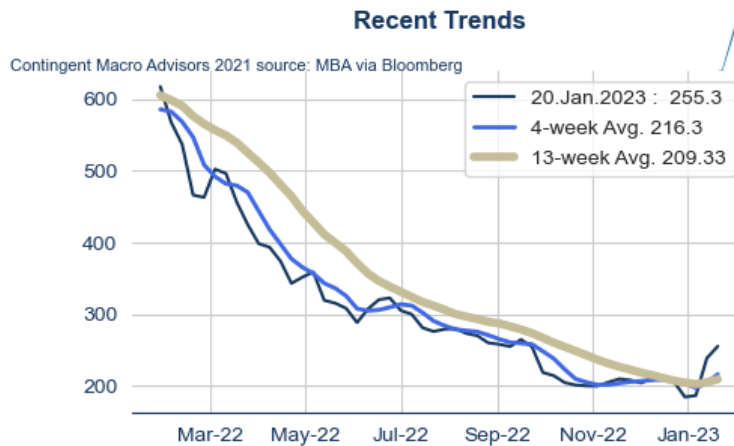
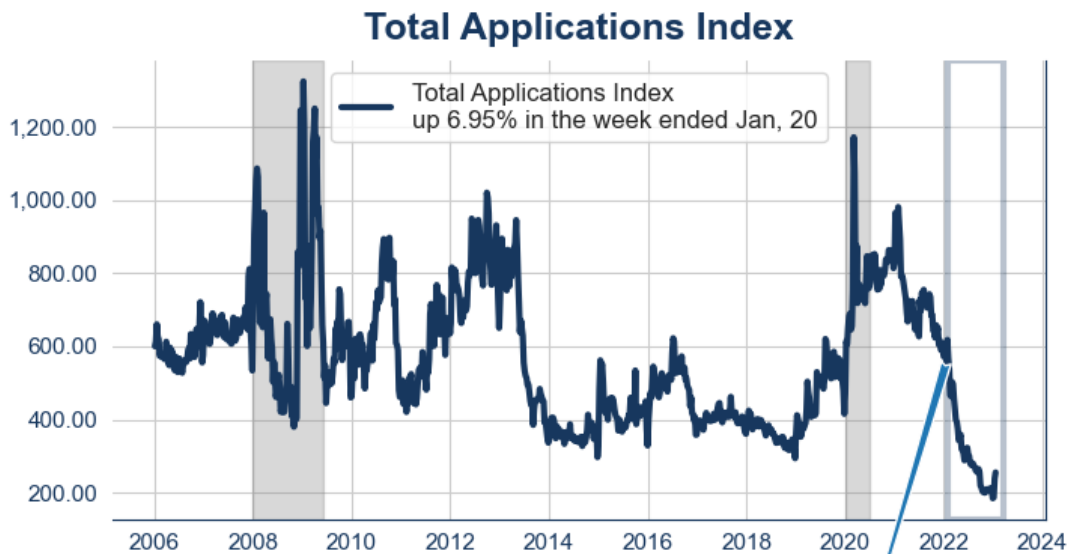


25.Jan.2023

Mortgage Apps: Signs of Life

Bottom Line: The primary mortgage market continued to show signs of life last week, benefiting from a modest decline in mortgage rates this year. Purchase applications rose to their highest level since October and, while still historically low, continued to show an impulse to move higher on lower rates. Refi applications, which started the year at record lows, jumped to their higher levels since September. With lower volatility and a modest spread tightening in the secondary market, primary market rates are settling in just below 6.5% on the average 30-year fixed rate. Housing demand remains robust, so any help on affordability from even slightly lower mortgage rates should help activity find its footing in the first half of the year.



The MBA Mortgage Application Index ROSE 7.0% to 255.0, ABOVE the 13-week average of 209.0 but -53.7% BELOW the year-ago level. Non-seasonally adjusted the index was nearly unchanged, UP 0.6%.

The Purchase Index ROSE 3.4% to 205.0, ABOVE the 13-week average of 177.0 but -31.6% BELOW the year-ago level.

The Refinancing Index ROSE sharply, UP 14.6% to 502.0, ABOVE the 13-week average of 369.0 but -74.8% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** FELL slightly, DOWN -3bps to 6.4%, BELOW the 13-week average of 6.75% but 66bps ABOVE the year-ago level.

Current coupon yields in the secondary market were up 3.0 bps last week , closing at 4.88%, and were little changed this week through Tuesday.

