

**To:** robinware456@gmail.com[robinware456@gmail.com]  
**From:** Person, Fran  
**Sent:** 2013-08-28T17:23:27-05:00  
**Subject:** FW: 8-29-2013 Briefing Book  
**Received:** 2013-08-28T17:23:28-05:00

P3/(b)(3) 10 U.S.C. § 130b, P6/b6  
[8. Economic Daily Briefing.docx](#)

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**From:** Feldman, Stefanie G.  
**Sent:** Wednesday, August 28, 2013 6:23 PM  
**To:** DL-OVP-BookDistribution  
**Subject:** RE: 8-29-2013 Briefing Book

Final two docs. Have a great evening.

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**From:** Feldman, Stefanie G.  
**Sent:** Wednesday, August 28, 2013 4:57 PM  
**To:** DL-OVP-BookDistribution  
**Subject:** 8-29-2013 Briefing Book

Tonight's book is attached. I am still waiting on the memo for  
and will circulate it when I receive it. Thanks!

P3/(b)(3) 10 U.S.C. § 130b, P6/b6

1. **Schedule**
2. **Dr. Biden Schedule**
3. **Director Todd Jones Ceremonial Swearing-In Memo**
4. **Director Todd Jones Ceremonial Swearing-In Talking Points**
5. **Administrator Tangherlini Ceremonial Swearing-In Memo**
6. 

P3/(b)(3) 10 U.S.C. § 130b, P6/b6

**7. Anthony Cruz Departure Photo Memo**

**8. Economic Daily Briefing**

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P3/(b)(3) 10 U.S.C. § 130b, P6/b6

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THE WHITE HOUSE

Washington

August 28, 2013

MEMORANDUM FOR THE PRESIDENT

FROM: Gene Sperling

SUBJECT: Daily Economic Briefing

Enclosed is the daily updated economic information from CEA and Treasury.

**COUNCIL OF ECONOMIC ADVISERS**

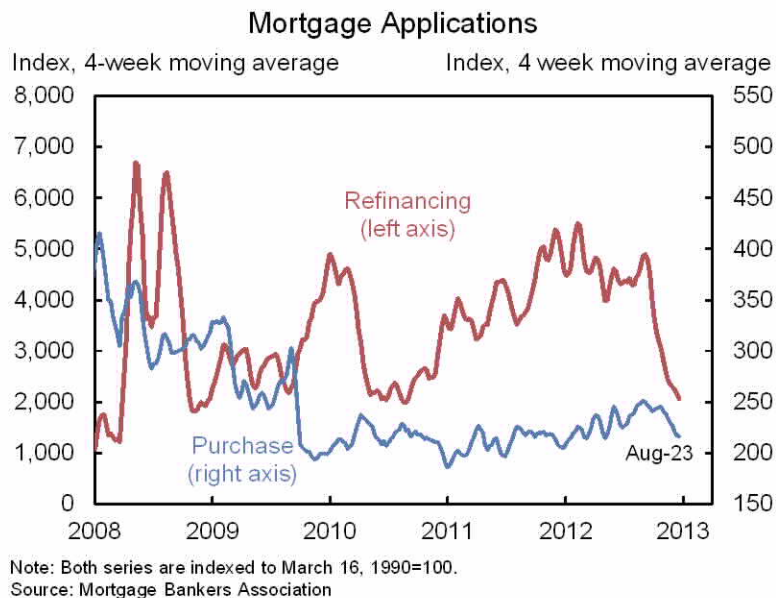


## DAILY ECONOMIC BRIEFING

August 28, 2013

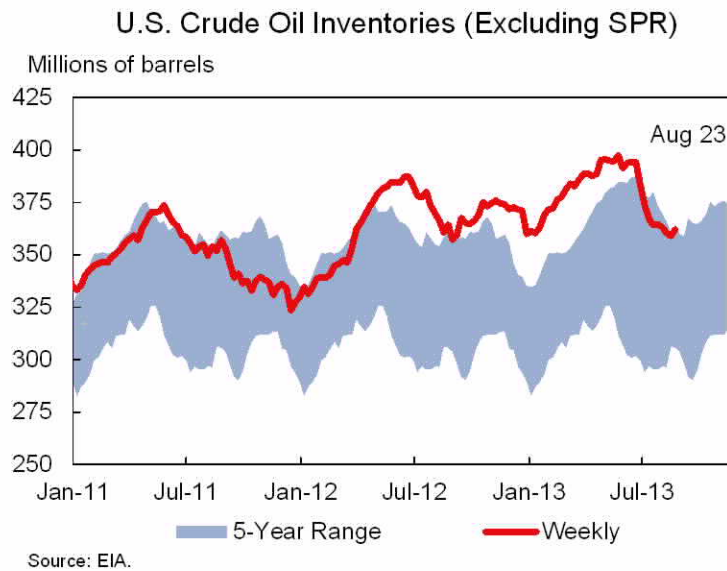
### MORTGAGE APPLICATIONS

- **Mortgage loan applications fell 2.5 percent for the week ending August 23 compared with the previous week**, according to a survey conducted by the Mortgage Bankers Association (MBA). The decline in mortgage loan applications reflects an increase in interest rates on 30-year fixed-rate mortgages, which rose from 4.68 percent to 4.80 percent last week, the highest rates in 2013.
  - The decrease in the MBA's seasonally adjusted Market Composite Index, a measure of mortgage loan application volume, reflects an increase of 2.4 percent in the purchase index and a decrease of 5.4 percent in the refinancing index.  
*Although new purchases increased, the less-volatile four-week moving averages show a drop in applications for both refinancing and new purchases (see chart).*



