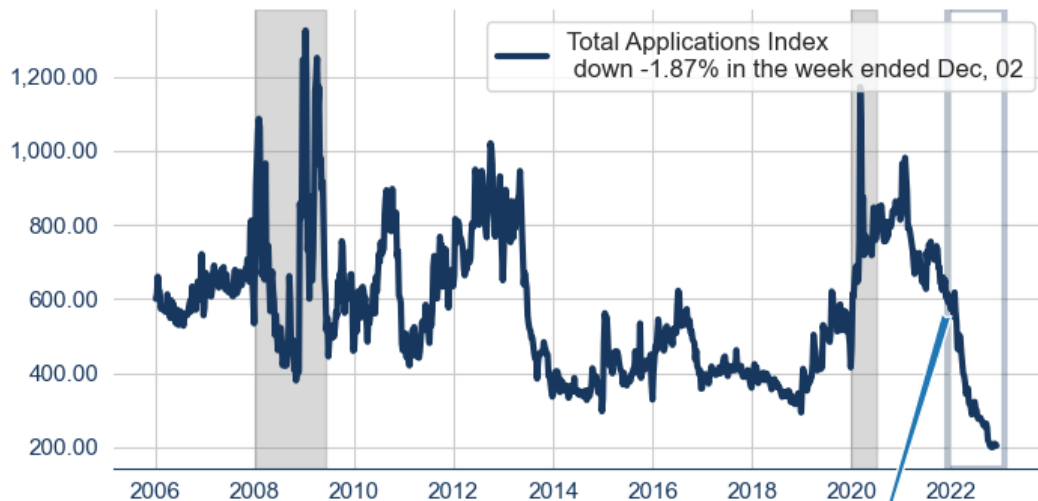


07.Dec.2022

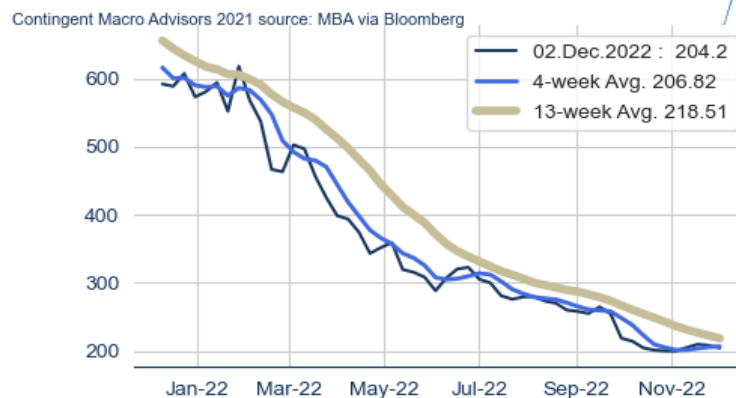
## **Mortgage Apps: Continued Hints of Rate Impulse**

**Bottom Line:** Applications fell in the first full week following the Thanksgiving holiday, led lower by applications for purchases. The average effective 30-year mortgage rate was down to 6.6%, roughly 50bps below its high of early November. Refinancing applications rose nearly 5%. While still barely a blip given how low refinancings have been, the boost shows that even with mortgage rates some 300+ basis points above the prevailing mortgage outstanding, there is still some response when rates move lower. Importantly, interest rate volatility has edged lower, and secondary mortgage market spreads to Treasuries have been stable at levels notably tighter than the wides seen this Fall. Overall, the mortgage market remains extremely quiet, but there are hints that if and when rates move sustainably lower, there will be an uptick, given purchase demand and the need for refinancings.

## Total Applications Index



### Recent Trends



**The MBA Mortgage Application Index** FELL -1.9% to 204.0, BELOW the 13-week average of 219.0 and -66.9% BELOW the year-ago level. Non-seasonally adjusted the index ROSE sharply , UP 35.8%.

