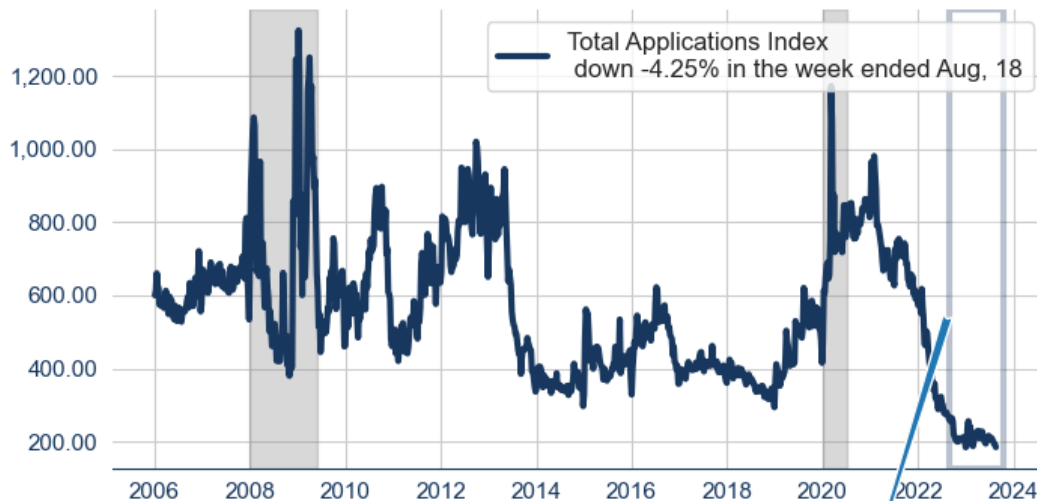


23.Aug.2023

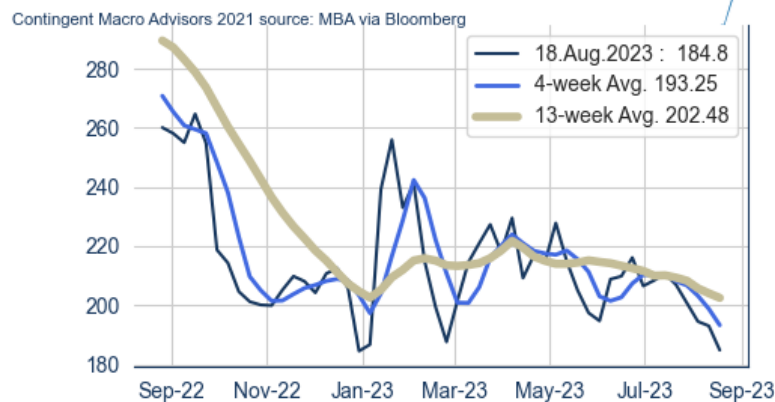
Mortgage Apps: Rates Over 7.50%, Jeopardizing Recovery

Bottom Line: Mortgage activity fell again last week, hitting a record low as the average 30-year fixed-rate mortgage pushed above 7.50%. While secondary mortgage market spreads to Treasuries stabilized in the last week, Treasury yields continued to push higher. Purchase applications and those for refis were lower last week. **Overall, application volumes suggest that mortgage rates are jeopardizing the recovery in housing activity.**

Total Applications Index



Recent Trends



The MBA Mortgage Application Index FELL -4.2% to 185.0, BELOW the 13-week average of 202.0 and -31.6% BELOW the year-ago level. Non-seasonally adjusted the index FELL -5.6%.

