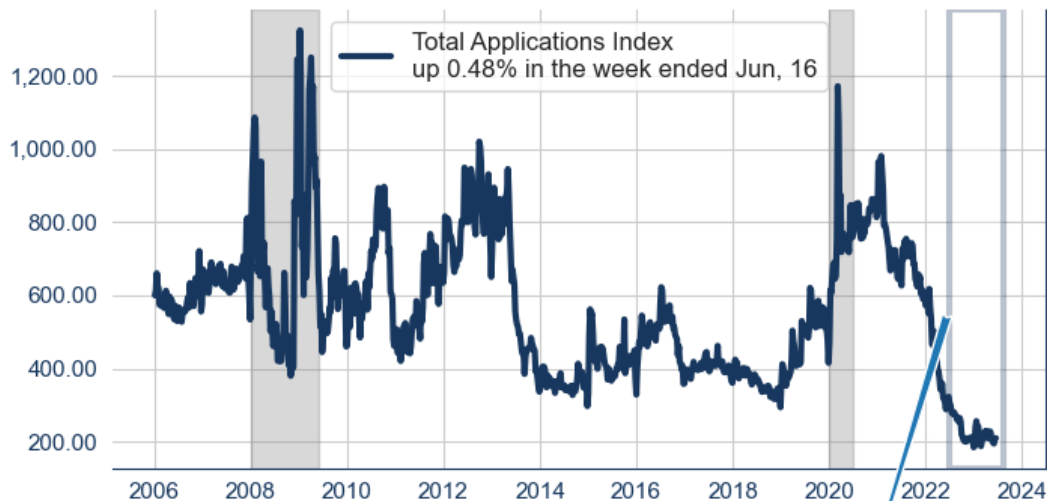


21.Jun.2023

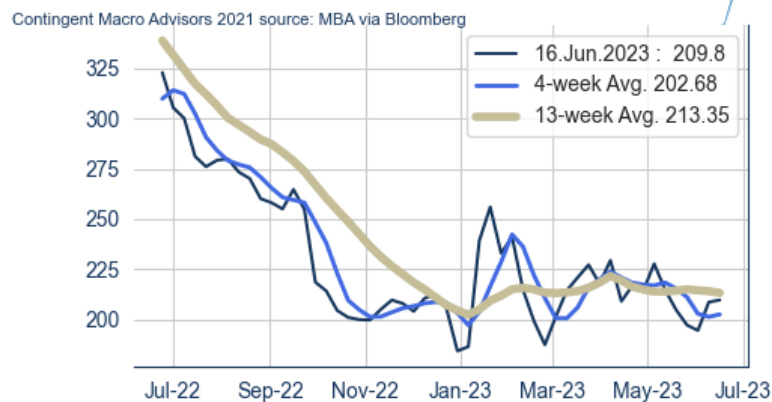
Mortgage Apps: Holding Below 7% For Now

Bottom Line: Mortgage activity rose slightly on an uptick in purchase applications as housing activity continues to show signs of bottoming. Refinancing applications were modestly lower, despite a slight decline in mortgage rates. The average 30-year fixed-rate mortgage fell eight basis points to 6.92%, holding below the critical 7% psychological barrier and down from 7.15% in the last full week of May. Secondary mortgage market rates eased modestly after topping well below the October highs for now. Moreover, spreads to Treasuries have been reasonably well behaved given the volatility. Overall, the mortgage market remains highly sensitive to rates, especially any upward pressure above 7% on 30-year fixed mortgages, but there are still signs of bottoming in activity.

Total Applications Index



Recent Trends



The MBA Mortgage Application Index was nearly unchanged, UP 0.5% to 210.0, BELOW the 13-week average of 213.0, and -34.5% BELOW the year-ago level. Non-seasonally adjusted, the index was nearly unchanged, DOWN -0.6%.

