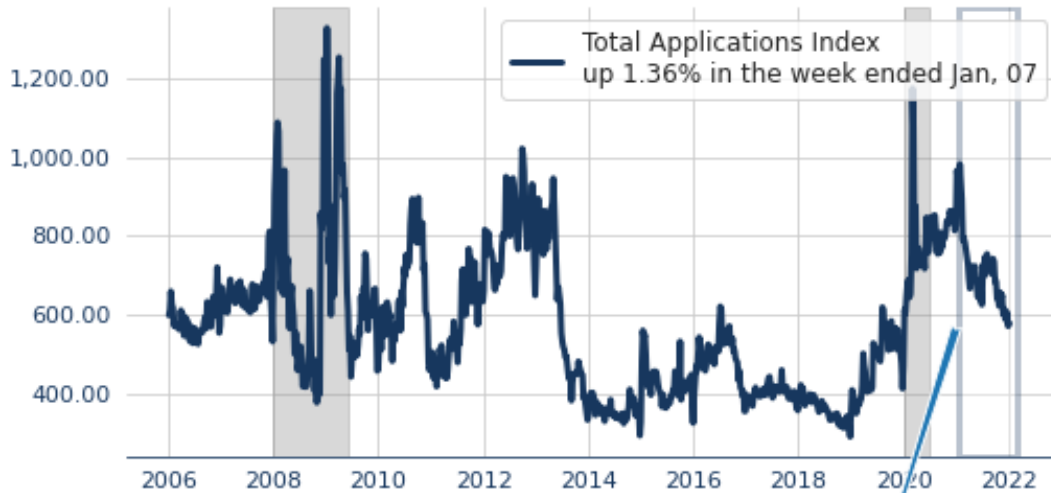


12.Jan.2022

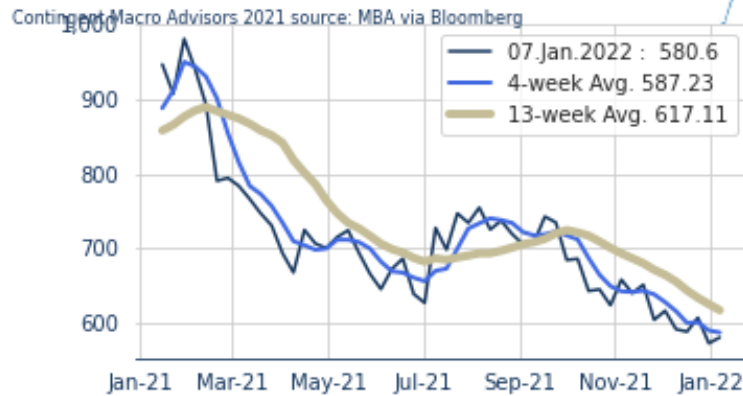
Mortgage Apps: Rates Continue Higher

Bottom Line: Seasonal adjustments remained challenging in the first full week of the new year as mortgage rates continued to move sharply higher, with the effective mortgage hitting 3.65%, its highest level since the pandemic. Since September, applications for mortgage purchases had been resuming an uptrend after cooling following the initial shock of higher mortgage rates in the 1st Quarter of '21. But as mortgage rates rose again in December, purchase volumes started to slow. Of course, refi volumes had already been in a significant downtrend and continued lower. Finally, spreads pushed wider in the secondary market again last week. We are keeping a close eye on this as there are early hints that housing might be slowing -- but a change in the housing trend is not yet definitive.

Total Applications Index



Recent Trends



The MBA Mortgage Application Index ROSE slightly, UP 1.4% to 581.0, BELOW the 13-week average of 617.0 and -39.8% BELOW the year-ago level. Non-seasonally adjusted the index ROSE sharply, UP 45.7%.

The Purchase Index ROSE 2.2% to 283.0, BELOW the 13-week average of 287.0 and -16.4% BELOW the year-ago level.

The Refinancing Index was nearly unchanged, DOWN -0.1% to 2350.0, BELOW the 13-week average of 2549.0 and -50.1% BELOW the year-ago level.

The effective (adjusted for points paid) 30-year mortgage rate ROSE sharply, UP 18bps to 3.65%, ABOVE the 13-week average of 3.4% and 23bps ABOVE the year-ago level.

Current coupon yields in the secondary market were up 34.0 bps last week, closing at 2.41%, and were little changed this week through Tuesday.