**The Purchase Index** FELL -3.0% to 176.0, BELOW the 13-week average of 176.0 and -40.5% BELOW the year-ago level.

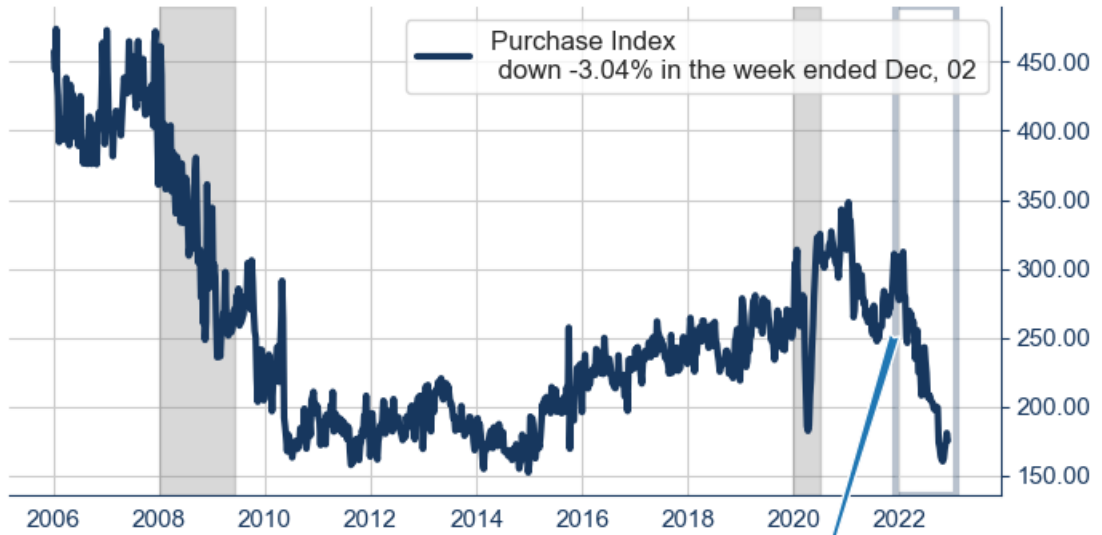
**The Refinancing Index** ROSE 4.7% to 341.0, BELOW the 13-week average of 419.0 and -86.4% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** FELL -8bps to 6.6%, BELOW the 13-week average of 6.93% but 94bps ABOVE the year-ago level.

**Current coupon yields in the secondary market** were down -25.0 bps last week,

closing at 4.89%, and were up 19.0 bps this week through Tuesday.

