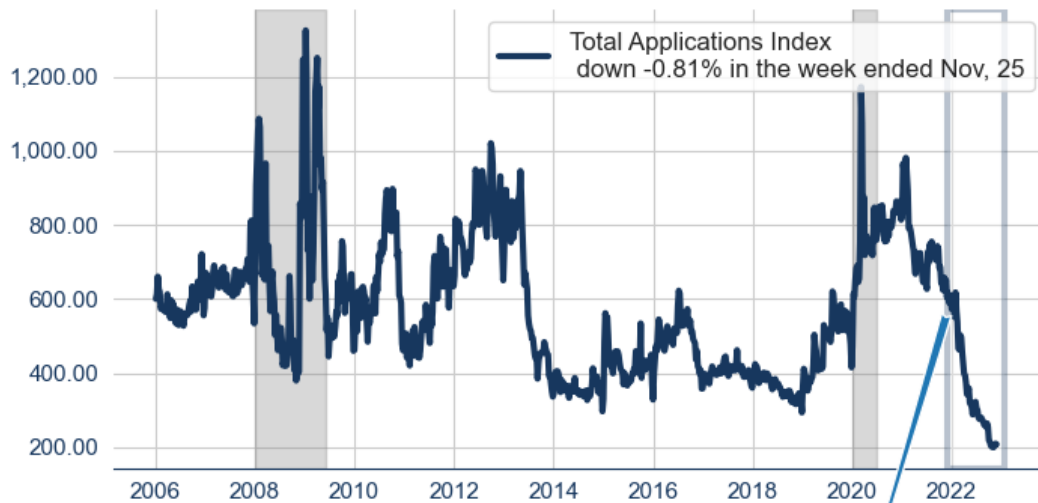


30.Nov.2022

Mortgage Apps: Hints of Rate Impulse Suggest Strong Demand

Bottom Line: Applications fell just slightly more than the MBA's seasonal adjustment factor for the Thanksgiving holiday, always a hard one to adjust for given the extent of Friday mortgage banking activity is hard to predict. While secondary market rates are higher this week, the average 30-year fixed-rate looks likely to hover around 6.75%, nearly 50bps lower than the highs set in October. And there are hints that the decline has been enough to spark a touch more purchase activity. While still historically low, it is a positive signal that demand for housing remains robust, if unaffordable for many at 7+% mortgage rates. There were risks that rates had moved so much, so fast, that housing purchase activity would effectively be shut off until rates retraced significantly, but these data suggest there should be steadily more activity at each level if and when mortgage rates decline.

Total Applications Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



The MBA Mortgage Application Index FELL slightly, DOWN -0.8% to 208.0, BELOW the 13-week average of 223.0 and -65.6% BELOW the year-ago level. Non-seasonally adjusted the index FELL sharply, DOWN -33.4%.

The Purchase Index ROSE 3.8% to 181.0, ABOVE the 13-week average of 178.0 but -41.7% BELOW the year-ago level.

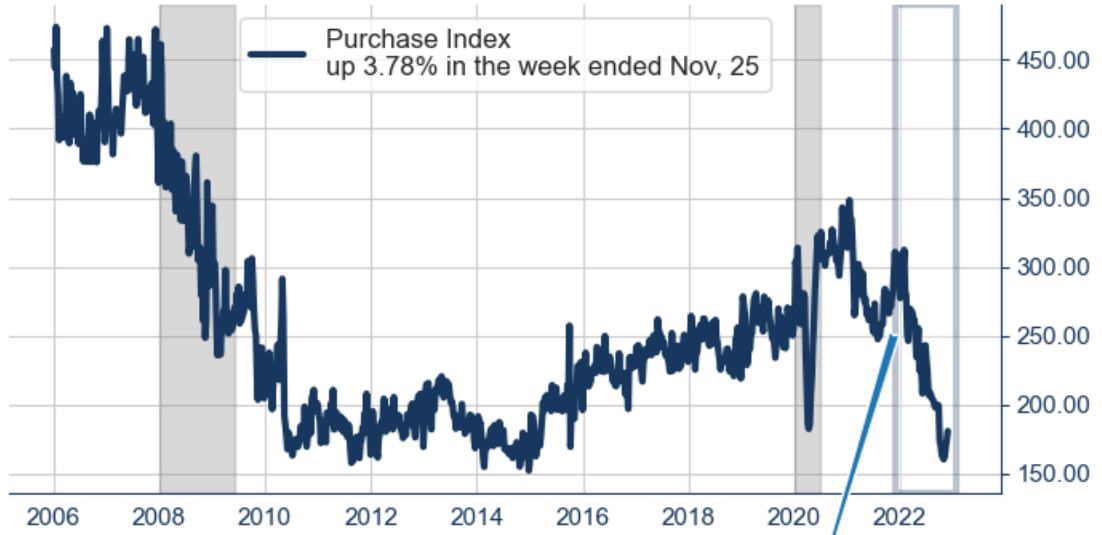
The Refinancing Index FELL sharply, DOWN -12.9% to 326.0, BELOW the 13-week average of 436.0 and -85.9% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** FELL -19bps to 6.68%, BELOW the 13-week average of 6.9% but 95bps ABOVE the year-ago level.