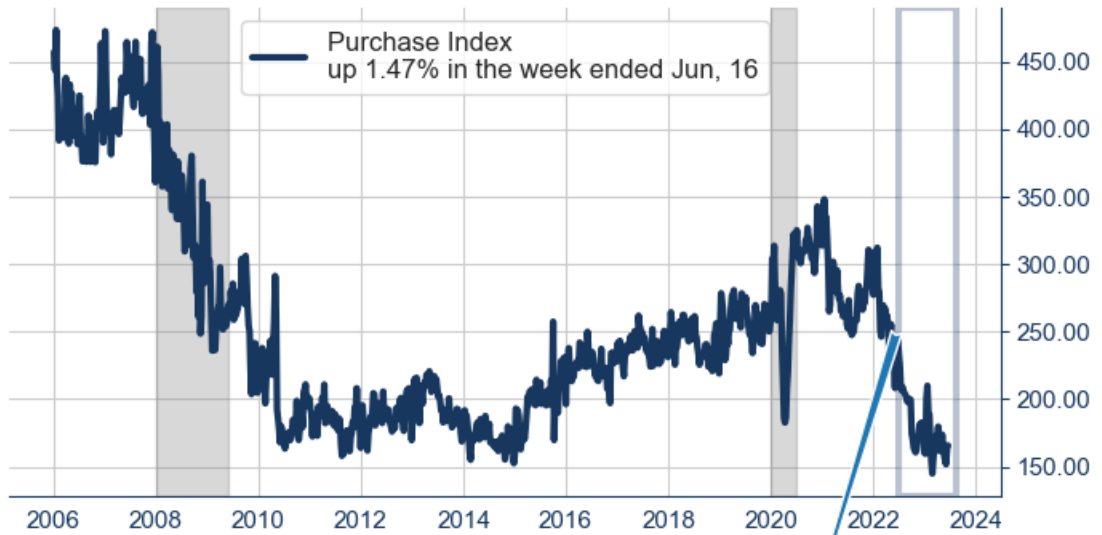
The Purchase Index ROSE slightly, UP 1.5% to 166.0, ABOVE the 13-week average of 165.0 but -31.8% BELOW the year-ago level.

The Refinancing Index FELL slightly, DOWN -2.1% to 425.0, BELOW the 13-week average of 456.0 and -40.4% BELOW the year-ago level.

The effective (adjusted for points paid) 30-year mortgage rate FELL slightly, DOWN -4bps to 6.92%, ABOVE the 13-week average of 6.77% and 12bps ABOVE the year-ago level.

Current coupon yields in the secondary market were down -4.0 bps last week, closing at 5.42%, and were little changed this week through Tuesday.