Purchase Index

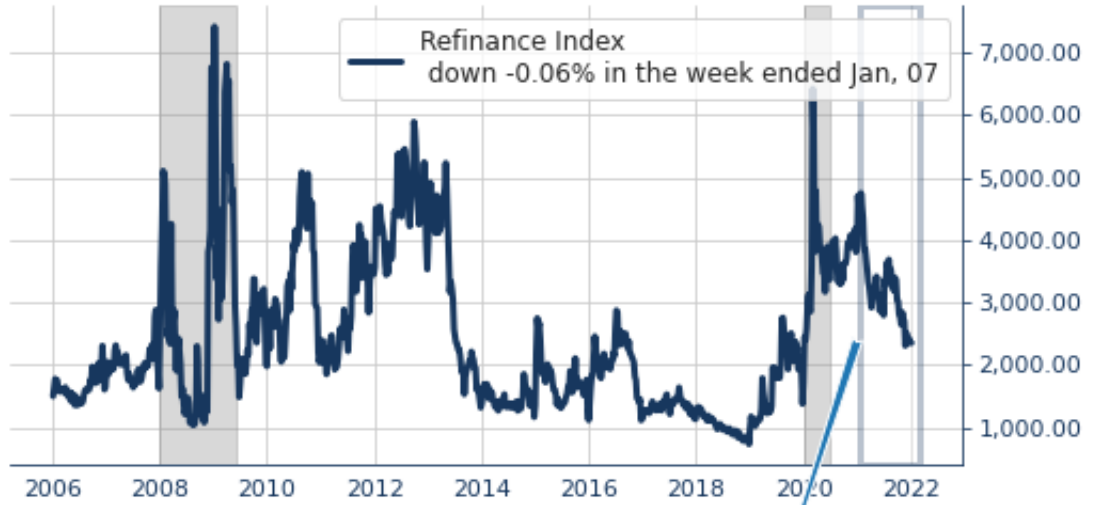


Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

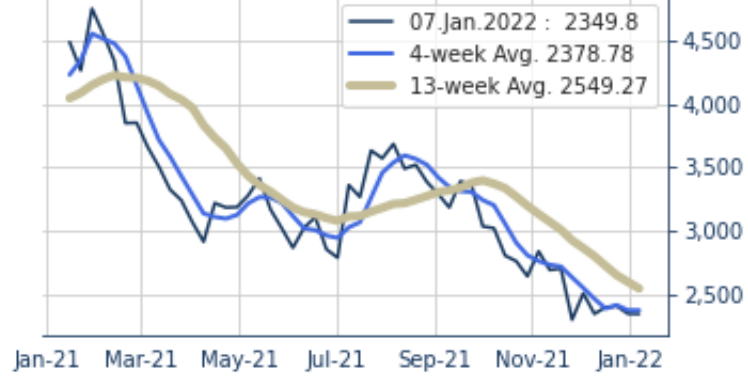


Refinance Index



Recent Trends

Contingent Macro Advisors 2021 source: MBA via Bloomberg

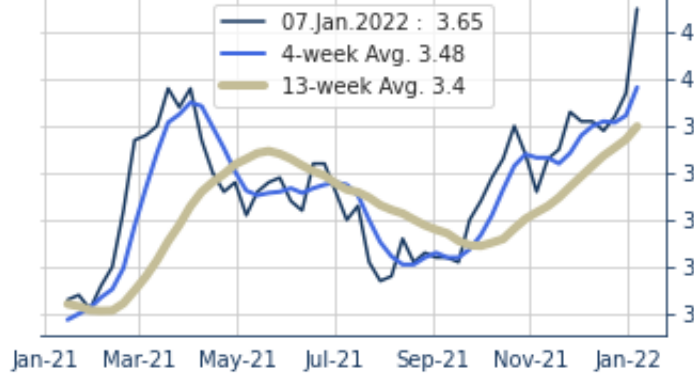


MBA 30-yr Fixed Mortgage Effective Rate

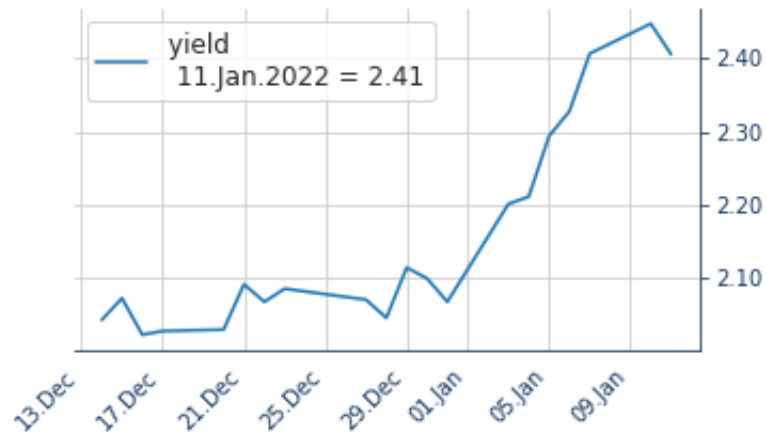


Recent Trends

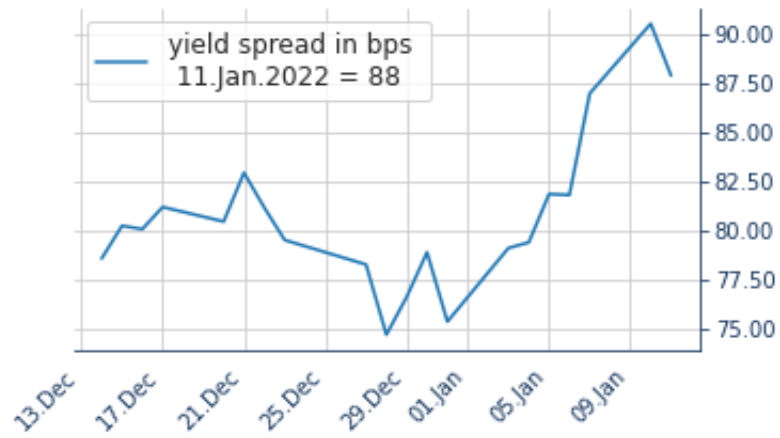
Contingent Macro Advisors 2021 source: MBA via Bloomberg



