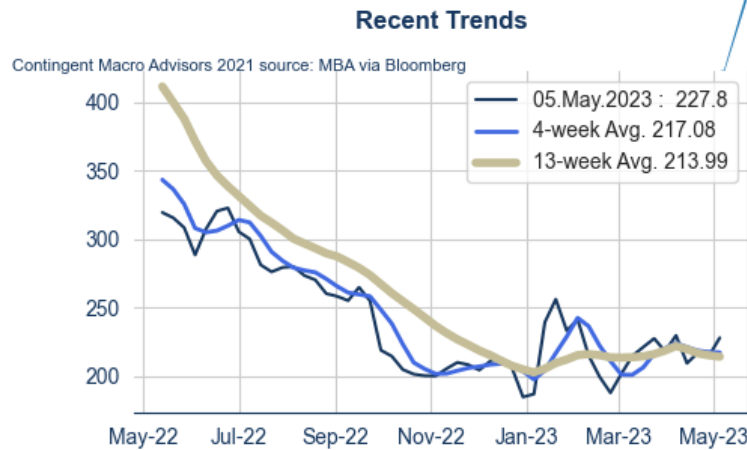
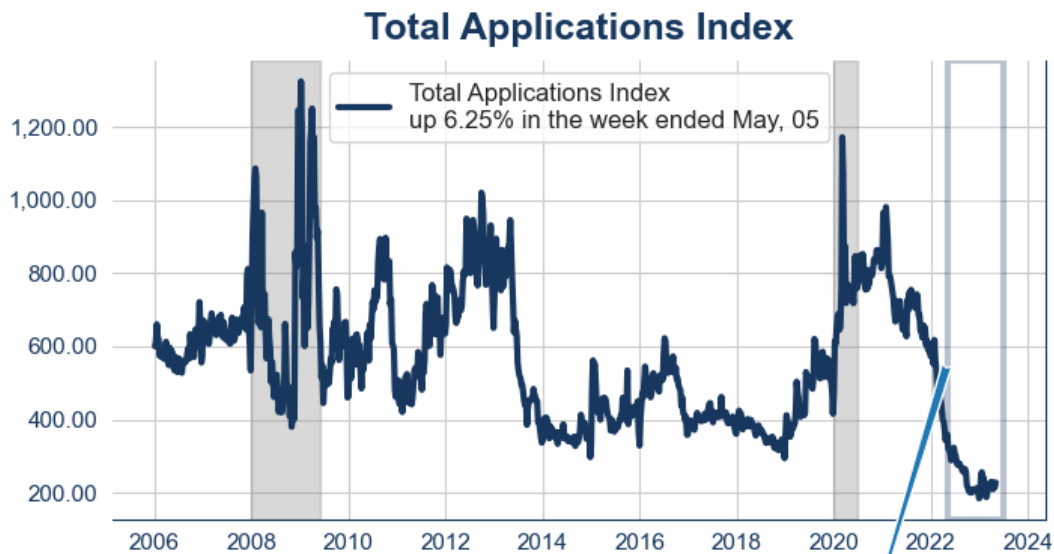


10.May.2023

Mortgage Apps: Stabilization Hinges on Secondary Market

Bottom Line: Primary mortgage rates were steady last week as secondary mortgage market yields edged lower (and were lower still through yesterday). That helped push mortgage applications higher, led by a continued rebound in refinancing activity. While wide spreads to Treasuries and the threat of regional bank selling leave the secondary market vulnerable, we continue to see signs of bottoming in both new purchase and refinancing applications. Holding below 7% on the average 30-year fixed-rate mortgage will likely prove critical.



The MBA Mortgage Application Index ROSE 6.2% to 228.0, ABOVE the 13-week average of 214.0 but -36.5% BELOW the year-ago level. Non-seasonally adjusted the index ROSE 6.6%.

The Purchase Index ROSE 4.8% to 174.0, ABOVE the 13-week average of 165.0 but -32.0% BELOW the year-ago level.

The Refinancing Index ROSE 10.0% to 507.0, ABOVE the 13-week average of 460.0 but -44.5% BELOW the year-ago level.

