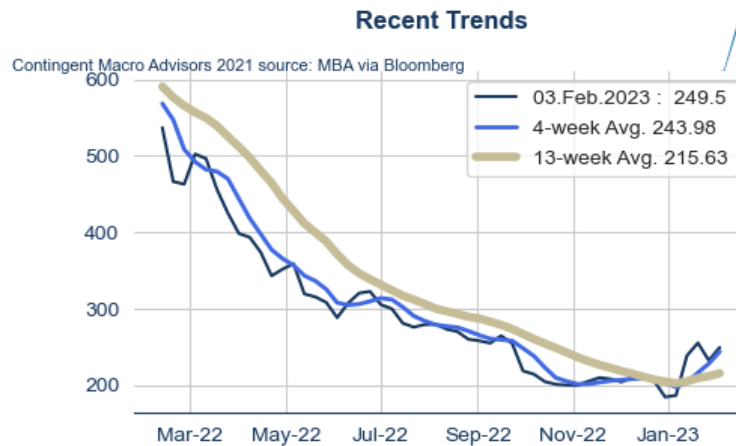
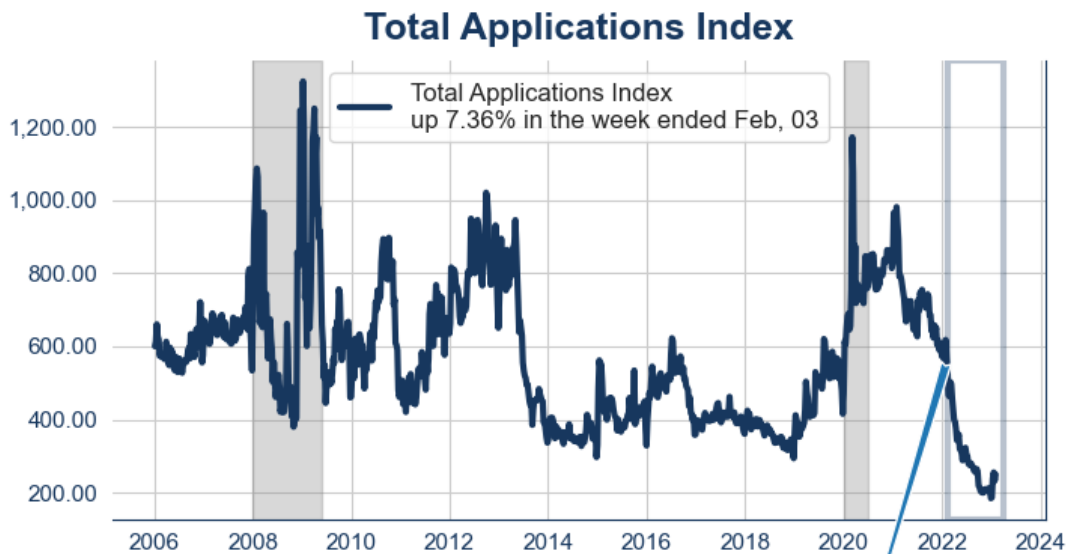


08.Feb.2023

Mortgage Apps: Rebound, Signs of Bottoming

Bottom Line: After declining in the final week of January, mostly due to seasonal adjustments around the MLK holiday, mortgage applications rebounded last week. Primary mortgage rates eased lower, with the average 30-year fixed rate mortgage below 6 3/8%, well off the highs of over 7% seen early in the 4th Quarter. On a trend basis, applications appear to have found a bottom. Secondary market rates continue to enjoy lower volatility and more normal spreads to Treasuries. Housing demand remains robust, so any help on affordability from even slightly lower mortgage rates should help activity find its footing in the year's first half. That said, secondary mortgage rates are higher this week, and it will bear watching how much that impacts activity in the 2nd half of this week.



The MBA Mortgage Application Index ROSE 7.4% to 250.0, ABOVE the 13-week average of 216.0 but -56.1% BELOW the year-ago level. Non-seasonally adjusted the index ROSE 8.3%.

