blemishes you can** - Any surprises on that report? Credit errors are more common than you might think, so contact the credit bureau to correct any erroneous information.
- **Shop for a mortgage lender** - A prospective home buyer should make one of their earliest stops with a mortgage originator to see if they can qualify for a mortgage and confirm how much of a mortgage they can afford. Different mortgage shops offer a wide variety of rates and

programs, so shop around to find the best rate and mortgage option for you.

- **Secure mortgage pre-approval** - Once you've found the mortgage that's right for you, you'll want to show sellers that you have what it takes to buy their home. In hot markets, a pre-approval is required for a seller to take your offer seriously. That's because it spells out exactly how much a lender has agreed to loan you, thus assuring the seller that you're both willing and able.
- **Save up for a down payment** - To get the best rates, you'll need to make at least a 20%
- **Sit tight!** - Once you're ramping up to buy a home, it's wise to not make major changes in your life or, most important, your finances. Do not switch jobs. Do not buy a new car. Do not even buy furniture or apply for a new credit card, which could affect your credit.
- **Make a wish list** - Be realistic about what elements are true "wishes" and which ones are non-negotiable such as the number of bedrooms.
- **Find a real estate agent** - In times like these, with a limited number of homes on the market, a buyer needs a great Realtor to make sure they find their dream home. So?

**Quote of the week** : *"By failing to prepare, you are preparing to fail".*

Benjamin Franklin

Have a wonderful week!

Bonne semaine à tous!

***Thinking of Selling or Buying?***

**contact me !**

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*Let me make this*

*Sale or Buy*

*as pleasant and fruitful as possible*

*For You!*

Number of **HOUSE & CONDO** currently for sale in

LOS ANGELES - **999+ & 99+**

BEVERLY HILLS - **347 & 32**

WEST HOLLYWOOD - **318 & 71**

BRENTWOOD - **103 & 23**

MANHATTAN BEACH - **65 & 24**

MARINA DEL REY - **14 & 53**

VENICE - **65 & 12**

CULVER CITY - **24 & 11**

SANTA MONICA - **61 & 83**

PACIFIC PALISADES - **64 & 18**

MALIBU - **233 & 44**

CALABASAS - **102 & 17**

ENCINO - **119 & 30**

SHERMAN OAKS - **113 & 45**