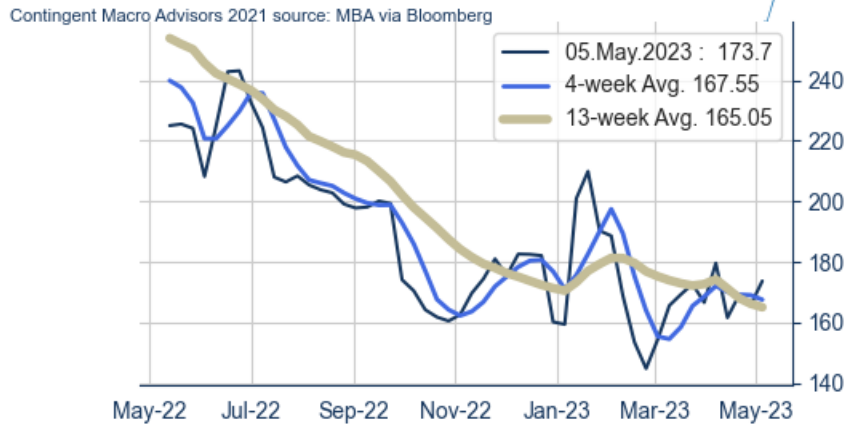
The effective (adjusted for points paid) 30-year mortgage rate FELL slightly , DOWN -3bps to 6.66%, BELOW the 13-week average of 6.72% but 16bps ABOVE the year-ago level.

Current coupon yields in the secondary market were down -6.0 bps last week , closing at 5.08%, and were up 15.0 bps this week through Tuesday.

