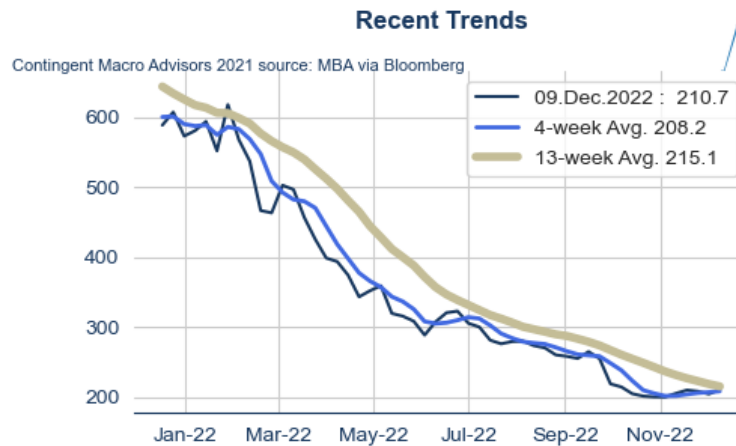
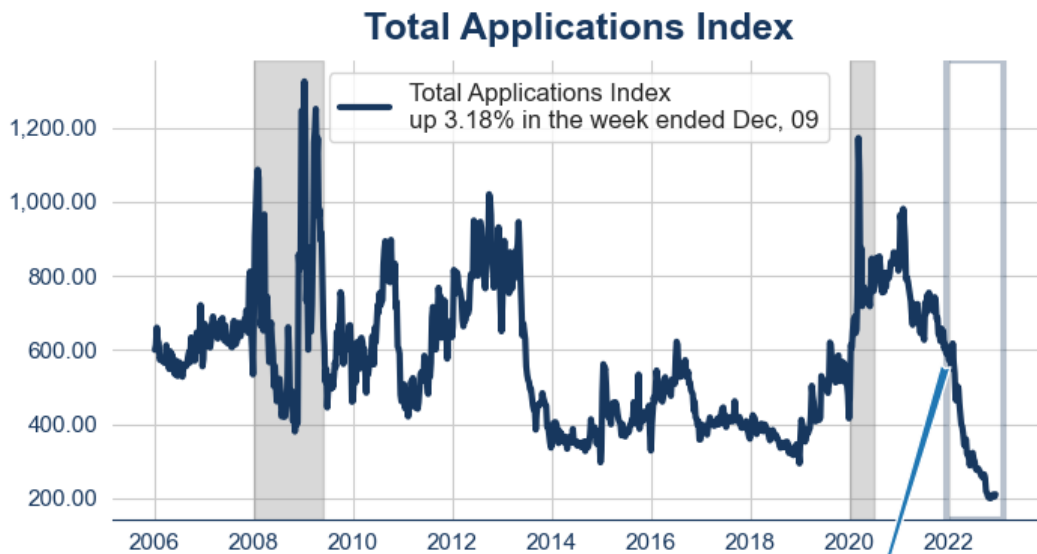


14.Dec.2022

Mortgage Apps: Jump Barely Moves Needle, Watch Rate Impulse

Bottom Line: Mortgage applications jumped 3+% last week as mortgage bankers pushed to get loans processed before the holiday season slows activity. While normally a 3% bump would be significant, the level of applications is so low that it barely registered a blip on the charts. Mortgage rates were steady in the primary market, where spreads to the secondary market remained wide enough that mortgage bankers were absorbing much of the volatility seen in the secondary market. Still, there have been hints in recent weeks of a rate impulse, with applications picking up when rates declined. As we potentially near the end of the Fed rate hiking cycle, this will be important to watch in early 2023 if mortgage rates prove to have topped out.



The MBA Mortgage Application Index ROSE 3.2% to 211.0, BELOW the 13-week average of 215.0 and -64.4% BELOW the year-ago level. Non-seasonally adjusted the index was nearly unchanged, UP 0.4%.

