

Short Video Transcript (02/02/2023)

The Federal Reserve has been playing a big role in the housing market in the past couple of years and they were added again on February one when they had their first FOMC meeting in 2023. Now with inflation teeming down, the Fed's increased the Fed funds rate by 25 basis points, a less aggressive move than before. But the Fed chairman also reiterated that additional rate hike will be necessary. It is premature to declare victory against inflation right now. The market reacted positively though, after the announcement with the average 30-year fixed rate actually down below 6% the day after the meeting. Meanwhile, the economy actually has been doing well. In the fourth quarter, the US GDP recorded a 2.9% growth and consumer spending actually had a pretty solid turnout. But we do believe that, you know, as the economy move into the first quarter, consumer will be slowing down their spending partly because of what's going on with the labor market, It is showing some sign of weakness right now and that actually could be a good sign for interest rates because it will most likely be leveling off and could incentivize homebuyers to return to the market. Maybe when we move into the home buying season. Now, we still have a long way to go though, so we'll keep you posted when we get more updated info. Stay tuned and have a great week!