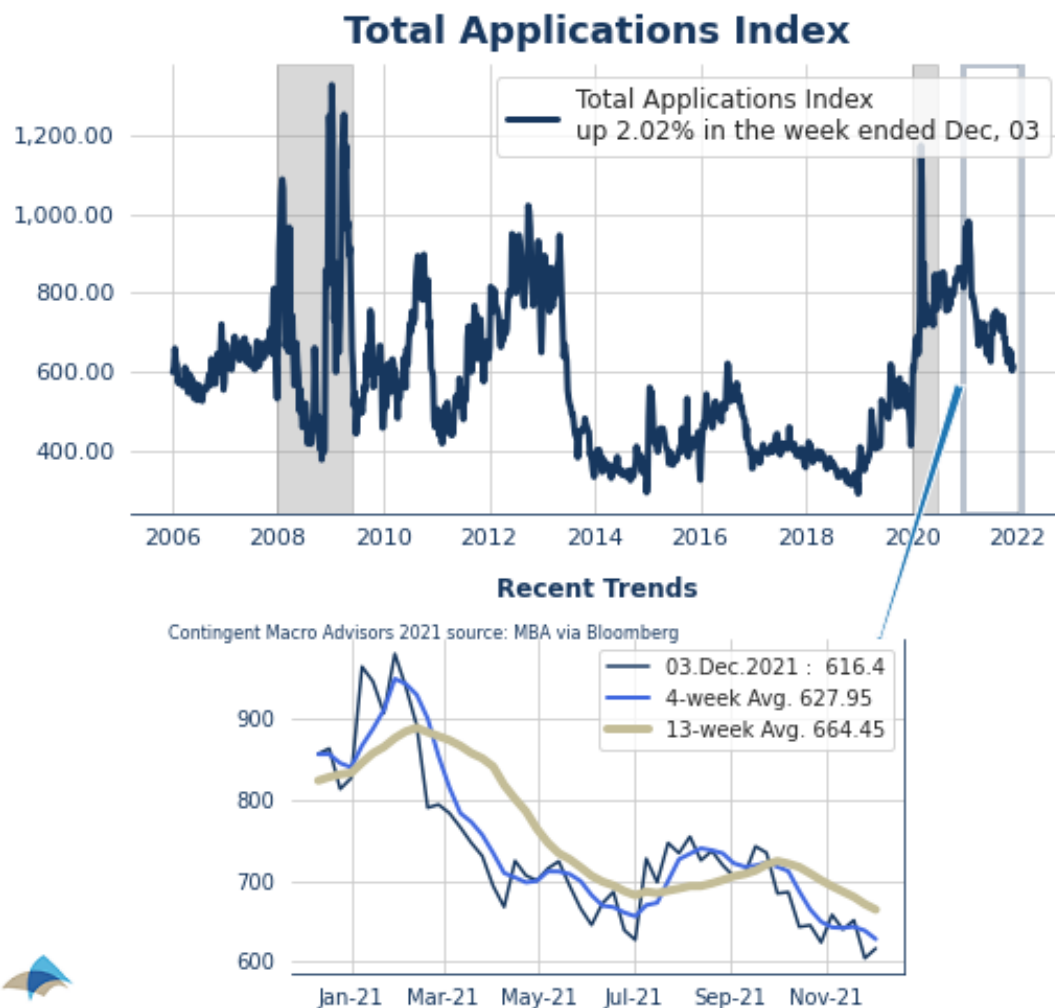


08.Dec.2021

Mortgage Apps: Steady Trends, Higher Secondary Spreads

Bottom Line: As the effective mortgage rate held over 3 3/8% in the week during and after the Thanksgiving holiday, trends in mortgage applications were little changed, despite complex seasonal adjustments. While refi activity has fallen sharply, housing activity remains robust, with purchase activity trending higher again after a slow summer. Secondary mortgage market spreads remained wide, keeping the primary mortgage rate elevated even as the 10-year Treasury yield declined. Trading in about a 5bps range near the wides of the last month, the current coupon mortgage spread to a blend of Treasuries bears watching as we advance.