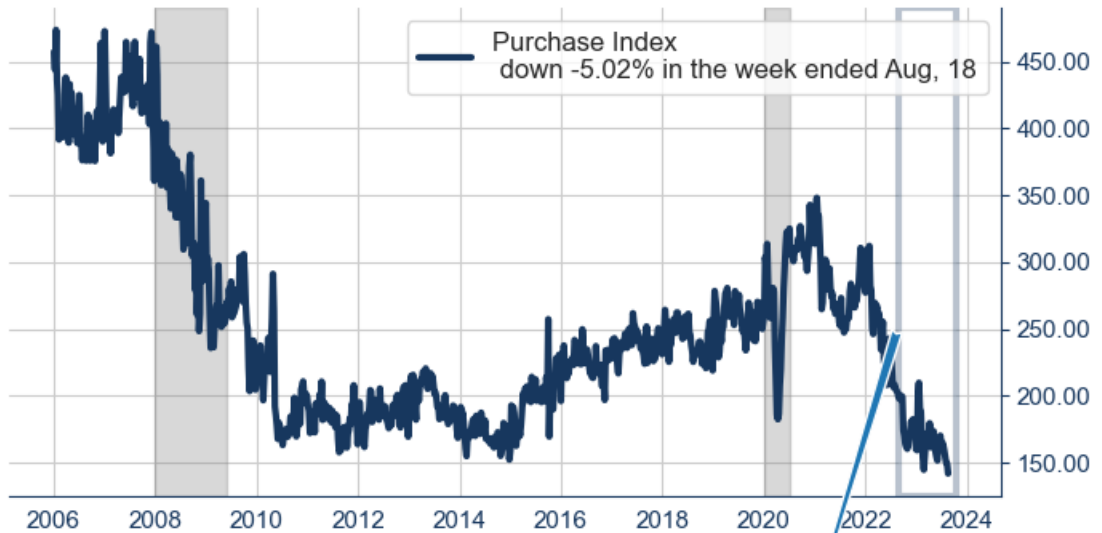
The Purchase Index FELL -5.0% to 142.0, BELOW the 13-week average of 158.0 and -30.0% BELOW the year-ago level.

The Refinancing Index FELL -2.8% to 397.0, BELOW the 13-week average of 423.0 and -34.9% BELOW the year-ago level.

The effective (adjusted for points paid) 30-year mortgage rate ROSE 18bps to 7.54%, ABOVE the 13-week average of 7.13% and 29bps ABOVE the year-ago level.

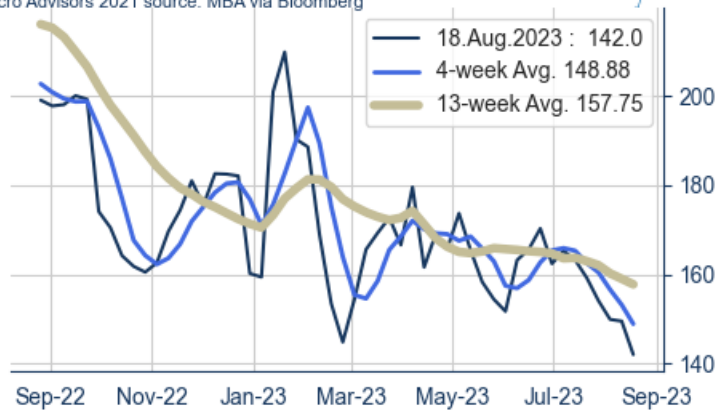
Current coupon yields in the secondary market were up 16.0 bps last week , closing at 6.14%, and were up 9.0 bps this week through Tuesday.