Current coupon yields in the secondary market were down -17.0 bps last week,

closing at 5.14%, and were up 15.0 bps this week through Tuesday.

Purchase Index

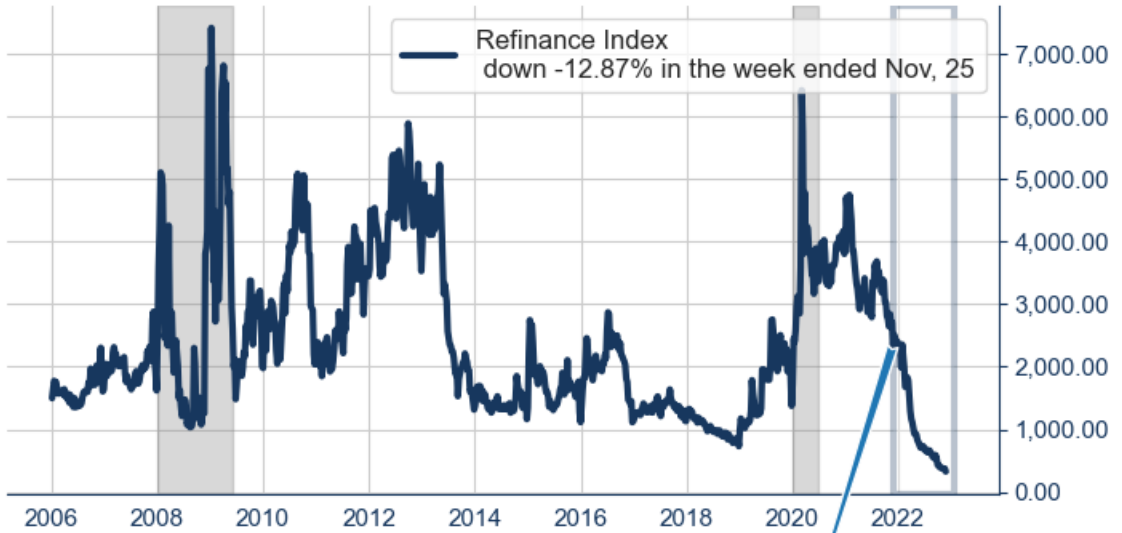


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

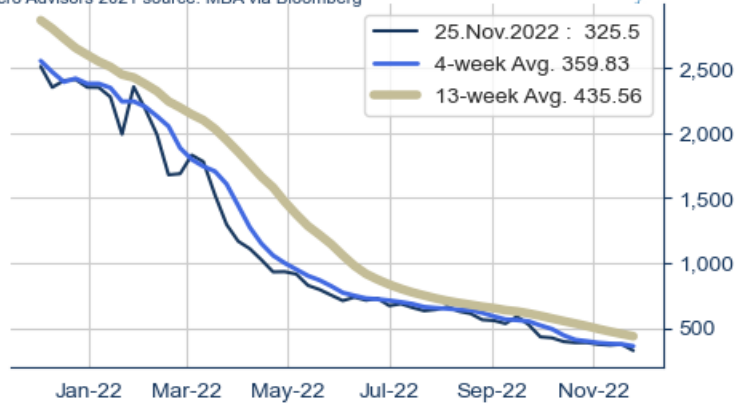


Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

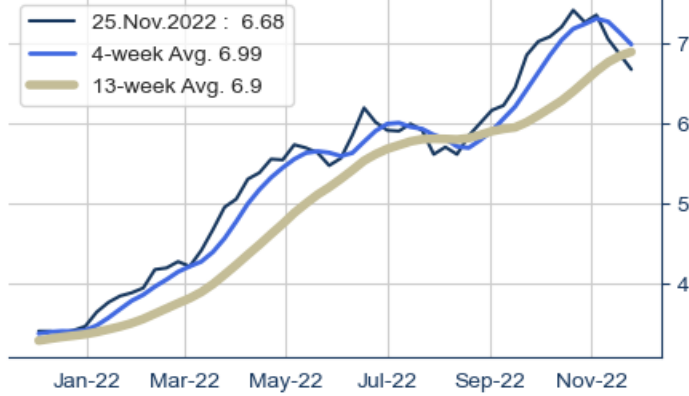


MBA 30-yr Fixed Mortgage Effective Rate

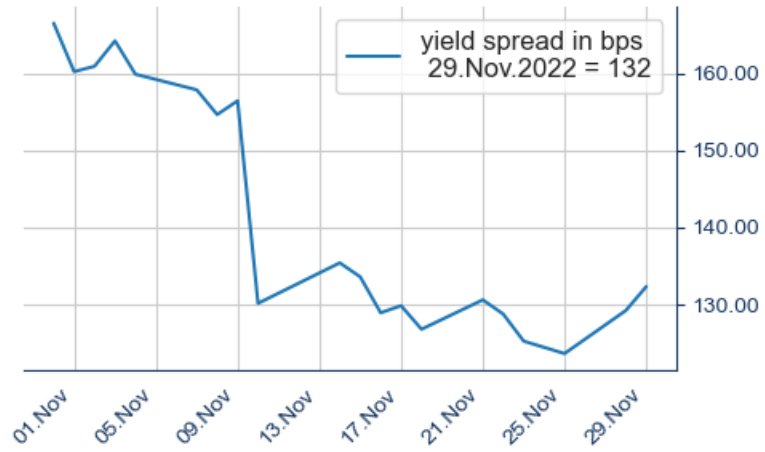


Recent Trends

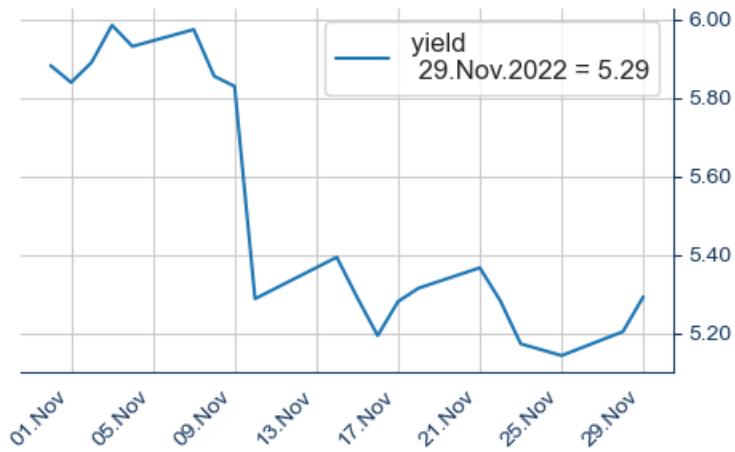
Contingent Macro Advisors 2021 source: MBA via Bloomberg



