

19.Apr.2023

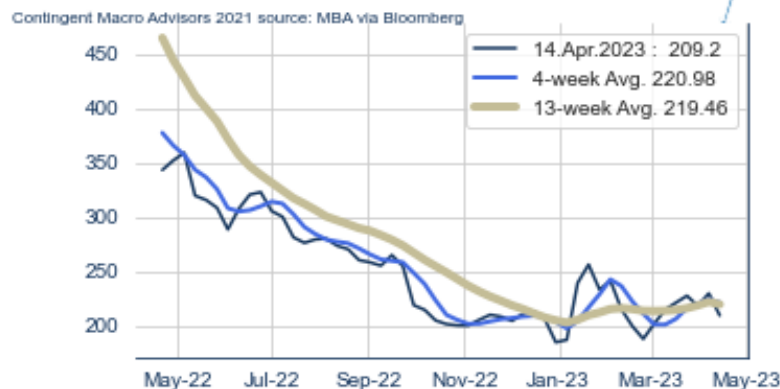
## Mortgage Apps: Potential Bottom But No Rebound

**Bottom Line:** Mortgage rates rose last week. Secondary mortgage yields continued higher early this week, and spreads to Treasuries widened further. Applications tumbled, led by purchase apps, which were down nearly 10%. While there are still hints of a bottoming, these data suggest that it will take time and lower rates before we see a material rebound in mortgage activity.

### Total Applications Index



### Recent Trends



**The MBA Mortgage Application Index** FELL sharply, DOWN -8.8% to 209.0, BELOW the 13-week average of 219.0 and -44.1% BELOW the year-ago level. Non-seasonally adjusted the index FELL -8.1%.

**The Purchase Index** FELL sharply, DOWN -10.0% to 162.0, BELOW the 13-week average of 171.0 and -36.4% BELOW the year-ago level.

**The Refinancing Index** FELL -5.8% to 450.0, BELOW the 13-week average of 458.0 and -56.0% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** ROSE 15bps to 6.61%, BELOW the 13-week average of 6.65% but 23bps ABOVE the year-ago level.

**Current coupon yields in the secondary market** were up 10.0 bps last week, closing at 5.18%, and were up 14.0 bps this week through Tuesday.

# Purchase Index



## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

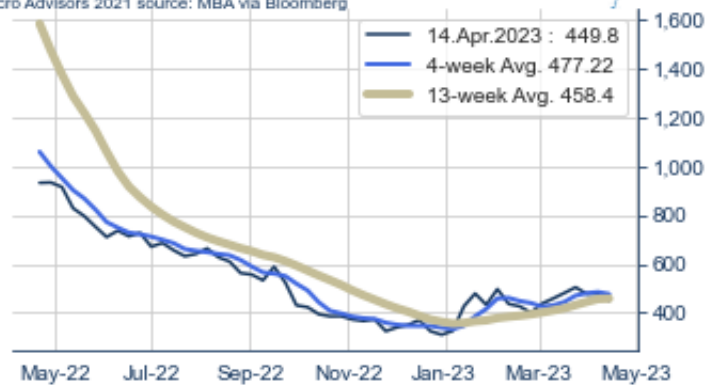


# Refinance Index



## Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

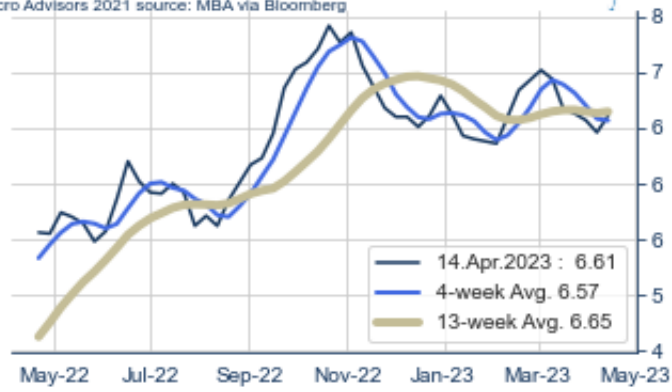


# MBA 30-yr Fixed Mortgage Effective Rate

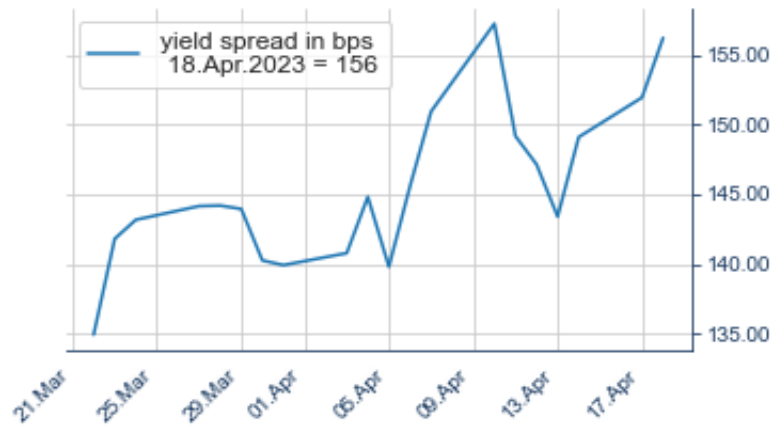


## Recent Trends

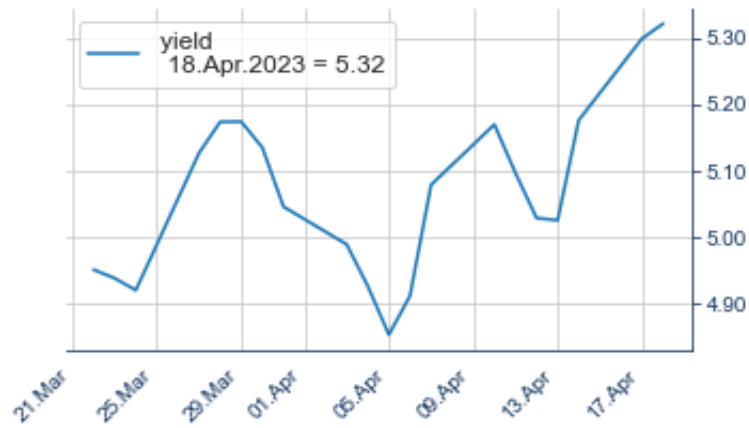
Contingent Macro Advisors 2021 source: MBA via Bloomberg