Purchase Index

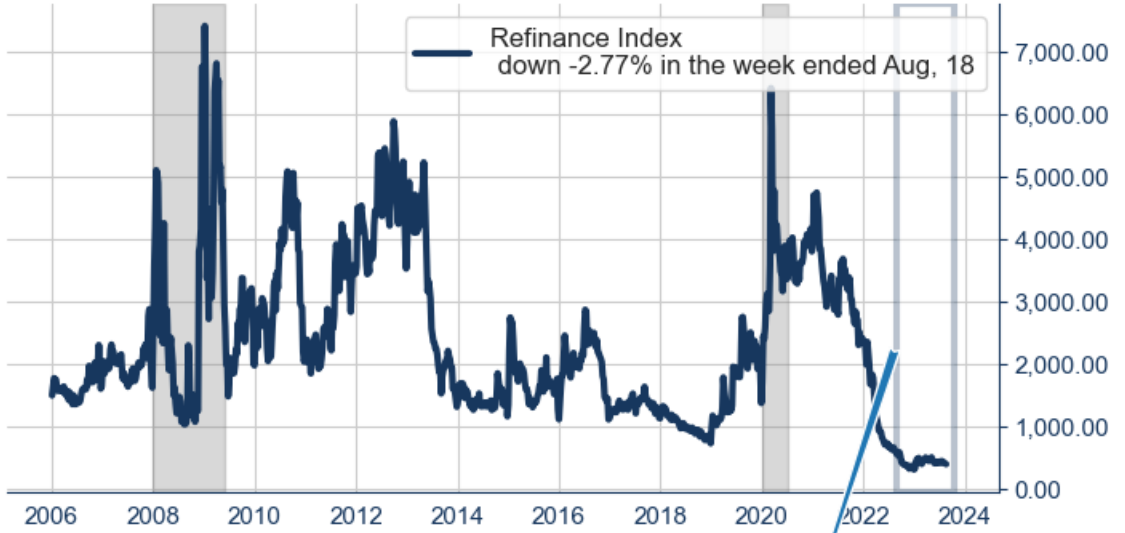


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

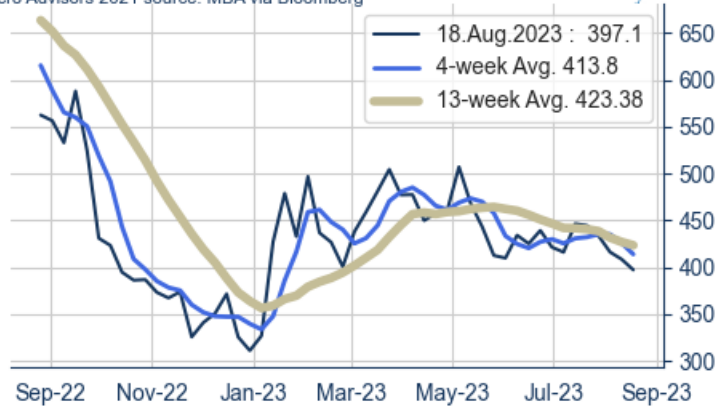


Refinance Index

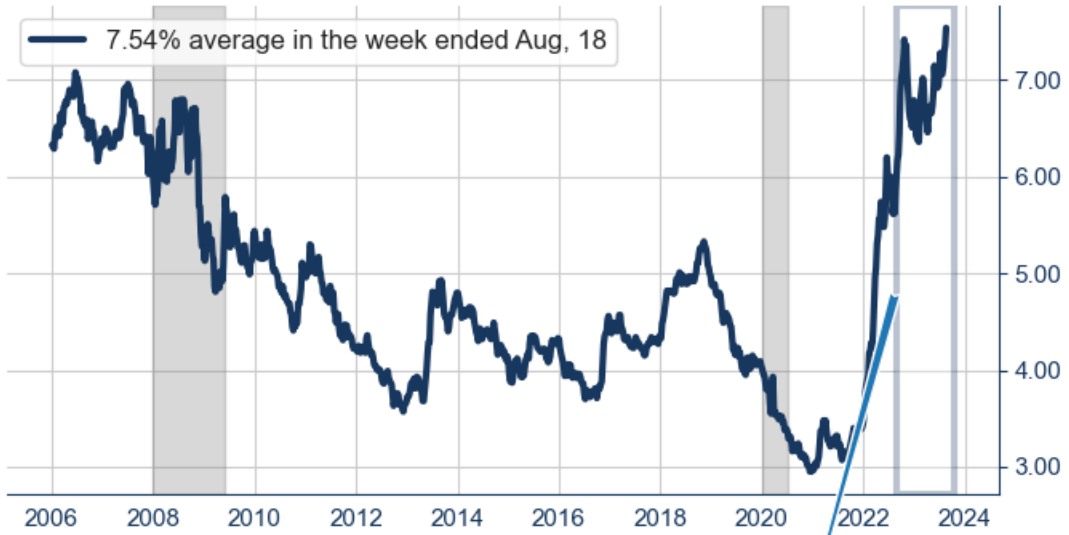