### U.S. CRUDE OIL INVENTORY

- **U.S. crude oil inventories rose during the week ending August 23<sup>rd</sup> by 3.0 million barrels**, according to data released today by the Energy Information Administration. This slight rise in crude oil inventories were driven by increases in both imports and domestic production of crude oil.
  - U.S. Crude Oil Inventories (excluding quantities stored in the Strategic Petroleum Reserve) totaled 362.0 million barrels this week, down from a peak of 397.6 million barrels at the start of the summer driving season.
  - WTI and Brent oil prices remain stable today at \$110 and \$115 per barrel respectively after increasing by \$3 on Tuesday as markets reacted to the prospects of a Syrian strike.



### **GAS PRICES**

**National retail gasoline prices (regular grade) averaged \$3.55 per gallon on Tuesday, up \$0.01 from Monday and up \$0.02 from the last week.**

### **U.S. TREASURY MARKETS ROOM DAILY BRIEFING**

**August 28, 2013**



Money Markets	Chg (pts)	Closing Value	Foreign Exchange	Chg (pts)	Chg (%)	Closing Value
3-month LIBOR Rate	0 bps	0.26%	US\$ per Euro	-0.005	-0.39%	1.3341
3-month Treasury Bill Rate	-4 bps	0.03%	Yen per US\$	0.63	0.65%	97.66
Fixed Income Markets	Chg (pts)	Closing Value	Equity & Energy Markets	Chg (pts)	Chg (%)	Closing Value
2-year Treasury	4 bps	0.39%	S&P 500	5	0.29%	1635
10-year Treasury	7 bps	2.77%	US Bank Index	0.08	0.13%	62.45
10-year German Bond	3 bps	1.88%	Dow Jones Euro Stocks Index	-7	-0.24%	2743
10-year Spanish Bond	4 bps	4.54%	Eurozone Bank Index	0.96	0.83%	117.26
10-year Italian Bond	-4 bps	4.41%	Japanese Nikkei	-204	-1.51%	13338
10-year Japanese Bond	-2 bps	0.73%	VIX Volatility Index	-0.36	-2.15%	16.41
30-year Fixed Rate Mortgage (1 day lag)	-6 bps	4.45%	Brent Oil (per barrel)	1.52	1.33%	\$115.88
Avg CDS Spread for 7 Large Banks	2 bps	110 bps	Gasoline Futures	+\$0.05	1.55%	\$3.08

- Tensions in Syria continued to dominate investor focus, causing benchmark oil prices to rise 1.3%. However, the negative price response of risk assets moderated relative to yesterday's sharp moves. European stocks declined 0.2%, compared to yesterday's 2.6% drop, and the S&P 500 closed 0.3% higher led by energy stocks. Safe-haven assets partially reversed some of yesterday's gains, with Treasury yields rising 4 to 7 basis points and the Japanese yen depreciating 0.7% against the dollar. Some investors believe that the tentative stabilization of price movements may reflect a view from market participants that potential military intervention in Syria would likely be contained in scope and duration.
- Front-month Brent oil futures traded at a six-month high at \$115.88 per barrel. At these levels, analysts will be closely monitoring for negative spillover effects in the form of decreased consumer confidence and spending. Average retail gasoline in the U.S. is currently at \$3.55 per gallon, up 8% on the year, but prices generally decline in the autumn due to seasonal factors.
- Mortgage applications in the U.S. decreased by 2.5% last week to the lowest level since February 2011, and a measure of pending home sales unexpectedly declined by 1.3% in July (expectations had been for no change). These latest data are consistent with other U.S. housing indicators that have recently showed slower momentum in the sector relative to the trend over the past year. Most analysts attribute at least a portion of the recent weakness to the 100 basis point rise in mortgage rates since the end of April. This week's decline in mortgage applications was due entirely to a 5.4% drop in refinancing activity, which has declined 64% since April.

*Europe:* Italian 10-year bond yields declined 4 basis points to 4.41% as the government repealed the first installment of a property tax due in September in favor of a broader service tax. Officials in Berlusconi's centre-right PDL party had threatened to withdraw support from the ruling coalition if the property tax was not abolished, so the move to scrap it was viewed positively for the stability of the government. Italian stocks, unchanged on the day, also outperformed other European stocks on average.

*Emerging Markets:* The performance of emerging market currencies today was mixed, in contrast to yesterday's broad sell-off, and commodity prices appear to be playing an increasing factor. Commodity exporters such as Brazil and Indonesia managed a small rebound in currency markets, whereas countries that import oil (e.g., Turkey, India) continued to weaken for most of the day. An aggregate benchmark of emerging market stocks rebounded 0.2% following yesterday's 2.3% decline.

*China:* China's politburo announced that the third plenary session of the Communist Party's Central Committee will be held in November. Investors generally expect that structural reforms important to the long-term economic outlook will be decided at this meeting, including those related to financial liberalization, urbanization, and anti-corruption. Market participants had expected the meeting to be scheduled in October, with some suggesting the later date could reflect that substantial reforms are under discussion and could require more time to gain political consensus.