Purchase Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

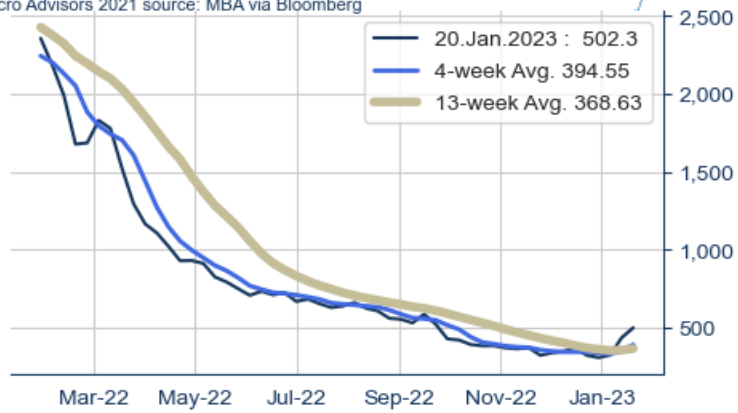


Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

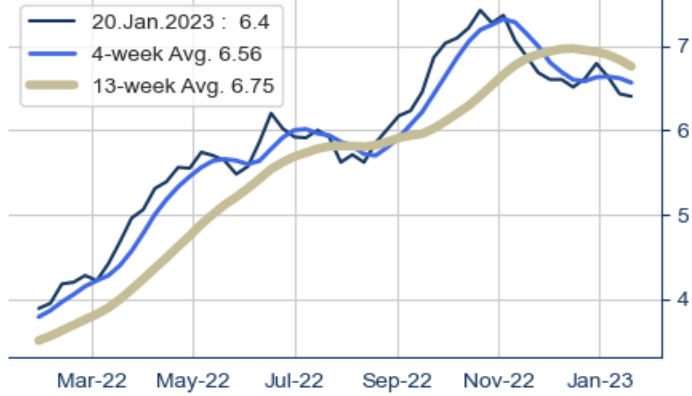


MBA 30-yr Fixed Mortgage Effective Rate

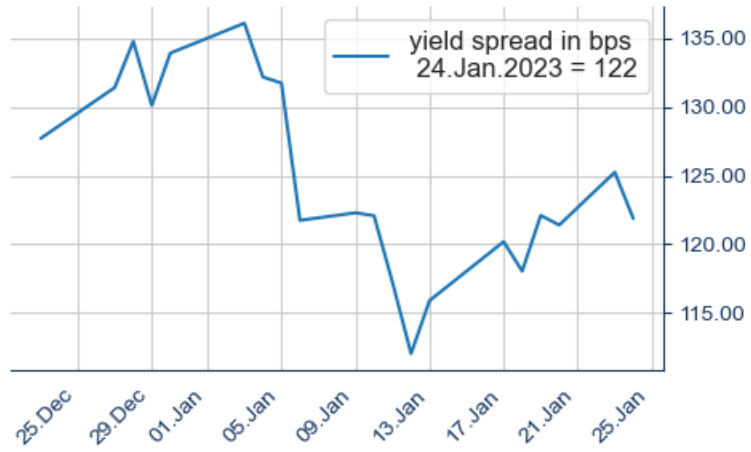


Recent Trends

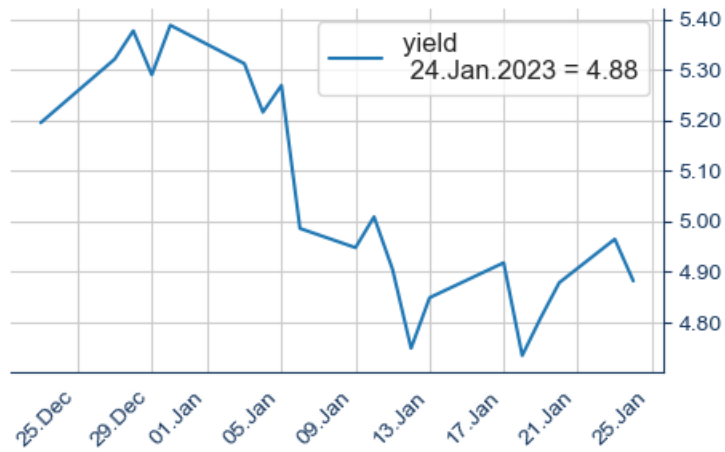
Contingent Macro Advisors 2021 source: MBA via Bloomberg