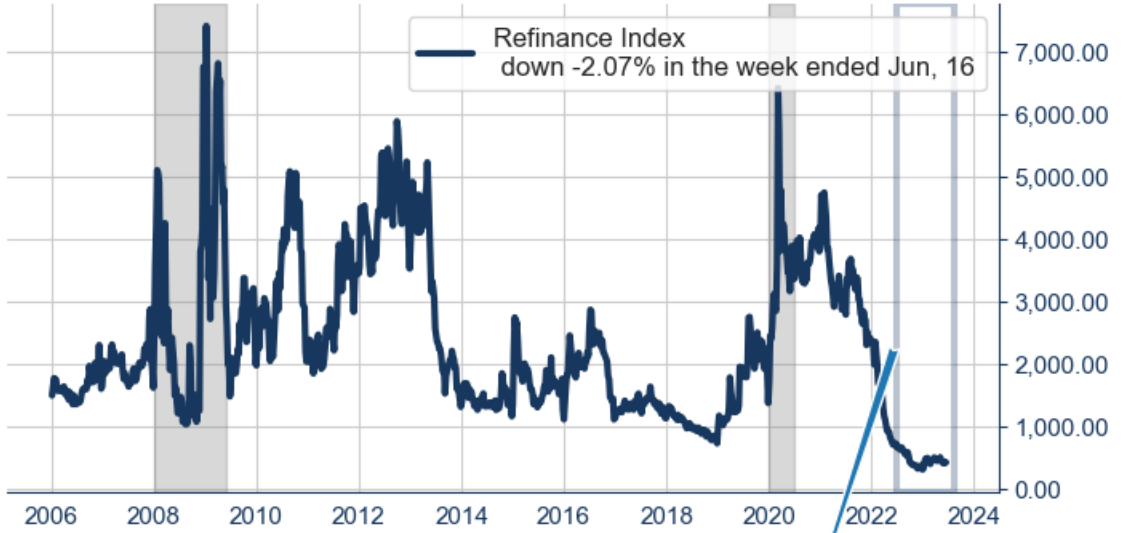
Purchase Index



Recent Trends

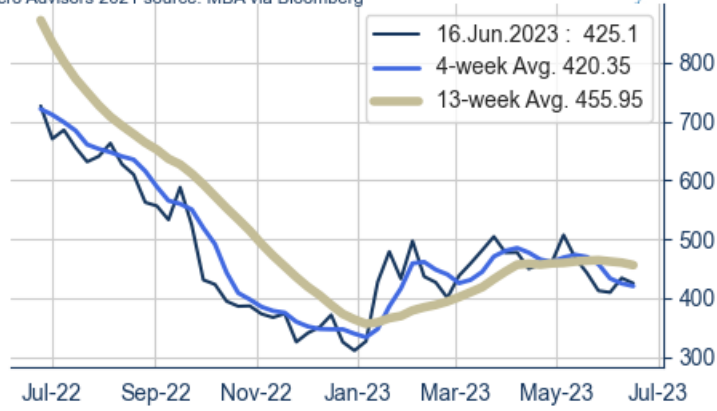


Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

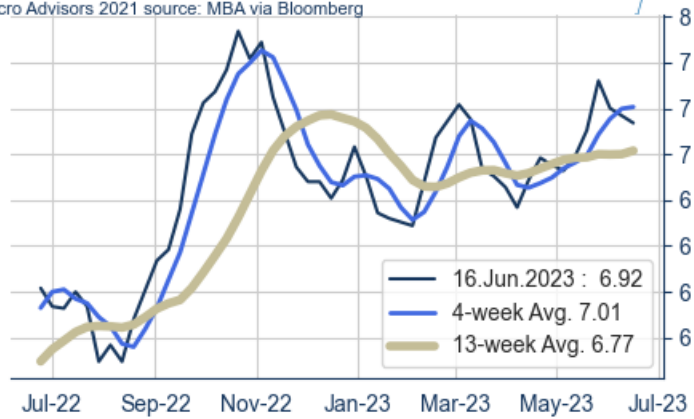


MBA 30-yr Fixed Mortgage Effective Rate

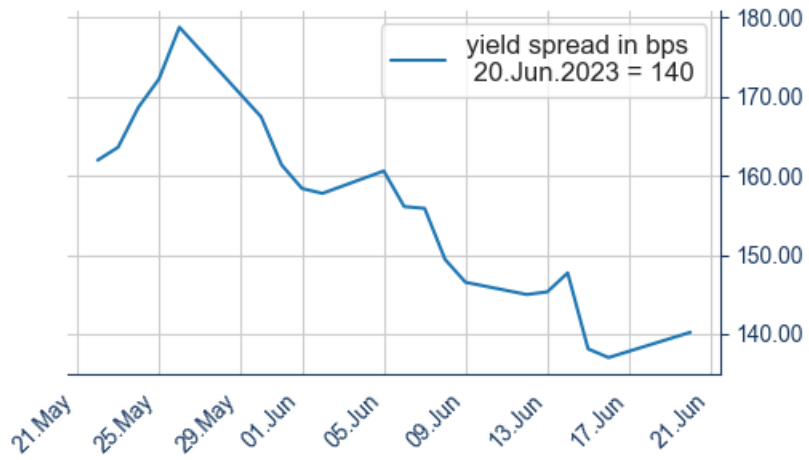


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



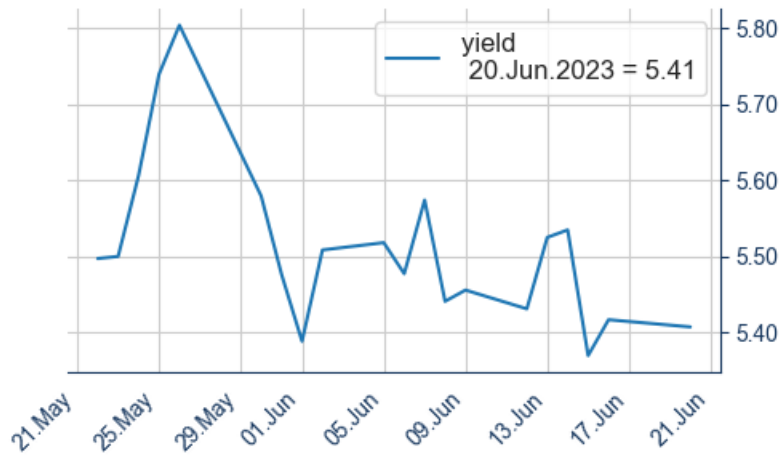
MBS Current Coupon spread to Blend of Treasury Yields