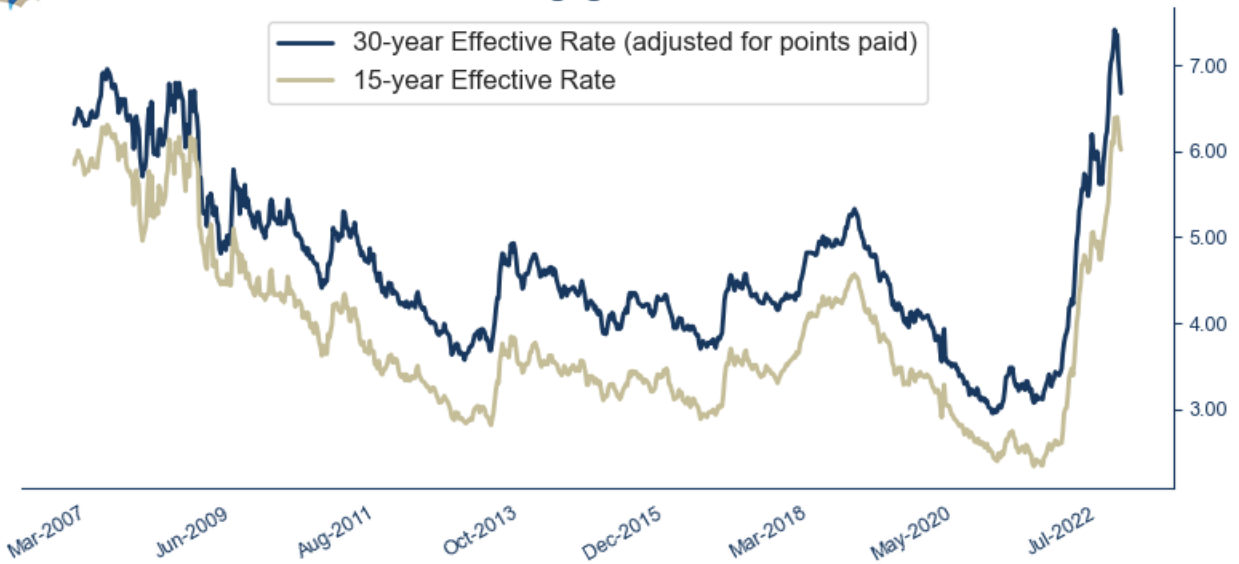
MBS Current Coupon spread to Blend of Treasury Yields