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

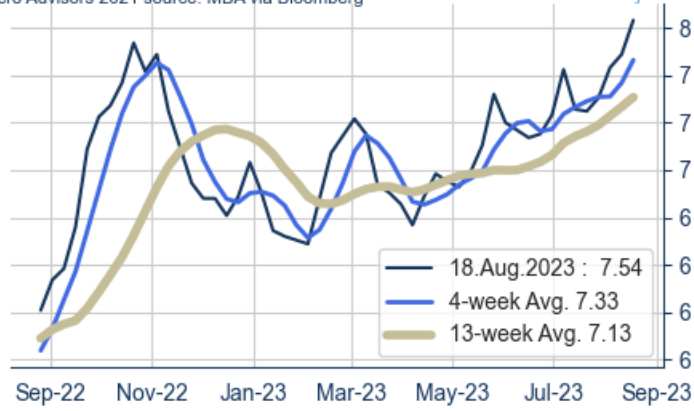


MBA 30-yr Fixed Mortgage Effective Rate

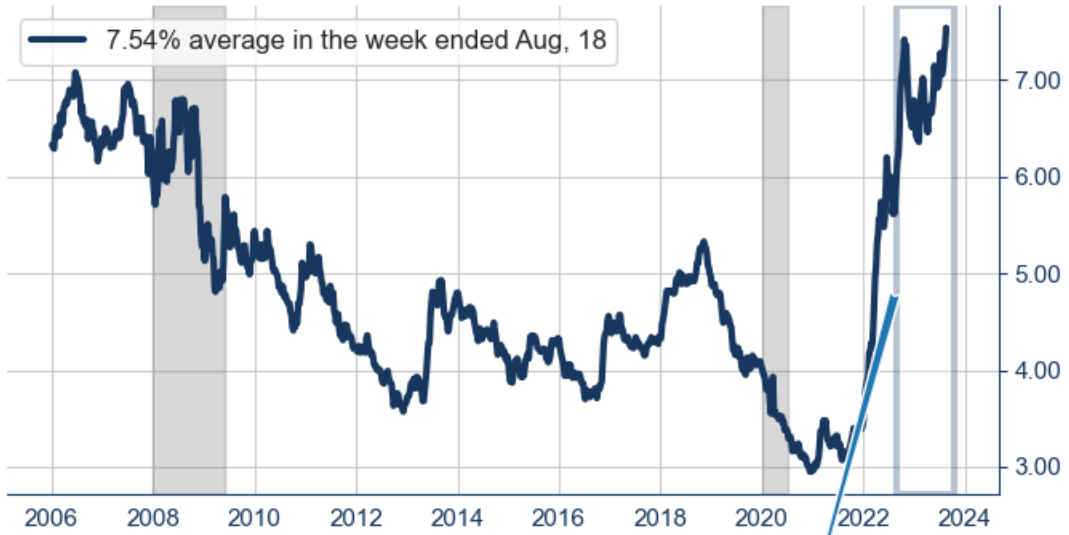


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