### Purchase Index

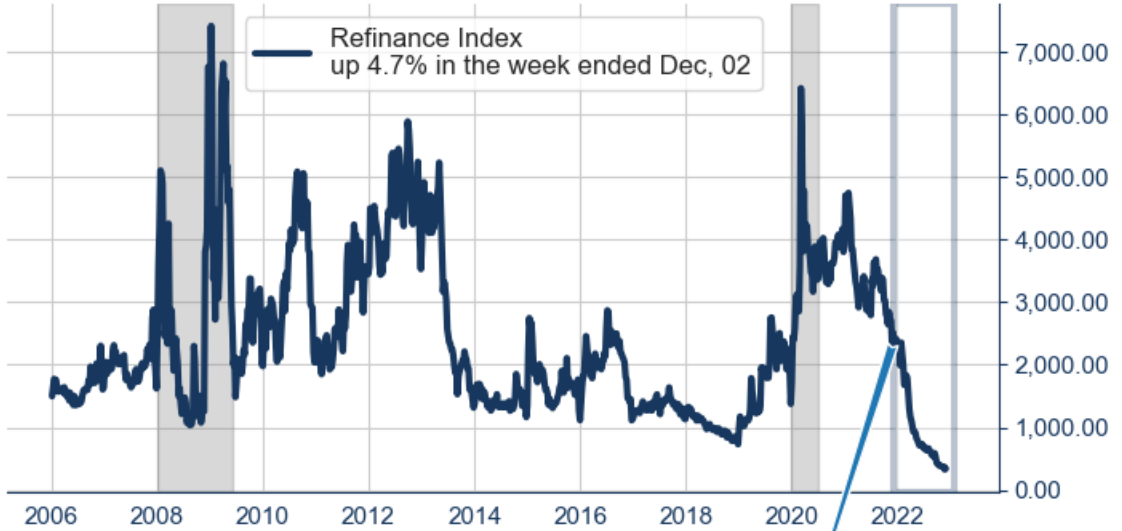


### Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

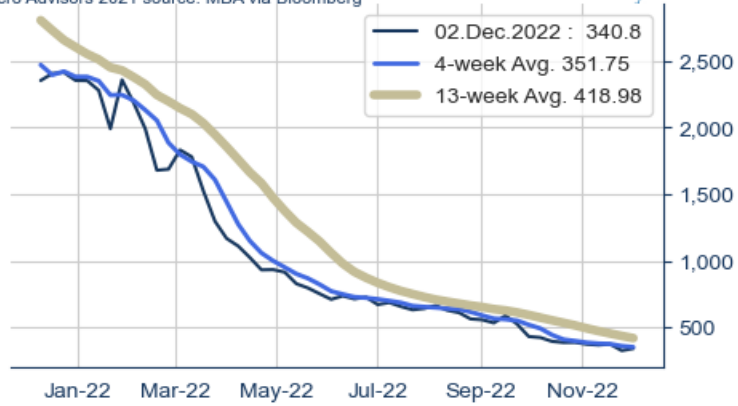


# Refinance Index



## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

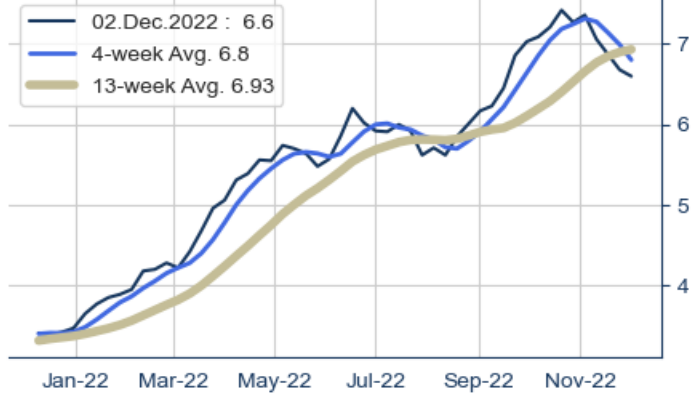


# MBA 30-yr Fixed Mortgage Effective Rate

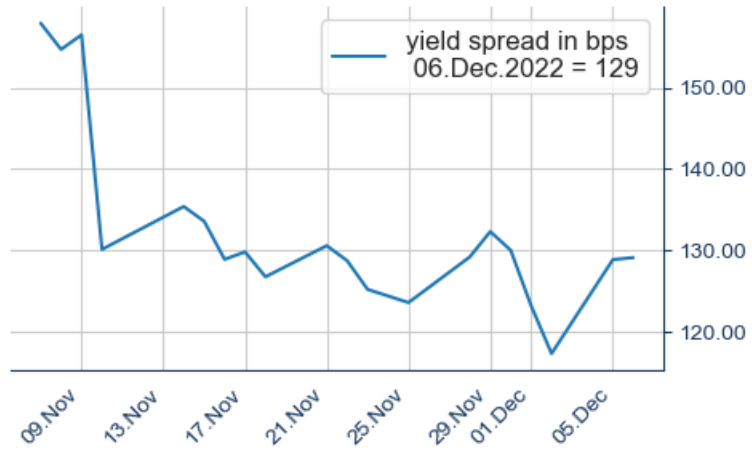


## Recent Trends

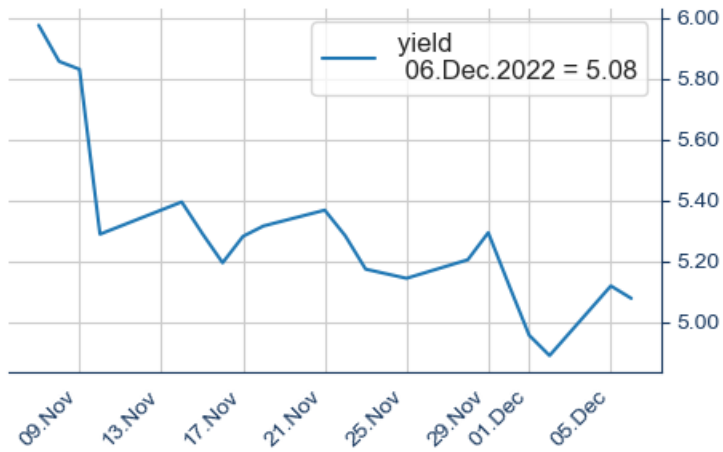
Contingent Macro Advisors 2021 source: MBA via Bloomberg