# MBS Current Coupon spread to Blend of Treasury Yields



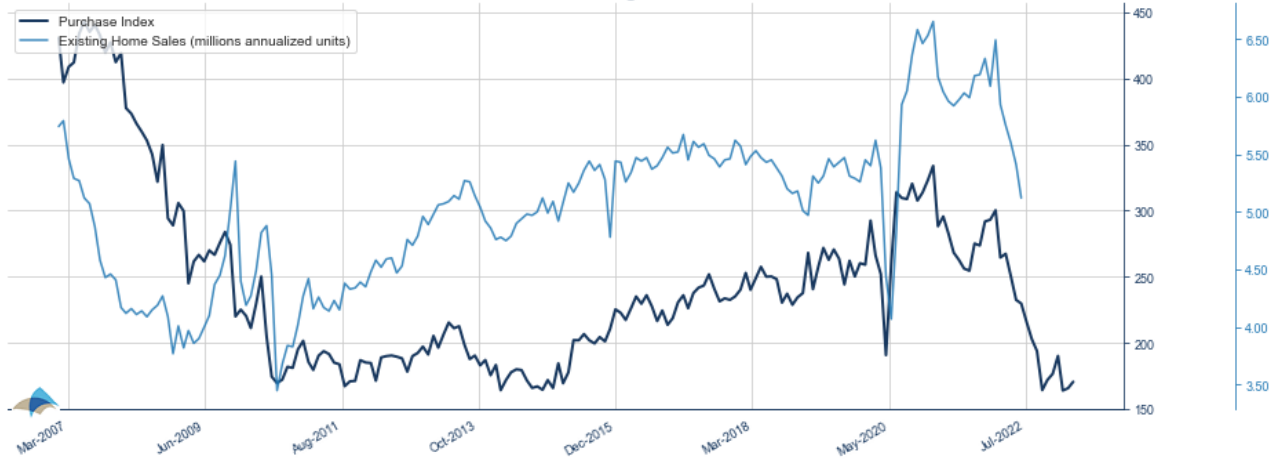
### MBS Current Coupon Yield



### Mortgage Rates



Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



| Weekly MBA Mortgage Application Survey  | 14.Apr        | 07.Apr        | 31.Mar        | 24.Mar        | MTD Avg       | Prior Mo. Avg. | 13wk. Avg.    | 52wk. Avg.    |
|---|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|
| <b>Total Applications Index</b>         | <b>209.20</b> | <b>229.50</b> | <b>217.90</b> | <b>227.30</b> | <b>219.35</b> | <b>216.44</b>  | <b>219.46</b> | <b>249.07</b> |
| <b>Week % Chg</b>                       | <b>-8.80</b>  | <b>5.30</b>   | <b>-4.10</b>  | <b>2.90</b>   |               |                |               |               |
| <b>Total Apps NSA % Chg.</b>            | <b>-8.14</b>  | <b>6.27</b>   | <b>-3.70</b>  | <b>3.03</b>   |               |                |               |               |
| Purchase Index                          | 161.60        | 179.60        | 166.60        | 172.70        | 170.60        | 165.72         | 171.22        | 192.35        |
| Purch. Idx - % Chg.                     | -10.02        | 7.80          | -3.53         | 2.01          |               |                |               |               |
| Refinance Index                         | 449.80        | 477.50        | 477.20        | 504.40        | 463.65        | 471.94         | 458.40        | 535.65        |
| Refi. Idx - % Chg.                      | -5.80         | 0.06          | -5.39         | 4.80          |               |                |               |               |
| Ref % Tot                               | 27.60         | 27.00         | 28.60         | 29.10         | 27.30         | 28.68          | 28.85         | 30.03         |
| MBA 30-yr Fixed Mortgage Effective Rate | 6.61          | 6.46          | 6.57          | 6.63          | 6.54          | 6.77           | 6.65          | 6.39          |
| MBA 30-yr Fixed Points                  | 0.63          | 0.55          | 0.59          | 0.62          | 0.59          | 0.69           | 0.68          | 0.70          |
| MBA 15-yr Fixed Mortgage Contract Rate  | 5.89          | 5.78          | 5.97          | 5.84          | 5.83          | 6.04           | 5.89          | 5.52          |
| MBA 15-yr Fixed Mortgage Effective Rate | 5.89          | 5.78          | 5.97          | 5.84          | 5.83          | 6.04           | 5.89          | 5.52          |



|                             |       |       |       |       |       |       |       |       |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| MBA 15-yr Fixed Points      | 0.65  | 0.57  | 0.54  | 0.57  | 0.61  | 0.70  | 0.71  | 0.78  |
| MBA 5-yr ARM Effective Rate | 5.56  | 5.51  | 5.61  | 5.62  | 5.54  | 5.65  | 5.59  | 5.17  |
| % of ARMs                   | 6.30  | 6.00  | 7.20  | 7.70  | 6.15  | 8.12  | 7.33  | 8.77  |
| % of \$ARMs                 | 12.20 | 12.30 | 13.80 | 15.60 | 12.25 | 16.22 | 14.89 | 16.92 |

source: Mortgage Banker Association via Bloomberg Professional