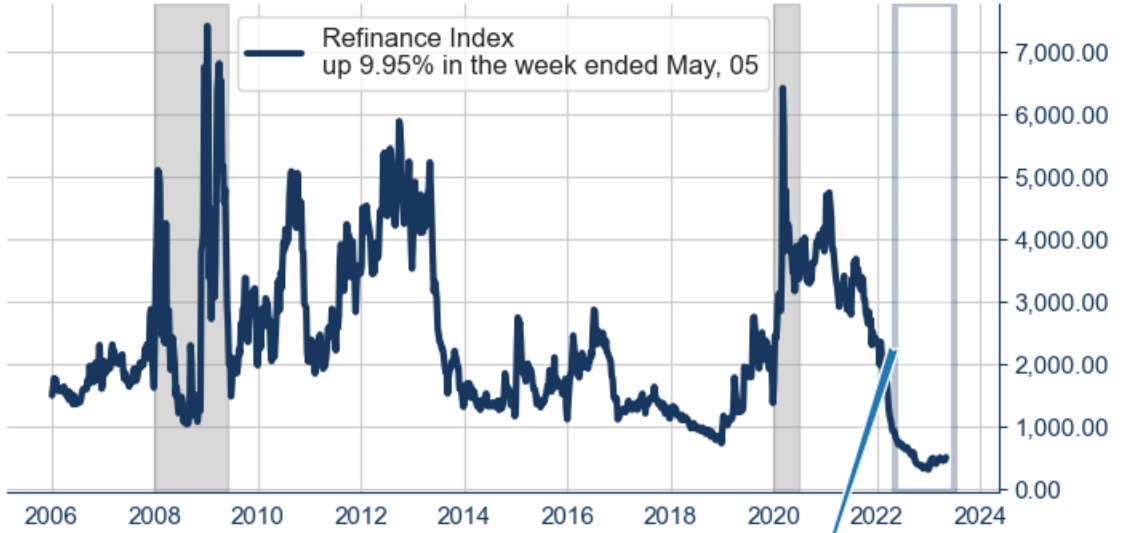
Purchase Index



Recent Trends

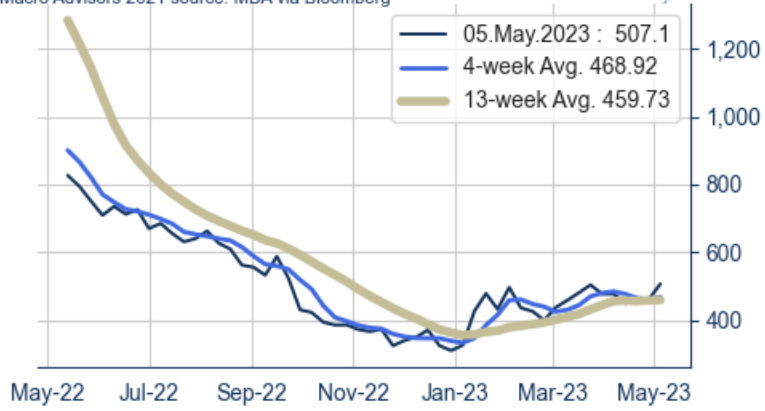


Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

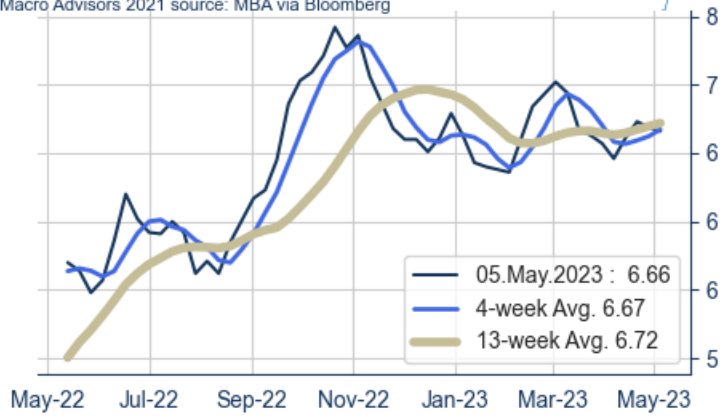


MBA 30-yr Fixed Mortgage Effective Rate

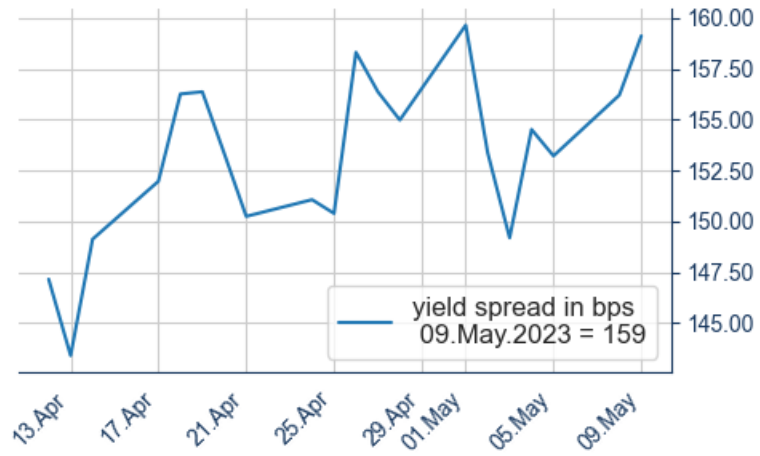


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



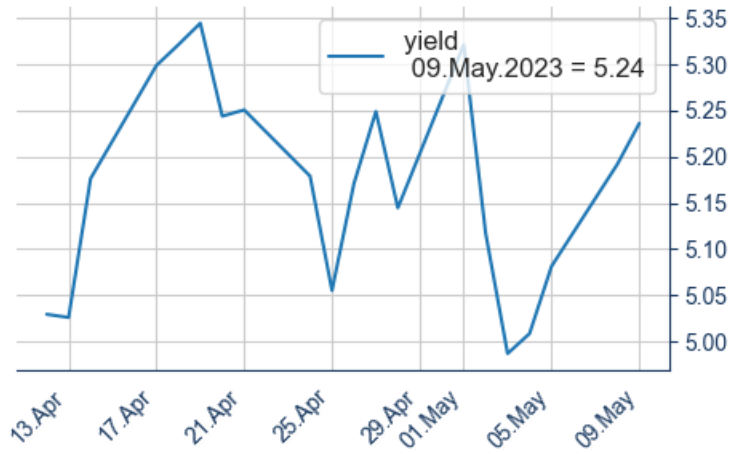
MBS Current Coupon spread to Blend of Treasury Yields