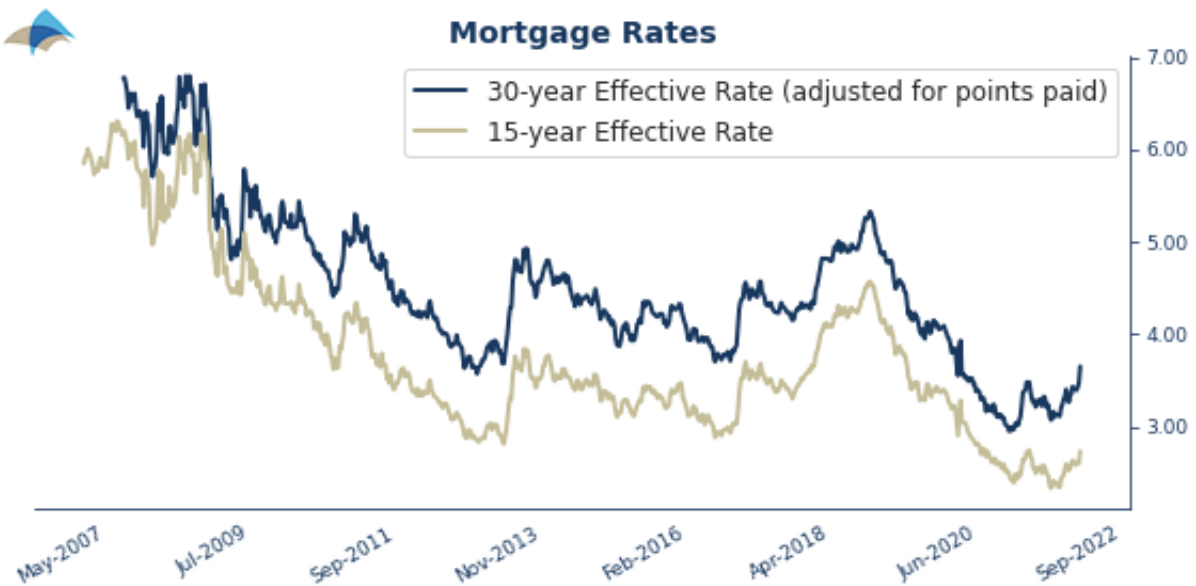
MBS Current Coupon Yield



MBS Current Coupon spread to Blend of Treasury Yields

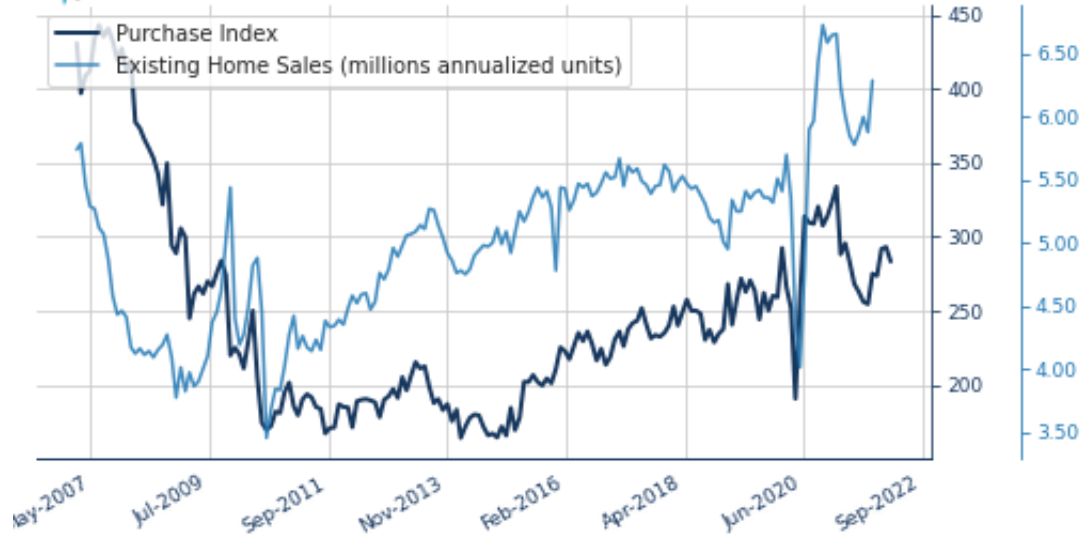


Mortgage Rates

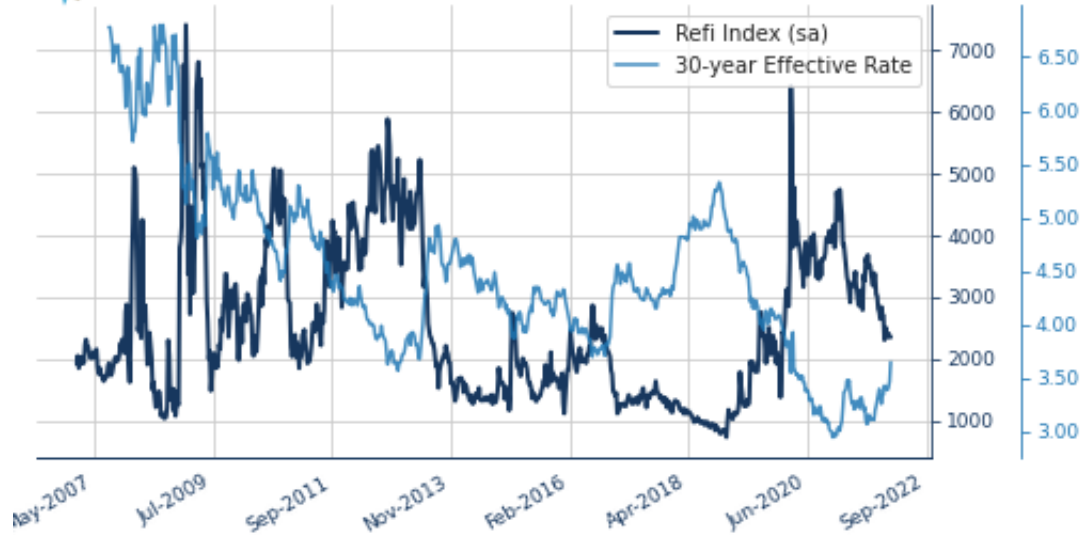




Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	07.Jan	31.Dec	24.Dec	17.Dec	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	580.60	572.80	607.10	588.40	580.60	595.28	617.11	710.99
Week % Chg	1.40	-5.60	3.20	-0.60				
Total Apps NSA % Chg.	45.70	-4.82	-28.26	-0.79				
Purchase Index	283.40	277.30	308.70	287.50	283.40	293.18	286.88	280.32
Purch. Idx - % Chg.	2.20	-10.17	7.37	-3.26				
Refinance Index	2349.80	2351.30	2411.30	2402.70	2349.80	2405.46	2549.27	3216.72
Refi. Idx - % Chg.	-0.06	-2.49	0.36	2.22				

Ref % Tot	64.10	65.40	63.90	65.20	64.10	64.34	63.24	64.30
MBA 30-yr Fixed Mortgage Effective Rate	3.65	3.47	3.42	3.39	3.65	3.42	3.40	3.27
MBA 30-yr Fixed Points	0.45	0.48	0.38	0.41	0.45	0.41	0.39	0.37
MBA 15-yr Fixed Mortgage Contract Rate	2.73	2.60	2.60	2.59	2.73	2.60	2.59	2.53
MBA 15-yr Fixed Mortgage Effective Rate	2.73	2.60	2.60	2.59	2.73	2.60	2.59	2.53
MBA 15-yr Fixed Points	0.35	0.31	0.29	0.32	0.35	0.31	0.32	0.32
MBA 5-yr ARM Effective Rate	3.03	2.45	2.74	2.79	3.03	2.74	2.83	2.77

source: Mortgage Banker Association via Bloomberg Professional