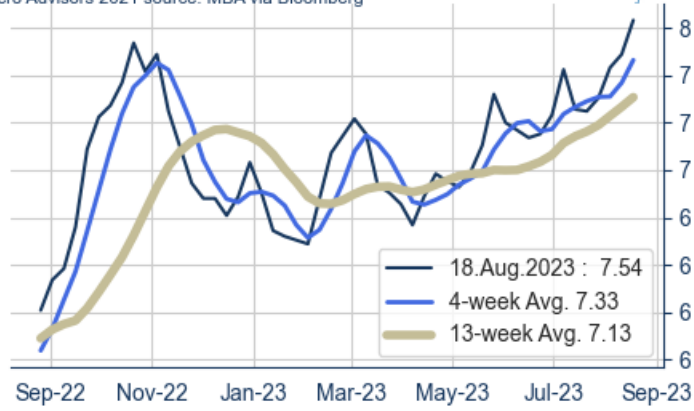


MBA 30-yr Fixed Mortgage Effective Rate

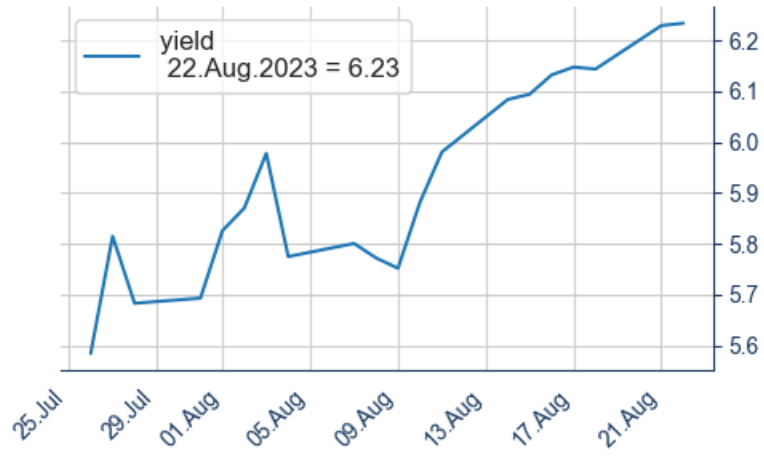


Recent Trends

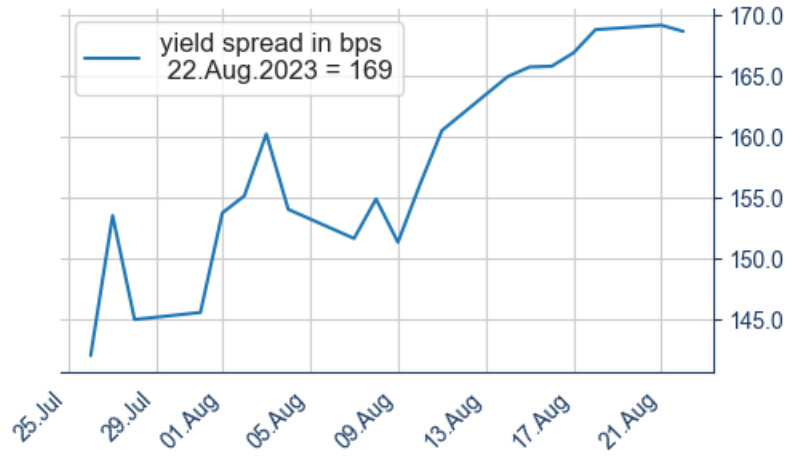
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon Yield



