

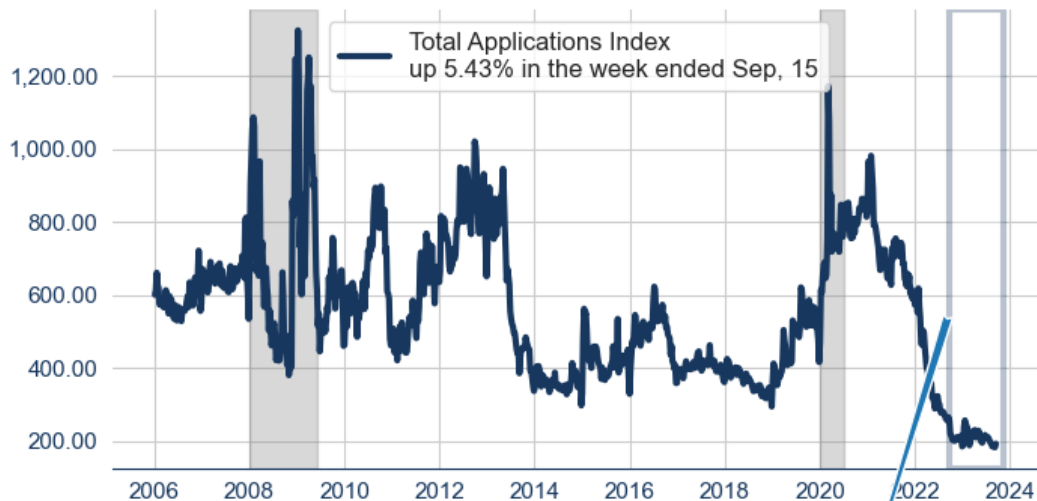
20.Sep.2023

Mortgage Apps: Refis Jump

Bottom Line: Mortgage applications rebounded sharply last week, led by a big surprising jump in the refi index. Mortgage rates continued to hover around 7.50% adjusted for points paid on the average 30-year fixed rate. While the jump in the refi index was significant, we should keep in mind that small increases can cause a major jump in the index given the depressed level of applications.

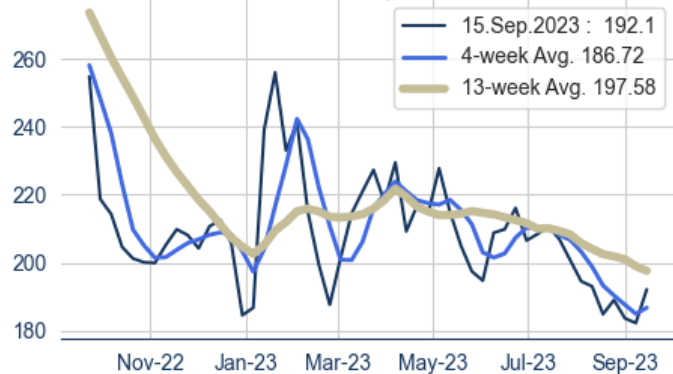
Overall, application volumes continue to suggest that mortgage rates are jeopardizing the recovery in housing activity.

Total Applications Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg



The MBA Mortgage Application Index ROSE 5.4% to 192.0, BELOW the 13-week average of 198.0 and -27.4% BELOW the year-ago level. Non-seasonally adjusted the index ROSE 15.8%.