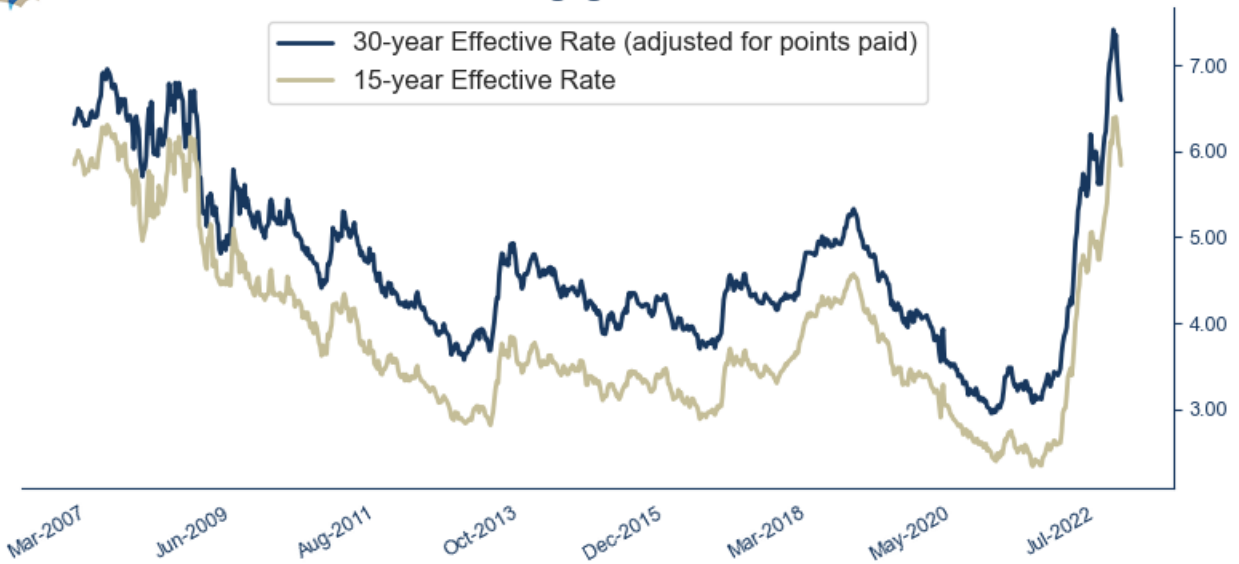
## MBS Current Coupon spread to Blend of Treasury Yields

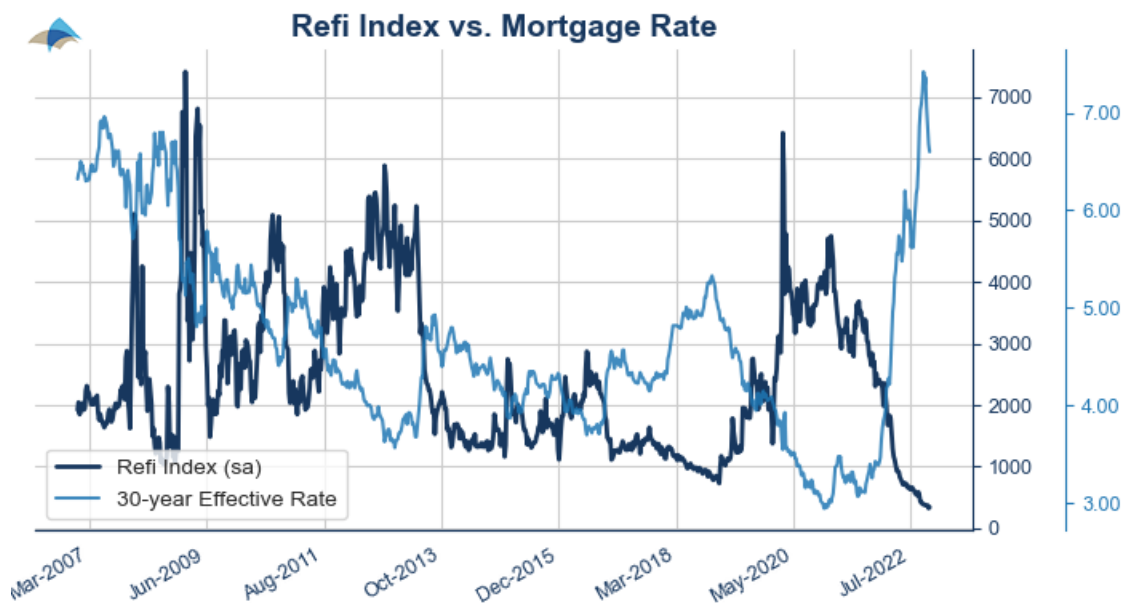
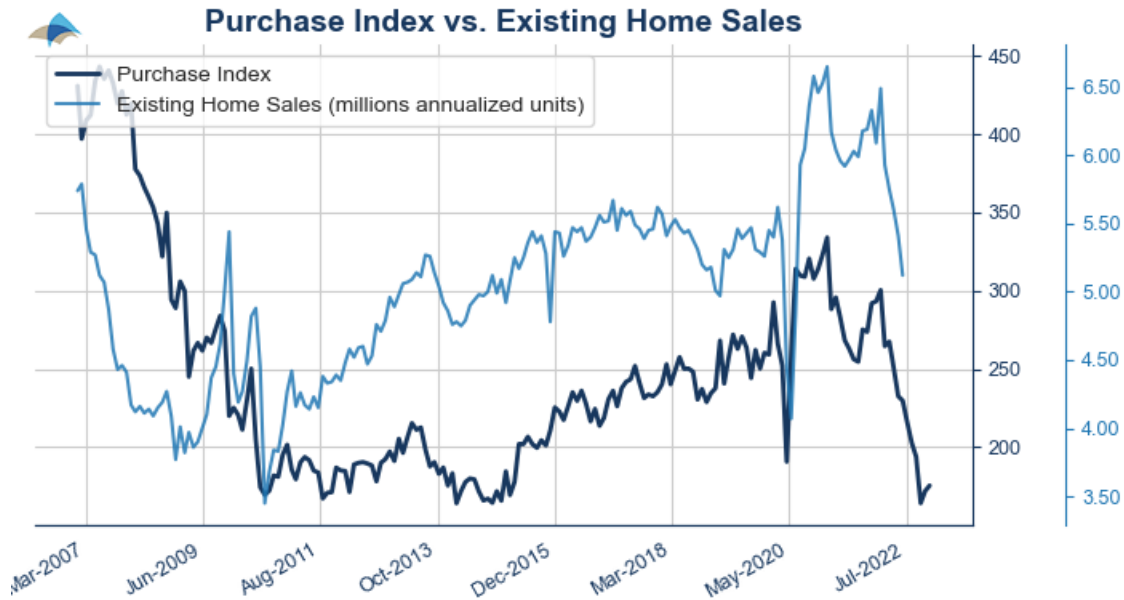