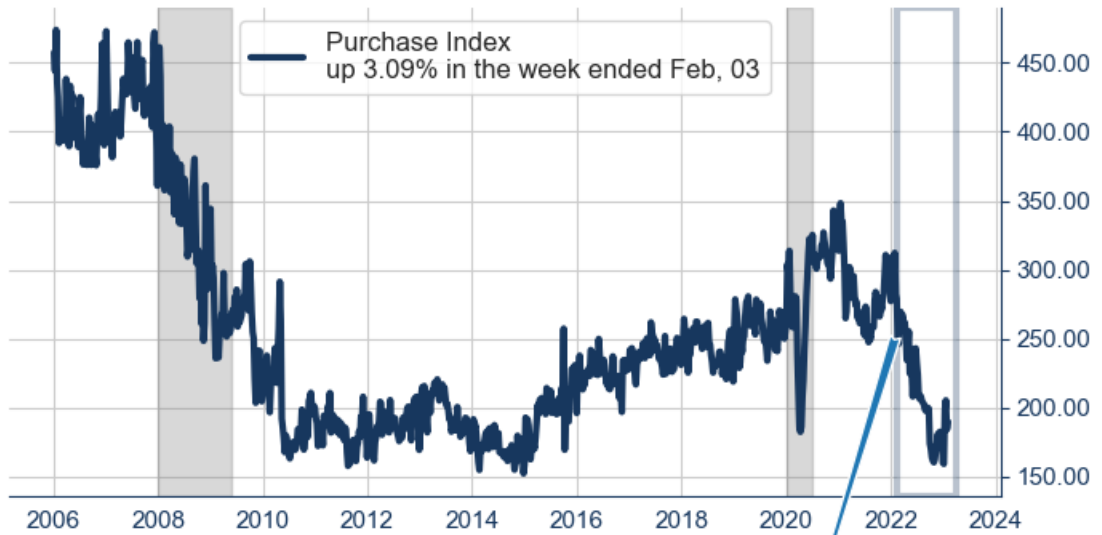
The Purchase Index ROSE 3.1% to 190.0, ABOVE the 13-week average of 180.0 but -32.7% BELOW the year-ago level.

The Refinancing Index ROSE sharply, UP 17.7% to 549.0, ABOVE the 13-week average of 388.0 but -74.8% BELOW the year-ago level.

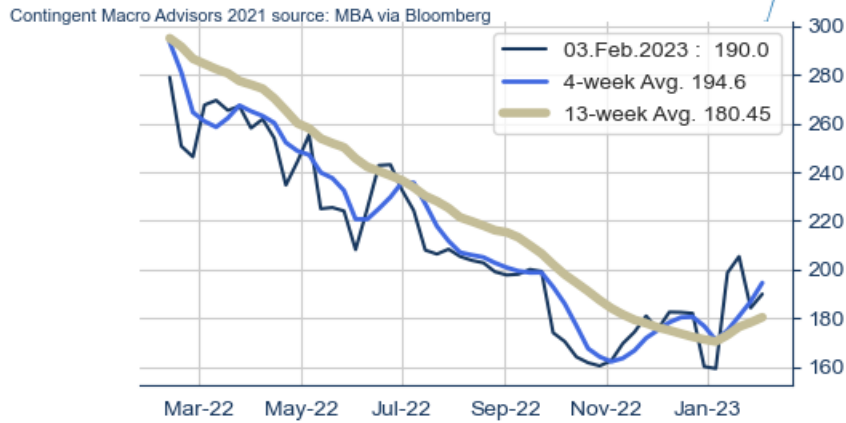
The effective (adjusted for points paid) **30-year mortgage** rate FELL slightly, DOWN -2bps to 6.36%, BELOW the 13-week average of 6.61% but 61bps ABOVE the year-ago level.

Current coupon yields in the secondary market were up 4.0 bps last week, closing at 4.89%, and were up 24.0 bps this week through Tuesday.