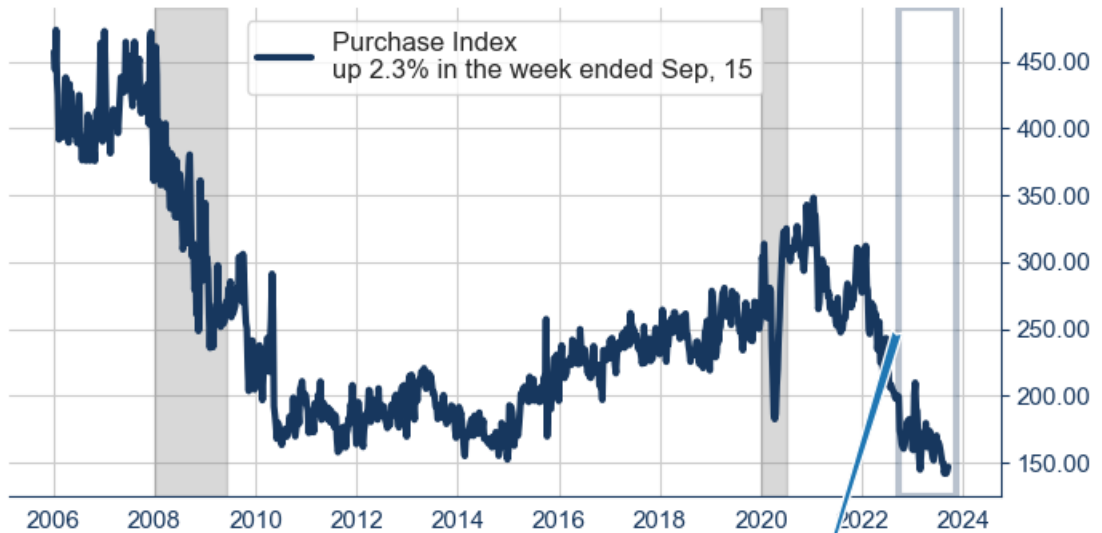
The Purchase Index ROSE 2.3% to 147.0, BELOW the 13-week average of 153.0 and -26.5% BELOW the year-ago level.

The Refinancing Index ROSE sharply, UP 13.2% to 415.0, BELOW the 13-week average of 415.0 and -29.4% BELOW the year-ago level.

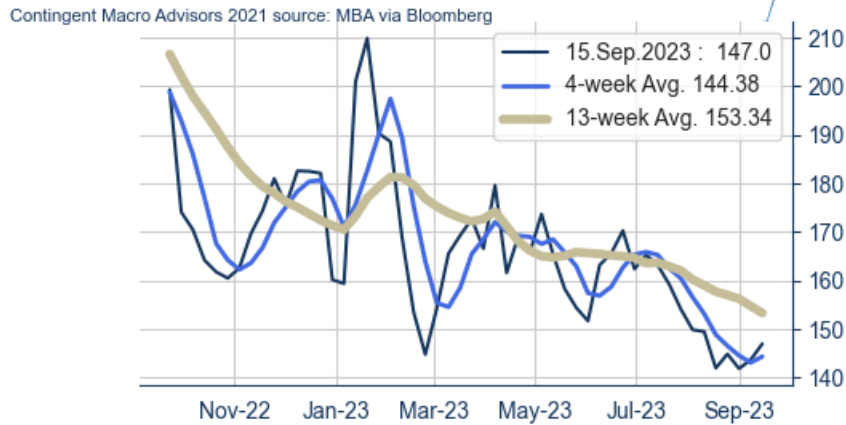
The effective (adjusted for points paid) **30-year mortgage rate** ROSE slightly, UP 4bps to 7.52%, ABOVE the 13-week average of 7.28% and 17bps ABOVE the year-ago level.

Current coupon yields in the secondary market were up 7.0 bps last week, closing at 6.07%, and were up 2.0 bps this week through Tuesday.