The MBA Mortgage Application Index ROSE 2.0% to 616.0, BELOW the 13-week average of 664.0 and -27.3% BELOW the year-ago level. Non-seasonally adjusted the index ROSE sharply , UP 44.6%.

The Purchase Index FELL -5.0% to 295.0, ABOVE the 13-week average of 283.0 but -9.4% BELOW the year-ago level.

The Refinancing Index ROSE sharply , UP 9.0% to 2512.0, BELOW the 13-week average of 2867.0 and -36.6% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage** rate FELL -2bps to 3.41%, ABOVE the 13-week average of 3.29% and 14bps ABOVE the year-ago level.

Purchase Index

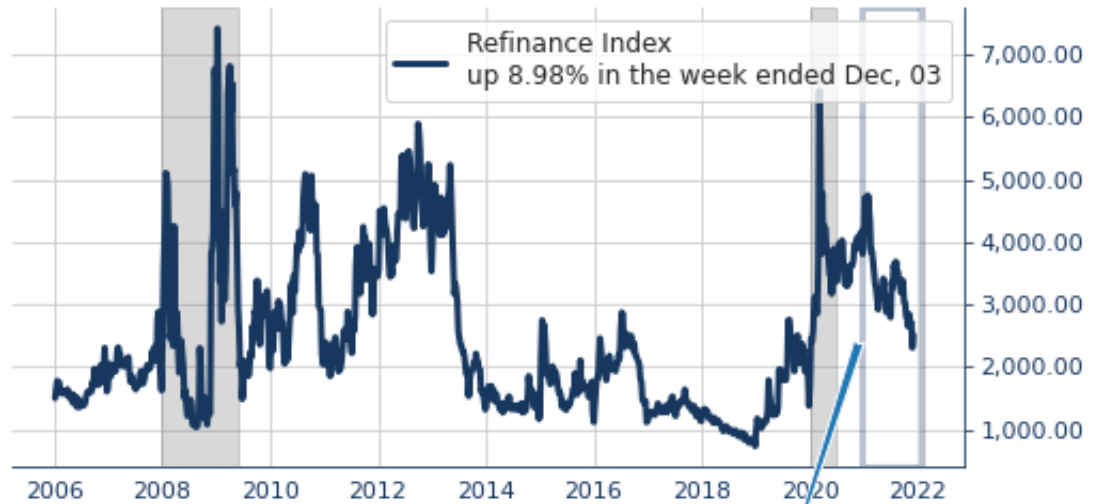


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

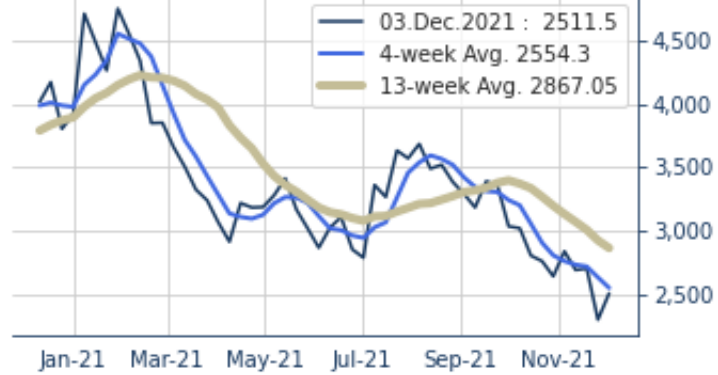


Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

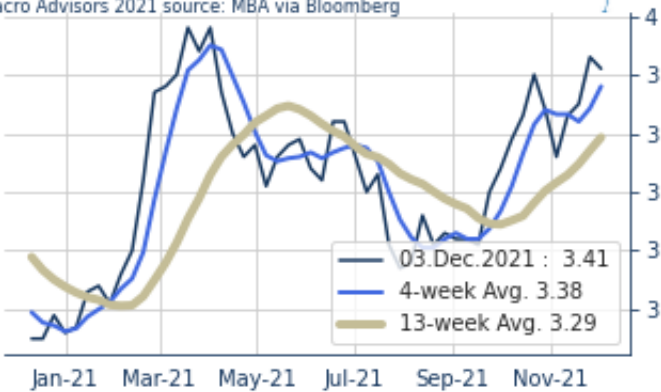


MBA 30-yr Fixed Mortgage Effective Rate

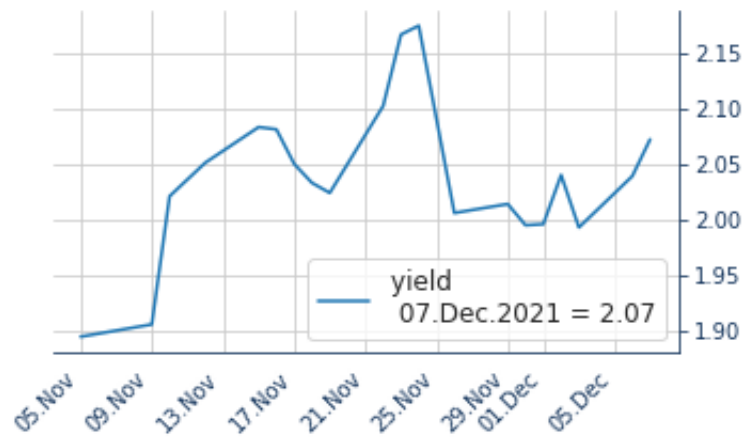


Recent Trends

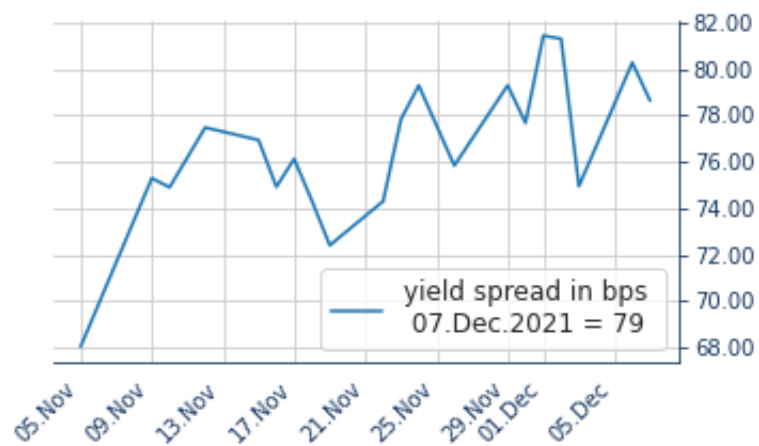
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon Yield