MBS Current Coupon Yield



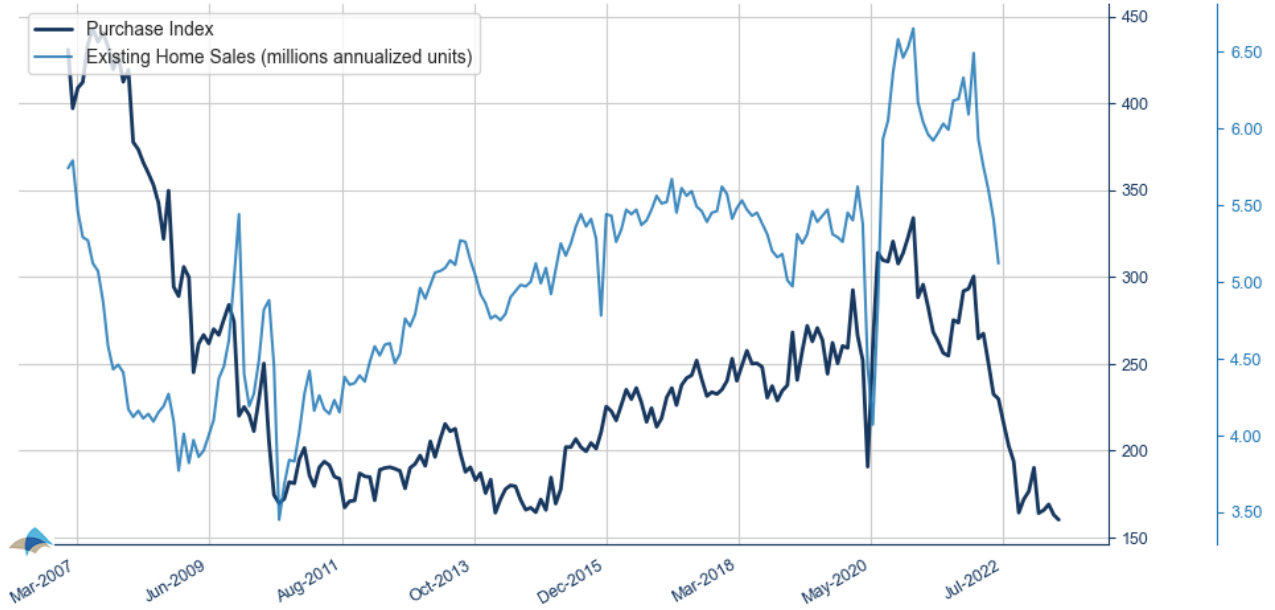
last 20 trading days



Mortgage Rates



Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	16.Jun	09.Jun	02.Jun	26.May	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	209.80	208.80	194.70	197.40	204.43	211.28	213.35	229.39
Week % Chg	0.50	7.20	-1.40	-3.70				
Total Apps NSA % Chg.	-0.57	17.47	-12.45	-4.69				
Purchase Index	165.60	163.20	151.70	154.40	160.17	162.95	165.21	180.47
Purch. Idx - % Chg.	1.47	7.58	-1.75	-2.46				
Refinance Index	425.10	434.10	409.70	412.50	422.97	457.70	455.95	472.39
Refi. Idx - % Chg.	-2.07	5.96	-0.68	-6.88				
Ref % Tot	26.90	27.30	27.30	26.70	27.17	27.38	27.48	29.13
MBA 30-yr Fixed Mortgage Effective Rate	6.92	6.96	7.00	7.15	6.96	6.86	6.77	6.59
MBA 30-yr Fixed Points	0.64	0.65	0.66	0.83	0.65	0.68	0.64	0.70
MBA 15-yr Fixed Mortgage Contract Rate	6.26	6.25	6.25	6.41	6.25	6.11	6.05	5.76
MBA 15-yr Fixed Mortgage Effective Rate	6.26	6.25	6.25	6.41	6.25	6.11	6.05	5.76
MBA 15-yr Fixed Points	0.71	1.05	0.62	0.84	0.79	0.70	0.66	0.77
MBA 5-yr ARM Effective Rate	6.09	5.90	5.93	5.39	5.97	5.54	5.64	5.38
% of ARMs	6.30	6.50	6.80	6.80	6.53	6.70	6.74	8.30
% of \$ARMs	12.70	12.80	13.20	14.30	12.90	14.25	13.63	16.31

source: Mortgage Banker Association via Bloomberg Professional