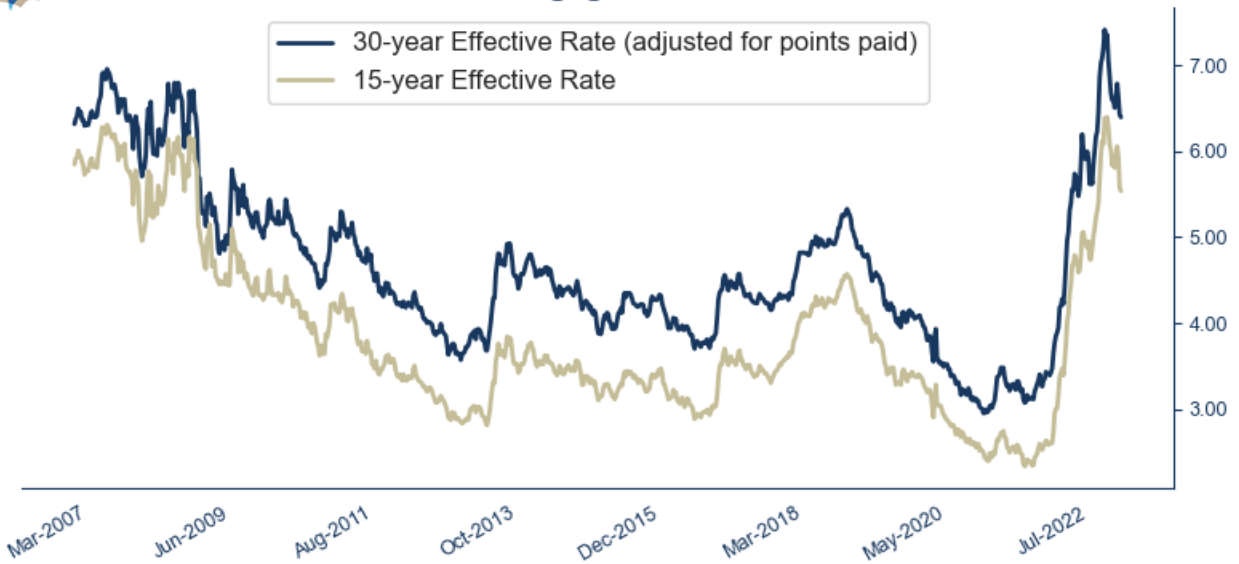
MBS Current Coupon spread to Blend of Treasury Yields