Purchase Index



Recent Trends

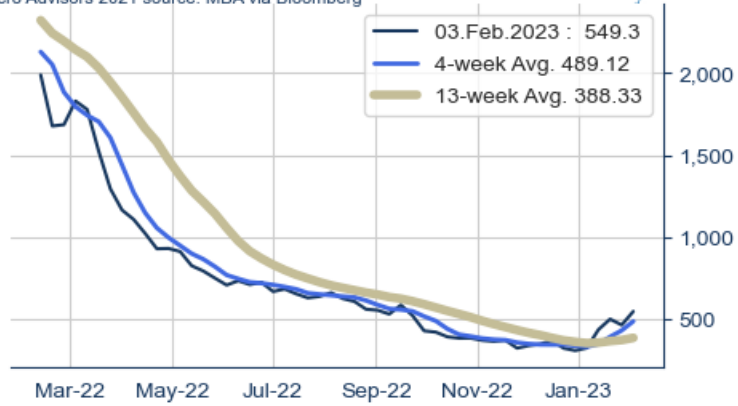


Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

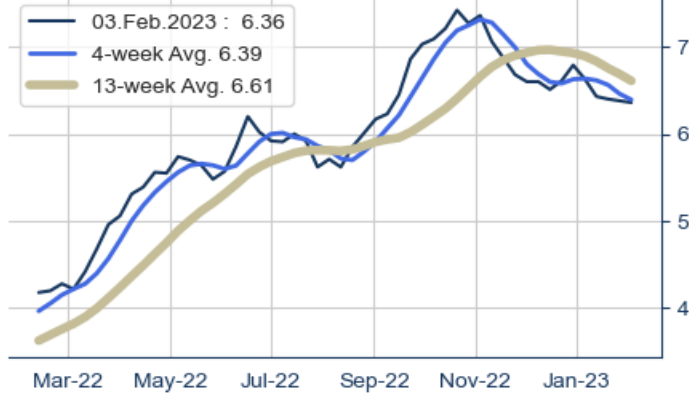


MBA 30-yr Fixed Mortgage Effective Rate

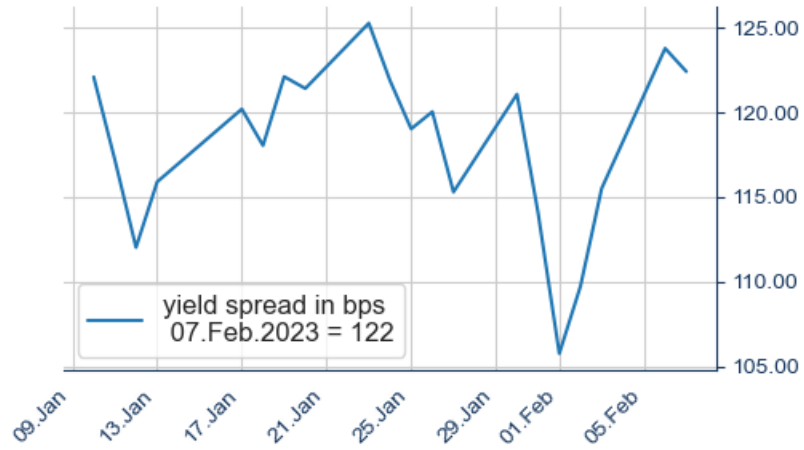


Recent Trends

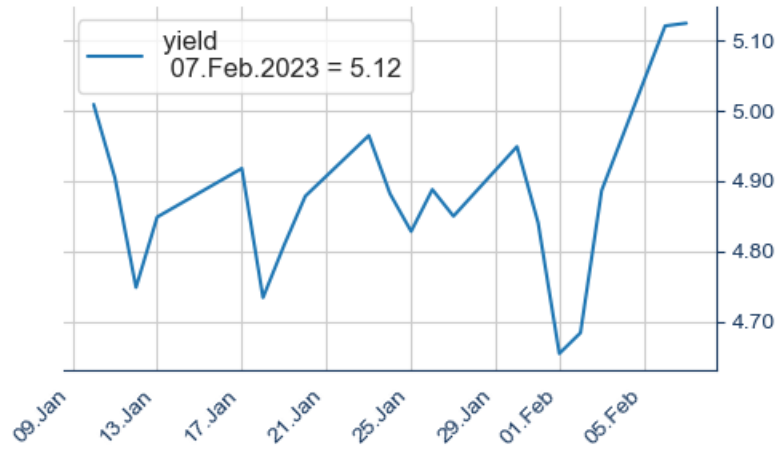
Contingent Macro Advisors 2021 source: MBA via Bloomberg



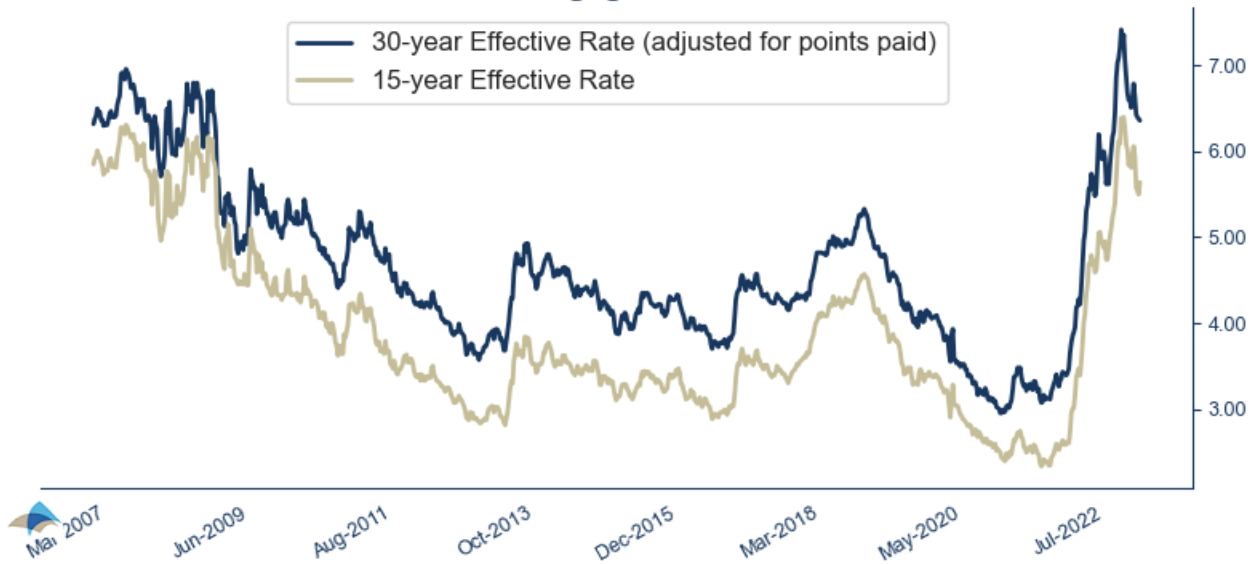
MBS Current Coupon spread to Blend of Treasury Yields