MBS Current Coupon spread to Blend of Treasury Yields

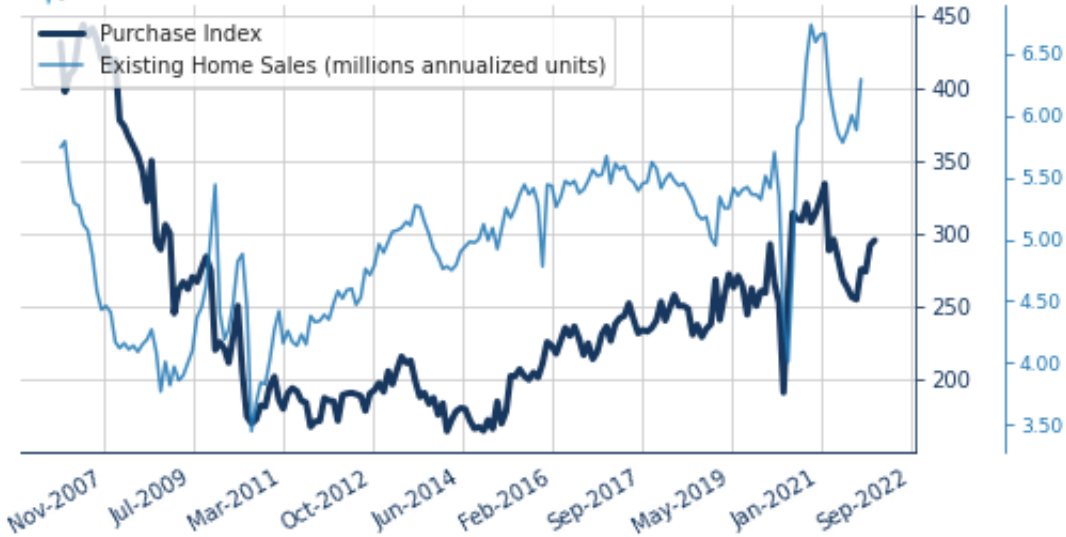


Mortgage Rates

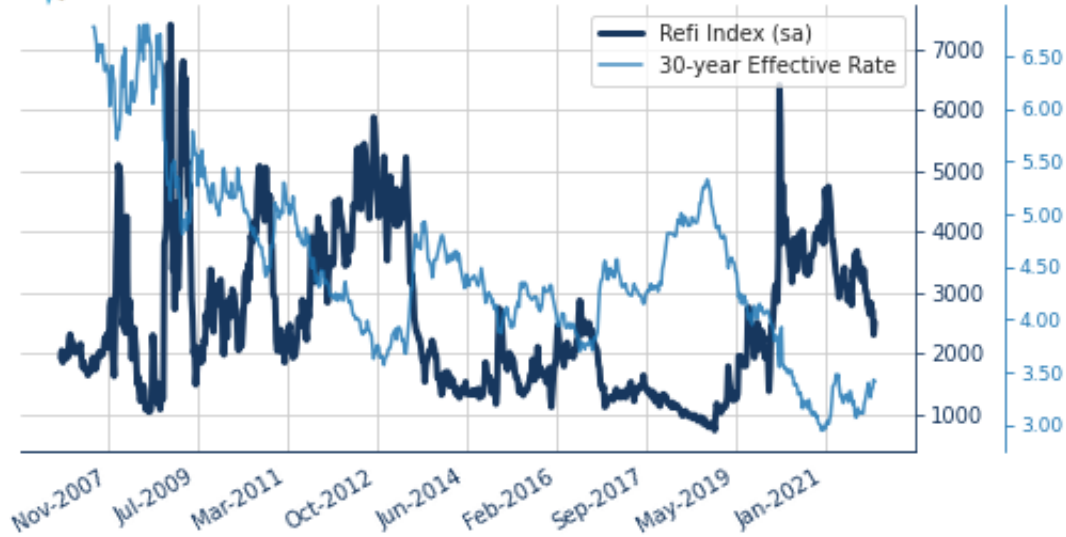




Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	03.Dec	26.Nov	19.Nov	12.Nov	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	616.40	604.20	651.30	639.90	616.40	638.38	664.45	737.66
Week % Chg	2.00	-7.20	1.80	-2.80				
Total Apps NSA % Chg.	44.64	-36.71	0.10	-4.14				
Purchase Index	295.20	310.70	295.70	282.50	295.20	291.82	282.55	283.50
Purch. Idx - % Chg.	-4.99	5.07	4.67	1.47				
Refinance Index	2511.50	2304.50	2706.20	2695.00	2511.50	2636.68	2867.05	3384.90
Refi. Idx - % Chg.	8.98	-14.84	0.42	-5.14				

Ref % Tot	63.90	59.40	63.10	62.90	63.90	62.23	63.55	65.20
MBA 30-yr Fixed Mortgage Effective Rate	3.41	3.43	3.35	3.33	3.41	3.34	3.29	3.22
MBA 30-yr Fixed Points	0.39	0.43	0.36	0.43	0.39	0.39	0.36	0.36
MBA 15-yr Fixed Mortgage Contract Rate	2.62	2.63	2.59	2.56	2.62	2.58	2.51	2.51
MBA 15-yr Fixed Mortgage Effective Rate	2.62	2.63	2.59	2.56	2.62	2.58	2.51	2.51
MBA 15-yr Fixed Points	0.31	0.31	0.34	0.36	0.31	0.34	0.30	0.31
MBA 5-yr ARM Effective Rate	2.98	2.48	3.00	2.89	2.98	2.80	2.82	2.76

source: Mortgage Banker Association via Bloomberg Professional