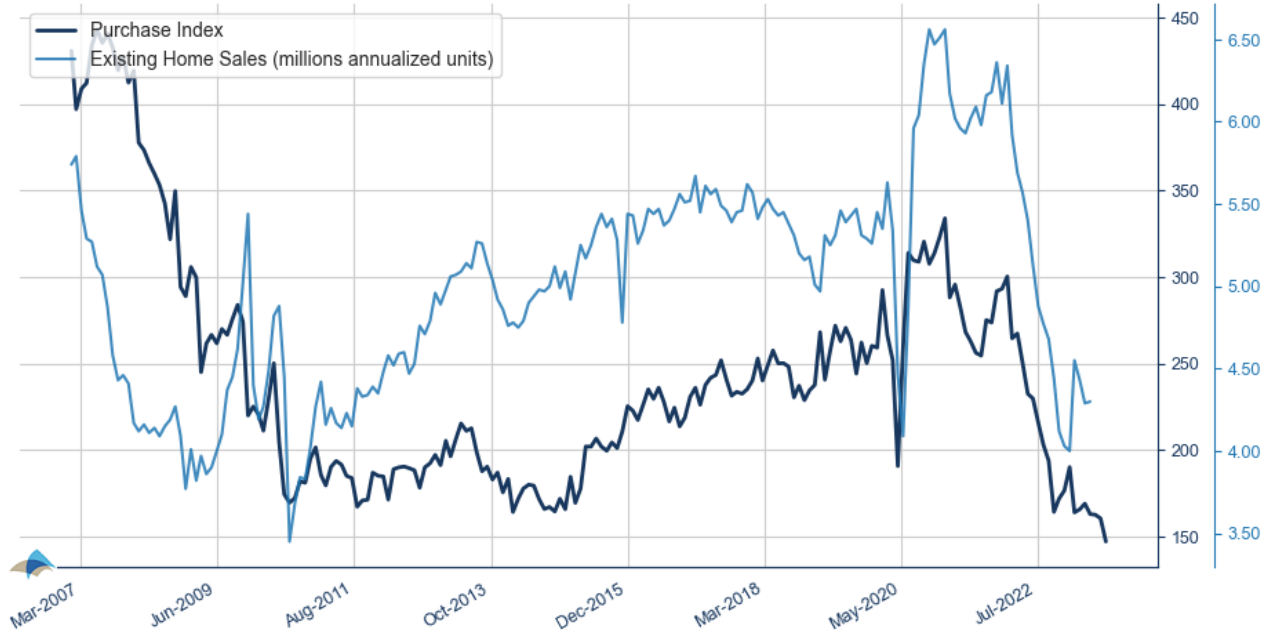
MBS Current Coupon spread to Blend of Treasury Yields



Mortgage Rates



Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	18.Aug	11.Aug	04.Aug	28.Jul	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	184.80	193.00	194.50	200.70	190.77	206.68	202.48	214.66
Week % Chg	-4.20	-0.80	-3.10	-3.00				
Total Apps NSA % Chg.	-5.61	-1.63	-3.48	-2.92				
Purchase Index	142.00	149.50	149.90	154.10	147.13	160.45	157.75	170.49
Purch. Idx - % Chg.	-5.02	-0.27	-2.73	-3.20				
Refinance Index	397.10	408.40	416.10	433.60	407.20	435.12	423.38	432.27
Refi. Idx - % Chg.	-2.77	-1.85	-4.04	-2.45				
Ref % Tot	29.50	28.60	28.70	28.90	28.93	28.20	27.88	28.67
MBA 30-yr Fixed Mortgage Effective Rate	7.54	7.36	7.29	7.13	7.40	7.13	7.13	6.82
MBA 30-yr Fixed Points	0.78	0.68	0.70	0.68	0.72	0.68	0.69	0.71
MBA 15-yr Fixed Mortgage Contract Rate	6.72	6.57	6.51	6.39	6.60	6.39	6.39	6.02
MBA 15-yr Fixed Mortgage Effective Rate	6.72	6.57	6.51	6.39	6.60	6.39	6.39	6.02
MBA 15-yr Fixed Points	1.06	0.94	0.92	0.78	0.97	0.87	0.86	0.81
MBA 5-yr ARM Effective Rate	6.50	6.20	6.36	6.18	6.35	6.17	6.10	5.65
% of ARMs	7.60	7.00	6.90	6.50	7.17	6.32	6.58	7.95
% of \$ARMs	16.20	16.10	15.50	14.30	15.93	13.57	13.81	15.93

source: Mortgage Banker Association via Bloomberg Professional