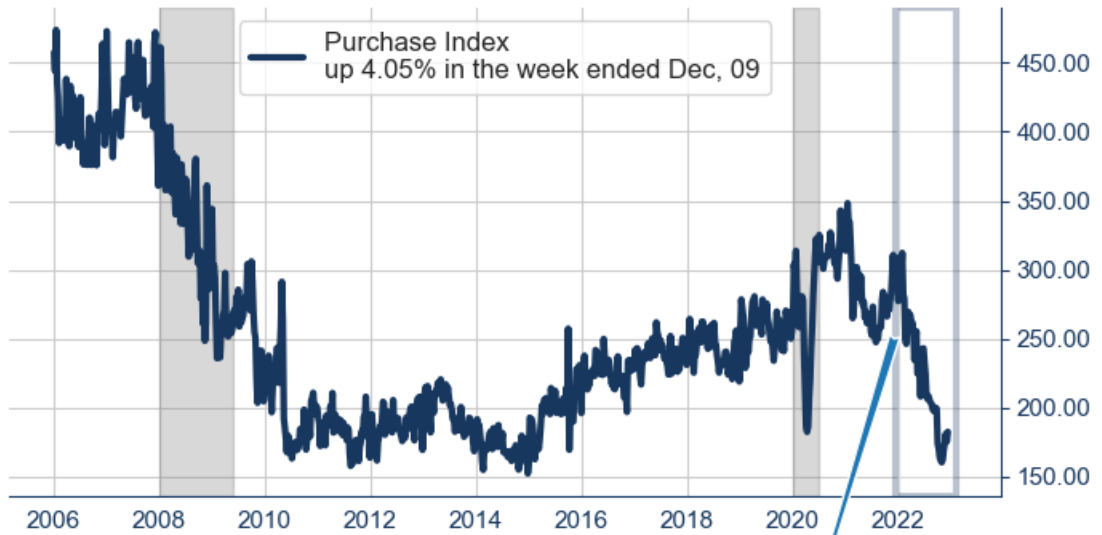
The Purchase Index ROSE 4.0% to 183.0, ABOVE the 13-week average of 175.0 but -38.6% BELOW the year-ago level.

The Refinancing Index ROSE 2.8% to 350.0, BELOW the 13-week average of 405.0 and -85.1% BELOW the year-ago level.

The effective (adjusted for points paid) 30-year mortgage rate was nearly unchanged at 6.6%, BELOW the 13-week average of 6.96% but 94bps ABOVE the year-ago level.

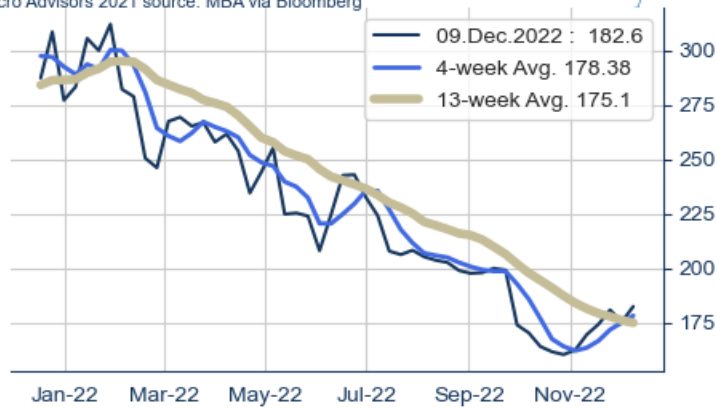
Current coupon yields in the secondary market were up 27.0 bps last week , closing at 5.16%, and were down -16.0 bps this week through Tuesday.

Purchase Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

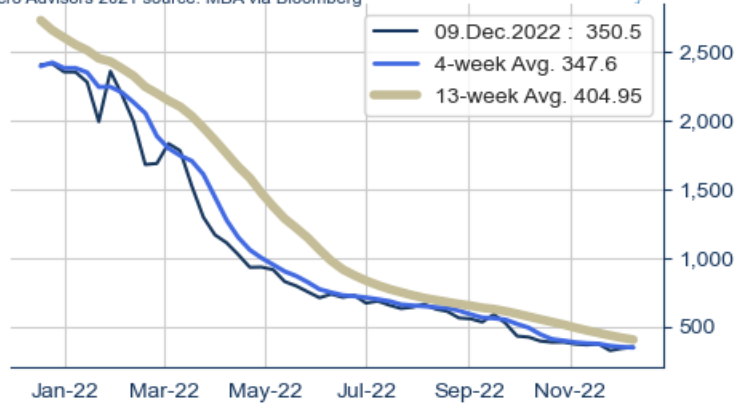


Refinance Index



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