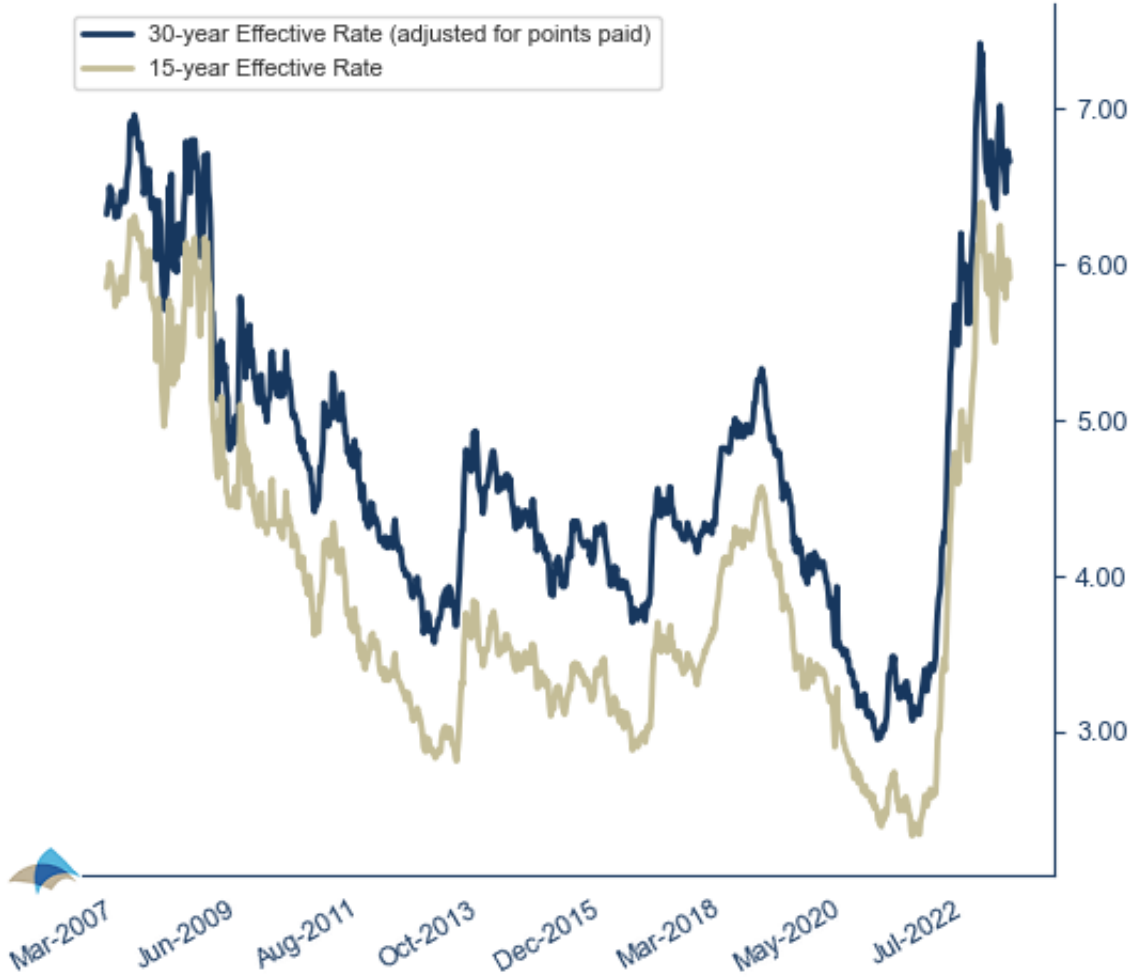
MBS Current Coupon Yield



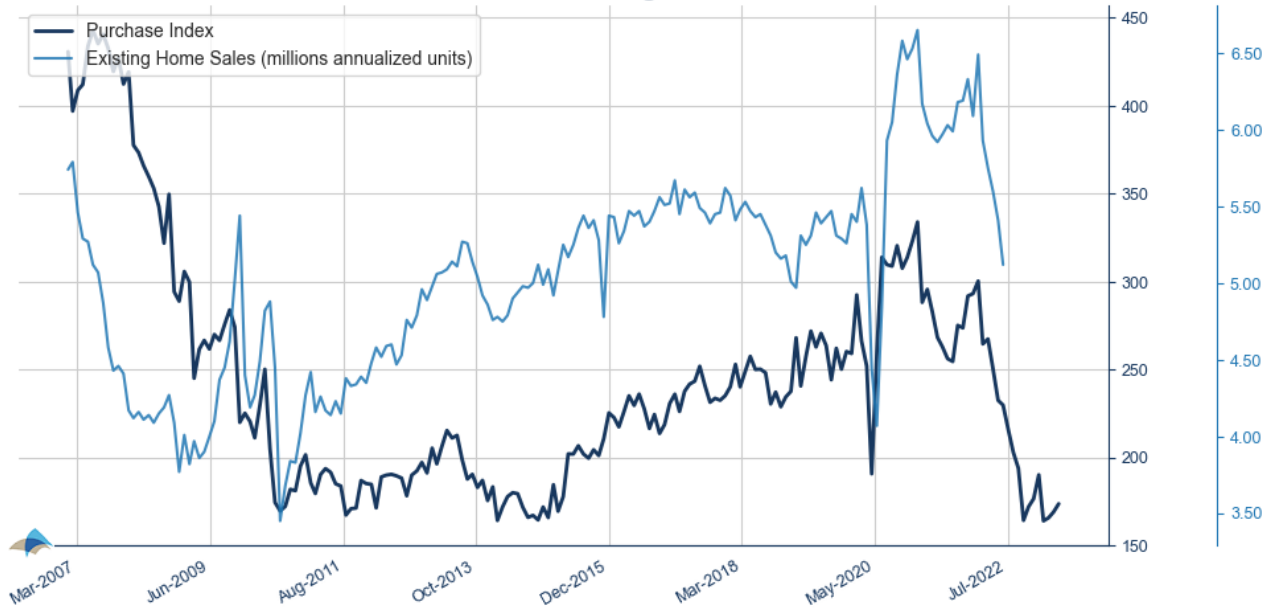
last 20 trading days



Mortgage Rates



Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	05.May	28.Apr	21.Apr	14.Apr	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	227.80	214.40	216.90	209.20	227.80	217.50	213.99	241.48
Week % Chg	6.30	-1.20	3.70	-8.80				
Total Apps NSA % Chg.	6.61	-0.45	4.75	-8.14				
Purchase Index	173.70	165.80	169.10	161.60	173.70	169.02	165.05	188.01
Purch. Idx - % Chg.	4.76	-1.95	4.64	-10.02				
Refinance Index	507.10	461.20	457.60	449.80	507.10	461.53	459.73	509.67
Refi. Idx - % Chg.	9.95	0.79	1.73	-5.80				
Ref % Tot	28.00	27.20	26.80	27.60	28.00	27.15	28.24	29.66
MBA 30-yr Fixed Mortgage Effective Rate	6.66	6.69	6.73	6.61	6.66	6.62	6.72	6.45
MBA 30-yr Fixed Points	0.61	0.63	0.63	0.63	0.61	0.61	0.67	0.70
MBA 15-yr Fixed Mortgage Contract Rate	5.91	6.01	6.03	5.89	5.91	5.93	5.98	5.59
MBA 15-yr Fixed Mortgage Effective Rate	5.91	6.01	6.03	5.89	5.91	5.93	5.98	5.59
MBA 15-yr Fixed Points	0.58	0.55	0.56	0.65	0.58	0.58	0.70	0.77
MBA 5-yr ARM Effective Rate	5.35	5.48	5.47	5.56	5.35	5.50	5.58	5.23
% of ARMs	6.80	7.30	6.70	6.30	6.80	6.58	7.41	8.60
% of \$ARMs	14.30	14.60	13.00	12.20	14.30	13.03	14.93	16.70

source: Mortgage Banker Association via Bloomberg Professional