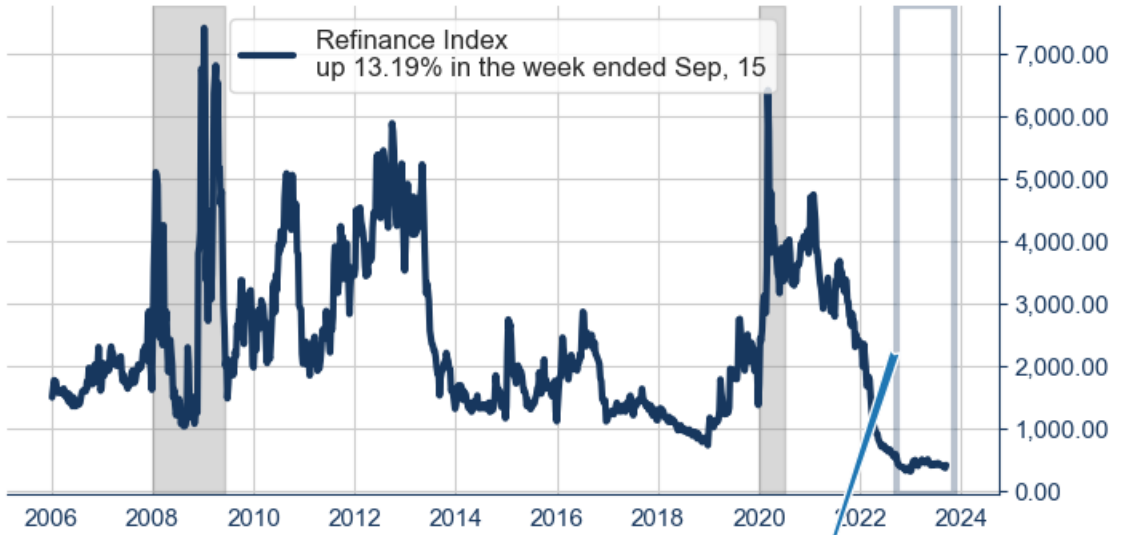
Purchase Index



Recent Trends



Refinance Index

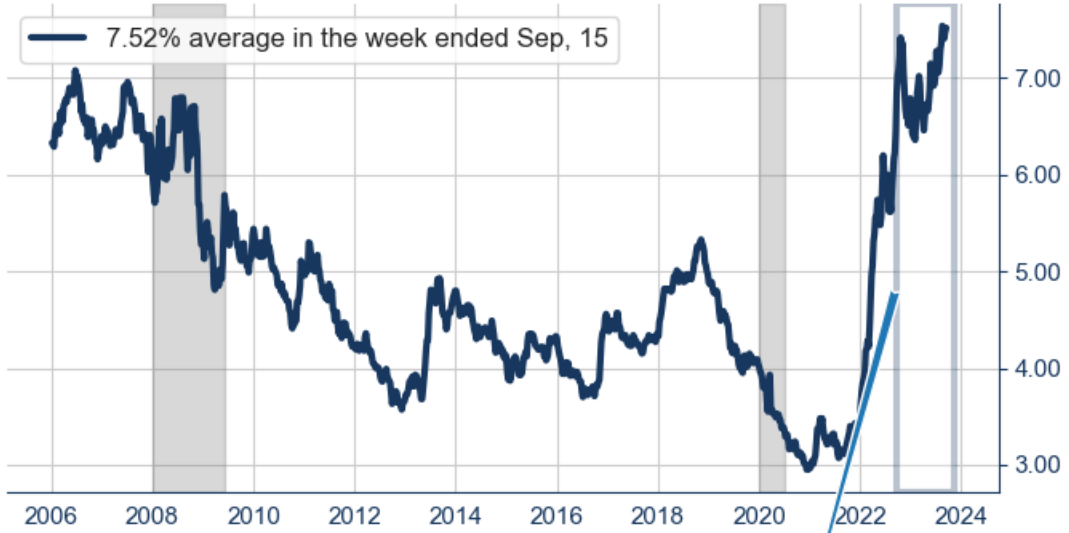


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

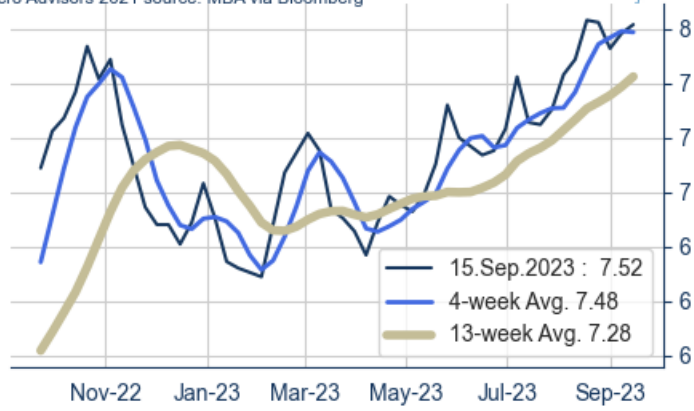


MBA 30-yr Fixed Mortgage Effective Rate



Recent Trends

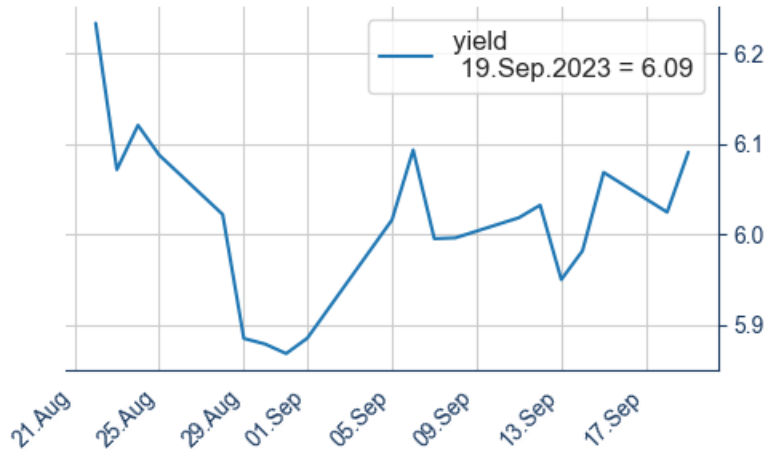
Contingent Macro Advisors 2021 source: MBA via Bloomberg