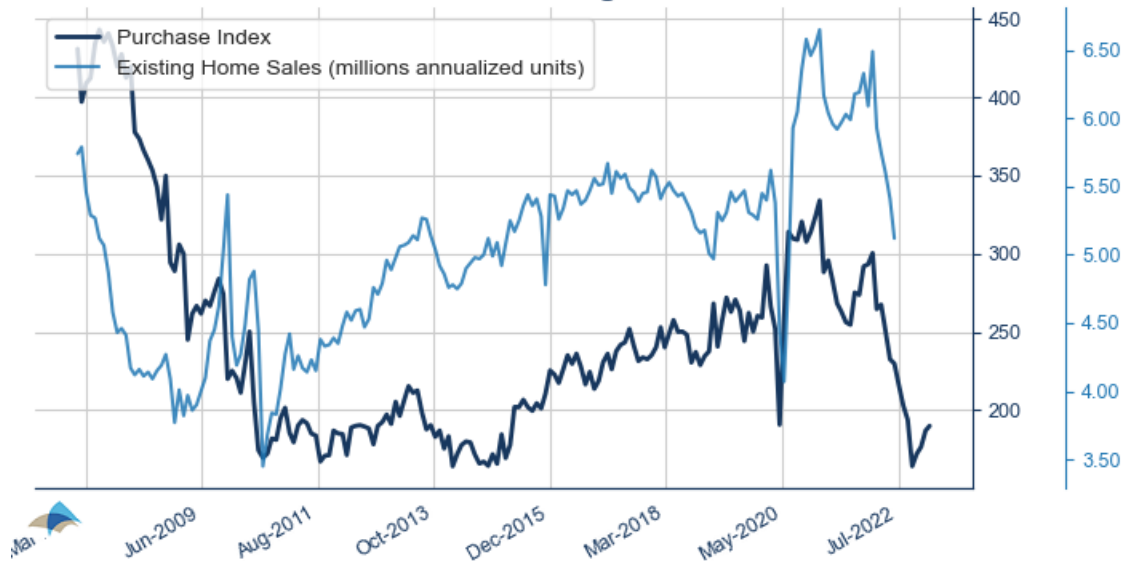
MBS Current Coupon Yield



Mortgage Rates



Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	03.Feb	27.Jan	20.Jan	13.Jan	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	249.50	232.40	255.30	238.70	249.50	228.28	215.63	295.16
Week % Chg	7.40	-9.00	7.00	27.90				
Total Apps NSA % Chg.	8.28	5.81	0.59	32.29				
Purchase Index	190.00	184.30	205.40	198.70	190.00	186.95	180.45	211.03
Purch. Idx - % Chg.	3.09	-10.27	3.37	24.65				
Refinance Index	549.30	466.60	502.30	438.30	549.30	433.48	388.33	740.39
Refi. Idx - % Chg.	17.72	-7.11	14.60	34.16				
Ref % Tot	33.90	31.20	31.90	31.20	33.90	31.25	29.96	33.31
MBA 30-yr Fixed	6.36	6.38	6.40	6.43	6.36	6.46	6.61	5.99

Mortgage Effective Rate								
MBA 30-yr Fixed Points	0.64	0.65	0.69	0.67	0.64	0.68	0.66	0.67
MBA 15-yr Fixed Mortgage Contract Rate	5.64	5.50	5.54	5.58	5.64	5.64	5.86	5.09
MBA 15-yr Fixed Mortgage Effective Rate	5.64	5.50	5.54	5.58	5.64	5.64	5.86	5.09
MBA 15-yr Fixed Points	0.63	0.73	0.51	0.54	0.63	0.60	0.62	0.75
MBA 5-yr ARM Effective Rate	5.56	5.38	5.44	5.31	5.56	5.38	5.52	4.78
% of ARMs	6.60	6.70	6.50	6.60	6.60	6.77	7.70	8.50
% of \$ARMs	14.10	13.80	13.50	13.80	14.10	13.90	15.88	16.58

source: Mortgage Banker Association via Bloomberg Professional