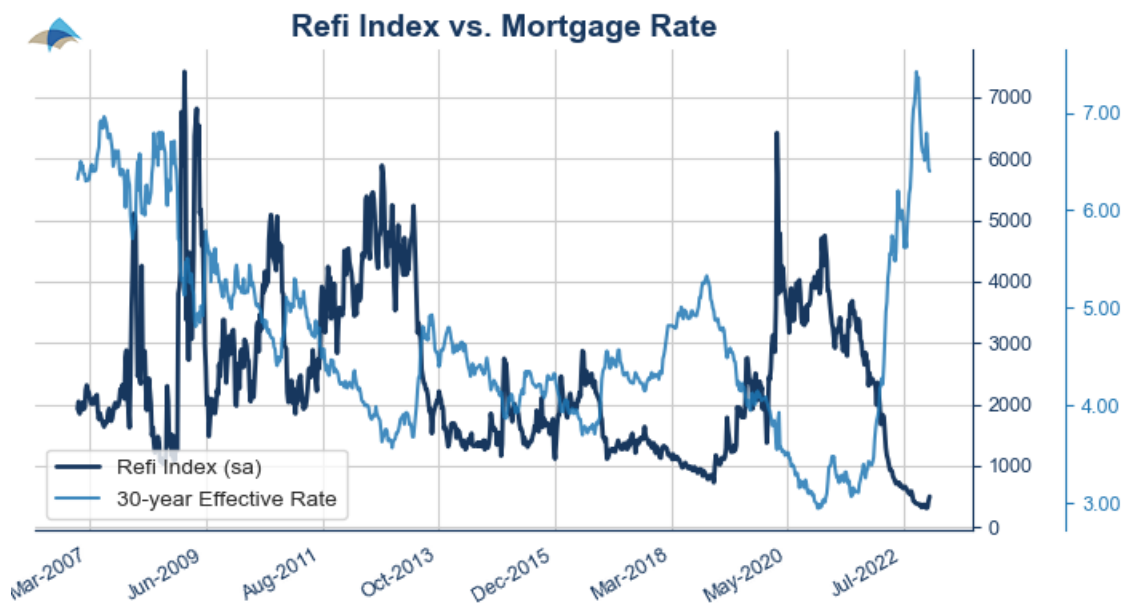
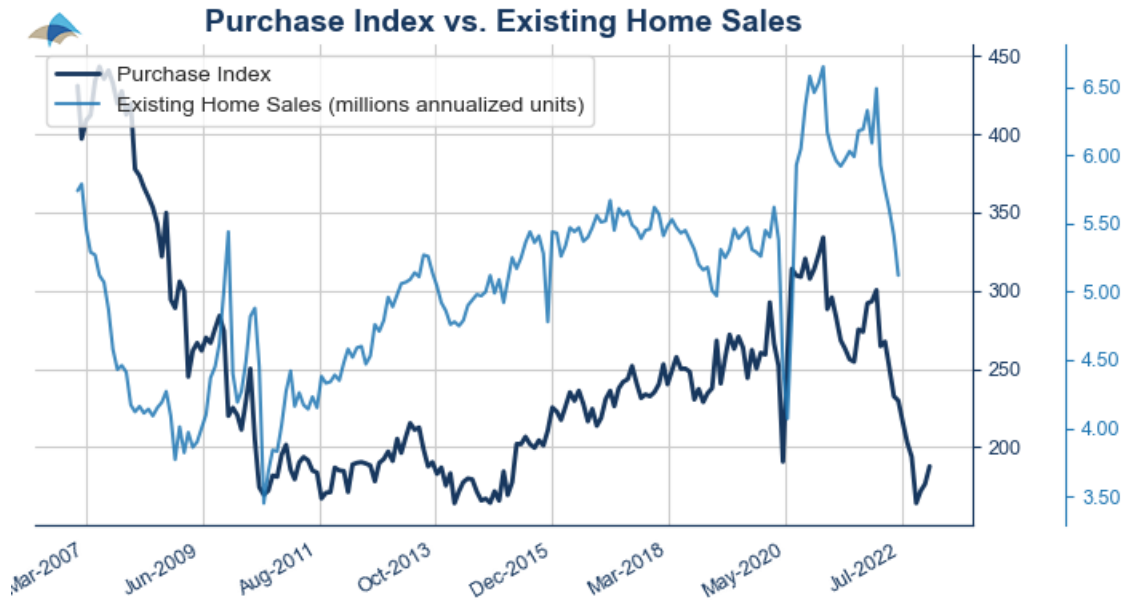


MBS Current Coupon Yield



Mortgage Rates





Weekly MBA Mortgage Application Survey	20.Jan	13.Jan	06.Jan	30.Dec	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	255.30	238.70	186.70	184.50	226.90	203.50	209.33	308.69
Week % Chg	7.00	27.90	1.20	-10.30				
Total Apps NSA % Chg.	0.59	32.29	47.82	-20.48				
Purchase Index	205.40	198.70	159.40	160.20	187.83	176.58	176.51	215.26
Purch. Idx - % Chg.	3.37	24.65	-0.50	-12.03				
Refinance Index	502.30	438.30	326.70	310.90	422.43	339.78	368.63	808.14
Refi. Idx - % Chg.	14.60	34.16	5.08	-4.43				
Ref % Tot	31.90	31.20	30.70	30.30	31.27	29.70	29.32	34.24
MBA 30-yr Fixed	6.40	6.43	6.63	6.79	6.49	6.62	6.75	5.90

Mortgage Effective Rate								
MBA 30-yr Fixed Points	0.69	0.67	0.73	0.73	0.70	0.65	0.67	0.66
MBA 15-yr Fixed Mortgage Contract Rate	5.54	5.58	5.94	6.06	5.69	5.92	5.98	5.00
MBA 15-yr Fixed Mortgage Effective Rate	5.54	5.58	5.94	6.06	5.69	5.92	5.98	5.00
MBA 15-yr Fixed Points	0.51	0.54	0.62	0.70	0.56	0.58	0.68	0.74
MBA 5-yr ARM Effective Rate	5.44	5.31	5.37	5.61	5.37	5.53	5.57	4.69
% of ARMs	6.50	6.60	7.30	7.30	6.80	7.60	8.51	8.42
% of \$ARMs	13.50	13.80	14.50	14.60	13.93	15.86	17.12	16.46

source: Mortgage Banker Association via Bloomberg Professional