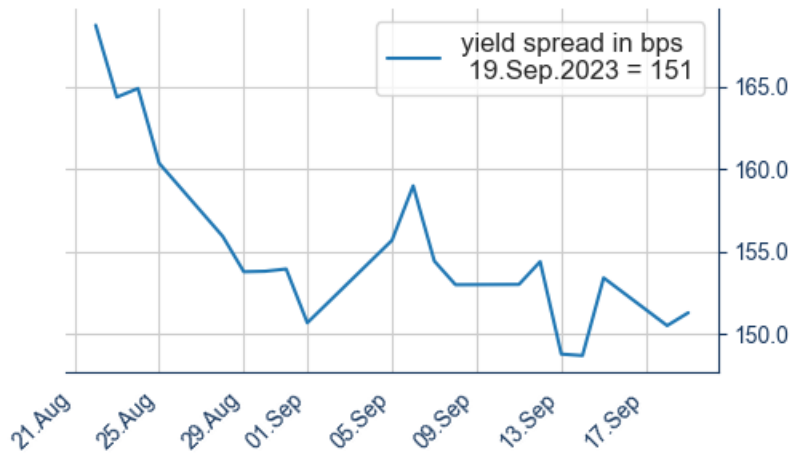
MBS Current Coupon Yield



last 20 trading days



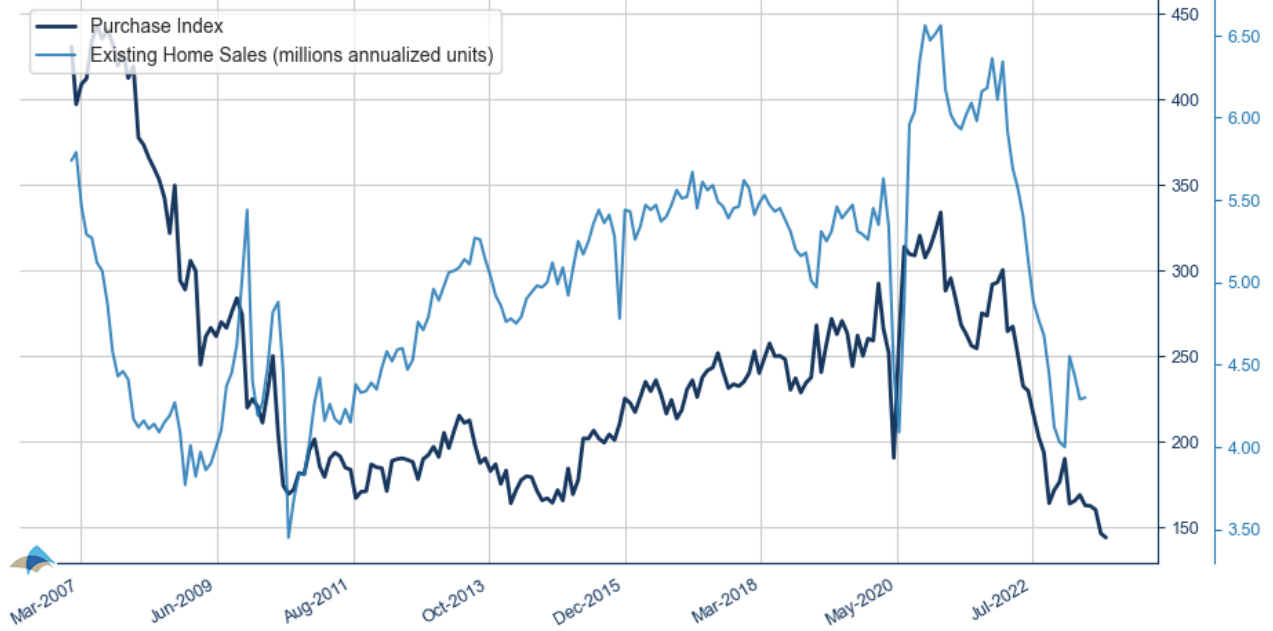
MBS Current Coupon spread to Blend of Treasury Yields



Mortgage Rates



Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



| Weekly MBA Mortgage Application Survey | 15.Sep | 08.Sep | 01.Sep | 25.Aug | MTD Avg | Prior Mo. Avg. | 13wk. Avg. | 52wk. Avg. |
|---|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|
| Total Applications Index | 192.10 | 182.20 | 183.60 | 189.00 | 185.97 | 190.32 | 197.58 | 209.06 |
| Week % Chg | 5.40 | -0.80 | -2.90 | 2.30 | | | | |
| Total Apps NSA % Chg. | 15.81 | -12.02 | -4.58 | 0.52 | | | | |
| Purchase Index | 147.00 | 143.70 | 141.90 | 144.90 | 144.20 | 146.57 | 153.34 | 166.30 |
| Purch. Idx - % Chg. | 2.30 | 1.27 | -2.07 | 2.04 | | | | |
| Refinance Index | 415.40 | 367.00 | 388.10 | 407.10 | 390.17 | 407.17 | 415.40 | 419.53 |