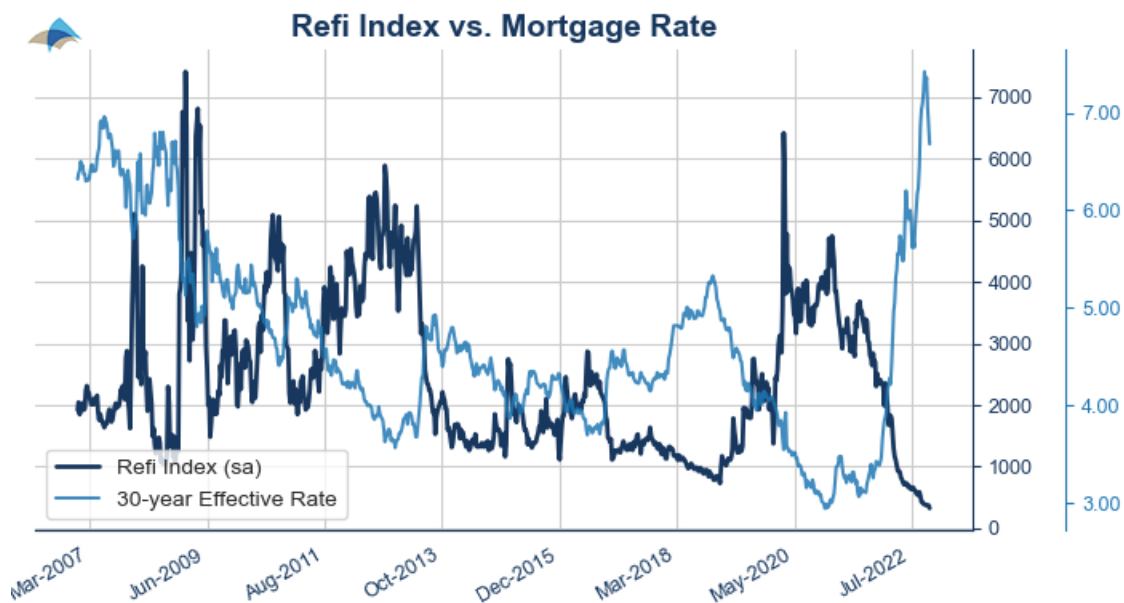
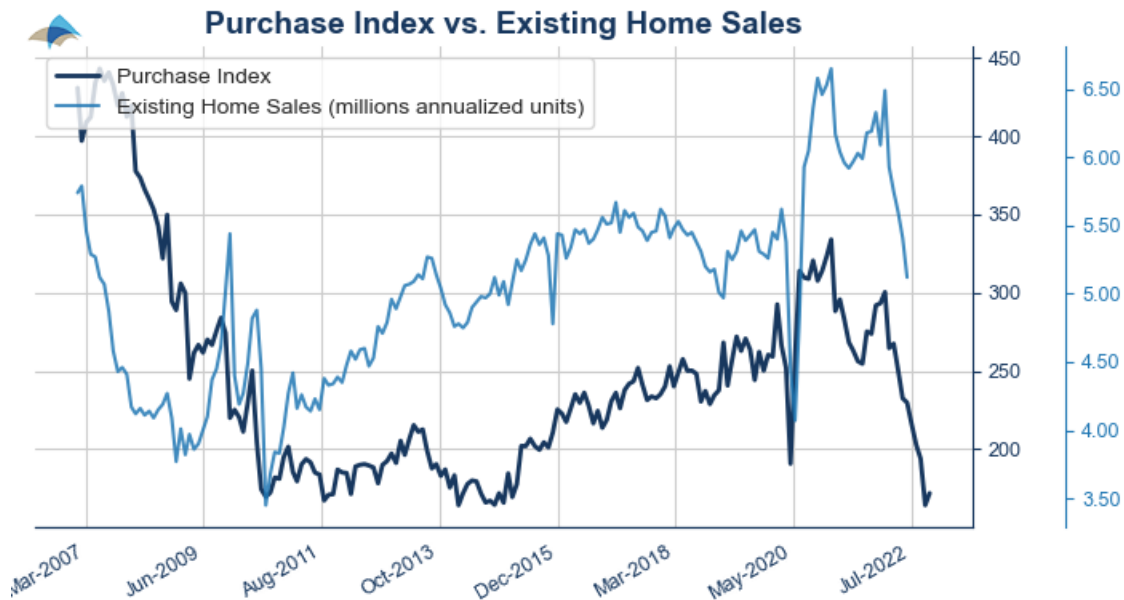