### MBS Current Coupon Yield



### Mortgage Rates





Weekly MBA Mortgage Application Survey	02.Dec	25.Nov	18.Nov	11.Nov	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
<b>Total Applications Index</b>	<b>204.20</b>	<b>208.10</b>	<b>209.80</b>	<b>205.20</b>	<b>204.20</b>	<b>205.75</b>	<b>218.51</b>	<b>358.53</b>
<b>Week % Chg</b>	<b>-1.90</b>	<b>-0.80</b>	<b>2.20</b>	<b>2.70</b>				
<b>Total Apps NSA % Chg.</b>	<b>35.83</b>	<b>-33.44</b>	<b>9.97</b>	<b>-10.06</b>				
Purchase Index	175.50	181.00	174.40	169.70	175.50	171.92	176.29	230.43
Purch. Idx - % Chg.	-3.04	3.78	2.77	4.37				
Refinance Index	340.80	325.50	373.60	367.10	340.80	359.83	418.98	1067.87
Refi. Idx - % Chg.	4.70	-12.87	1.77	-1.61				
Ref % Tot	28.70	26.10	28.40	27.60	28.70	27.55	28.84	38.55



MBA 30-yr Fixed Mortgage Effective Rate	6.60	6.68	6.87	7.06	6.60	6.99	6.93	5.49
MBA 30-yr Fixed Points	0.63	0.68	0.68	0.56	0.63	0.67	0.80	0.63
MBA 15-yr Fixed Mortgage Contract Rate	5.84	6.02	6.08	6.27	5.84	6.19	6.00	4.58
MBA 15-yr Fixed Mortgage Effective Rate	5.84	6.02	6.08	6.27	5.84	6.19	6.00	4.58
MBA 15-yr Fixed Points	0.55	0.69	0.70	0.73	0.55	0.81	1.02	0.71
MBA 5-yr ARM Effective Rate	5.59	5.48	5.78	5.73	5.59	5.72	5.53	4.34
% of ARMs	7.60	9.00	8.80	10.60	7.60	10.10	10.57	7.93
% of \$ARMs	15.80	18.40	18.50	20.60	15.80	20.00	20.02	15.69

source: Mortgage Banker Association via Bloomberg Professional