| Refi. Idx - % Chg. | 13.19 | -5.44 | -4.67 | 2.52 | | | | |
| Ref % Tot | 31.60 | 29.10 | 30.00 | 30.10 | 30.23 | 29.23 | 28.85 | 28.62 |
| MBA 30-yr Fixed Mortgage Effective Rate | 7.52 | 7.48 | 7.41 | 7.53 | 7.47 | 7.43 | 7.28 | 6.92 |
| MBA 30-yr Fixed Points | 0.72 | 0.72 | 0.69 | 0.73 | 0.71 | 0.72 | 0.70 | 0.71 |
| MBA 15-yr Fixed Mortgage Contract Rate | 6.62 | 6.72 | 6.66 | 6.72 | 6.67 | 6.63 | 6.51 | 6.13 |
| MBA 15-yr Fixed Mortgage Effective Rate | 6.62 | 6.72 | 6.66 | 6.72 | 6.67 | 6.63 | 6.51 | 6.13 |
| MBA 15-yr Fixed Points | 1.08 | 1.01 | 0.86 | 1.11 | 0.98 | 1.01 | 0.93 | 0.81 |
| MBA 5-yr ARM Effective Rate | 6.42 | 6.59 | 6.33 | 6.48 | 6.45 | 6.39 | 6.30 | 5.77 |
| % of ARMs | 7.20 | 7.50 | 6.70 | 7.50 | 7.13 | 7.25 | 6.77 | 7.83 |
| % of \$ARMs | 16.60 | 16.90 | 15.50 | 16.50 | 16.33 | 16.07 | 14.77 | 15.88 |

source: Mortgage Banker Association via Bloomberg Professional