MBS Current Coupon Yield



Mortgage Rates





Weekly MBA Mortgage Application Survey	25.Nov	18.Nov	11.Nov	04.Nov	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	208.10	209.80	205.20	199.90	205.75	205.05	222.65	366.46
Week % Chg	-0.80	2.20	2.70	-0.10				
Total Apps NSA % Chg.	-33.44	9.97	-10.06	-1.85				
Purchase Index	181.00	174.40	169.70	162.60	171.92	164.25	178.01	232.73
Purch. Idx - % Chg.	3.78	2.77	4.37	1.31				
Refinance Index	325.50	373.60	367.10	373.10	359.83	397.65	435.56	1109.61
Refi. Idx - % Chg.	-12.87	1.77	-1.61	-3.52				
Ref % Tot	26.10	28.40	27.60	28.10	27.55	28.52	28.99	39.23

MBA 30-yr Fixed Mortgage Effective Rate	6.68	6.87	7.06	7.36	6.99	7.25	6.90	5.43
MBA 30-yr Fixed Points	0.68	0.68	0.56	0.77	0.67	0.88	0.81	0.63
MBA 15-yr Fixed Mortgage Contract Rate	6.02	6.08	6.27	6.40	6.19	6.24	5.95	4.52
MBA 15-yr Fixed Mortgage Effective Rate	6.02	6.08	6.27	6.40	6.19	6.24	5.95	4.52
MBA 15-yr Fixed Points	0.69	0.70	0.73	1.13	0.81	1.26	1.04	0.70
MBA 5-yr ARM Effective Rate	5.48	5.78	5.73	5.87	5.72	5.71	5.47	4.29
% of ARMs	9.00	8.80	10.60	12.00	10.10	12.25	10.64	7.84
% of \$ARMs	18.40	18.50	20.60	22.50	20.00	22.15	20.07	15.54

source: Mortgage Banker Association via Bloomberg Professional