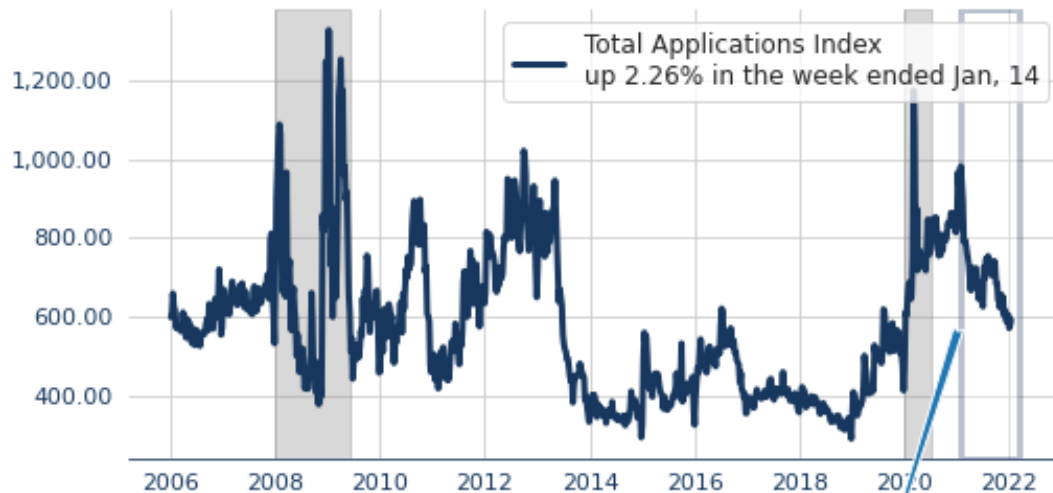


19.Jan.2022

Mortgage Apps: Resilient Purchase Volumes

Bottom Line: Mortgage rates continued to rise last week, pushing above 3.75%, but applications for purchases remained resilient, jumping nearly 8%. Difficult seasonal adjustments around the Christmas and New Years' holidays have passed, and the trend in purchase activity remains modestly higher. Of course, given the move in rates, refi volumes had already been in a significant downtrend and continued lower. Finally, spreads pushed wider in the secondary market again last week. Overall, while mortgages rates back moving back to pre-pandemic levels should slow housing activity, it has remained remarkably robust so far. That said, it is too early to make a firm conclusion that home purchase activity will hold up with average 30-year mortgage rates above 3 3/4%. Historically we've seen sidelined buyers jump into the market after a sharp increase in mortgage, buoying activity for a month or two before volumes slow.

Total Applications Index



Recent Trends



The MBA Mortgage Application Index ROSE 2.3% to 594.0, BELOW the 13-week average of 613.0 and -37.3% BELOW the year-ago level. Non-seasonally adjusted the index ROSE slightly, UP 3.0%.

The Purchase Index ROSE sharply, UP 7.9% to 306.0, ABOVE the 13-week average of 290.0 but -12.2% BELOW the year-ago level.

The Refinancing Index FELL -3.1% to 2276.0, BELOW the 13-week average of 2508.0 and -49.2% BELOW the year-ago level.

The effective (adjusted for points paid) **30-year mortgage rate** ROSE sharply, UP 12bps to 3.77%, ABOVE the 13-week average of 3.43% and 24bps ABOVE the year-ago level.

Purchase Index

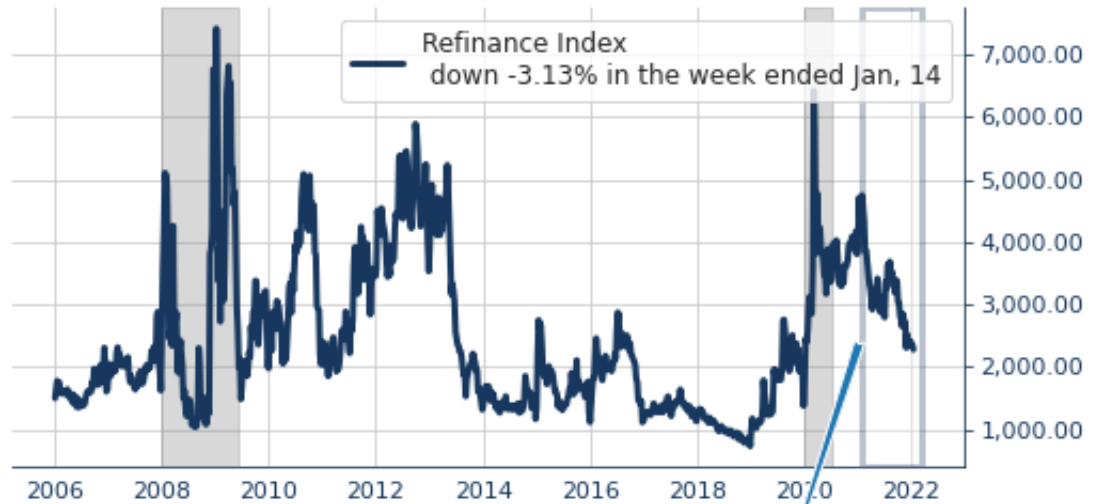


Recent Trends

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

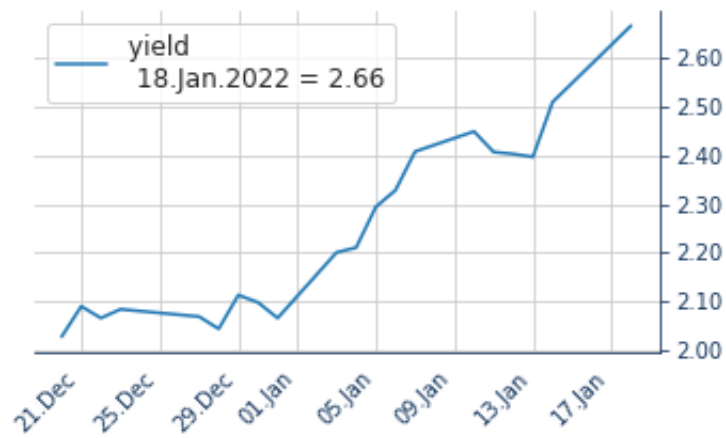


Recent Trends

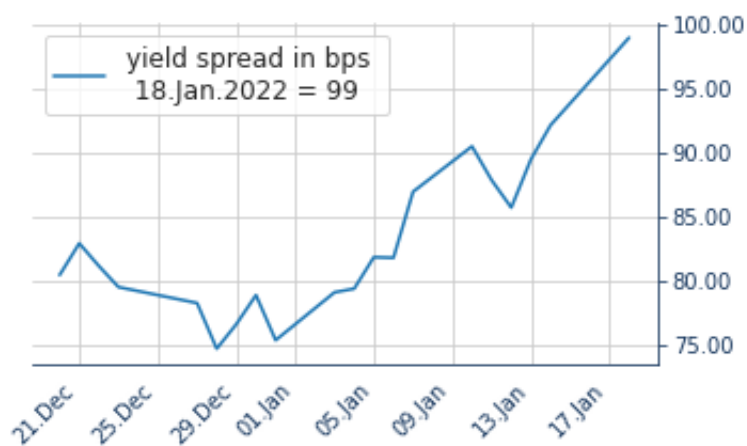
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon Yield



MBS Current Coupon spread to Blend of Treasury Yields

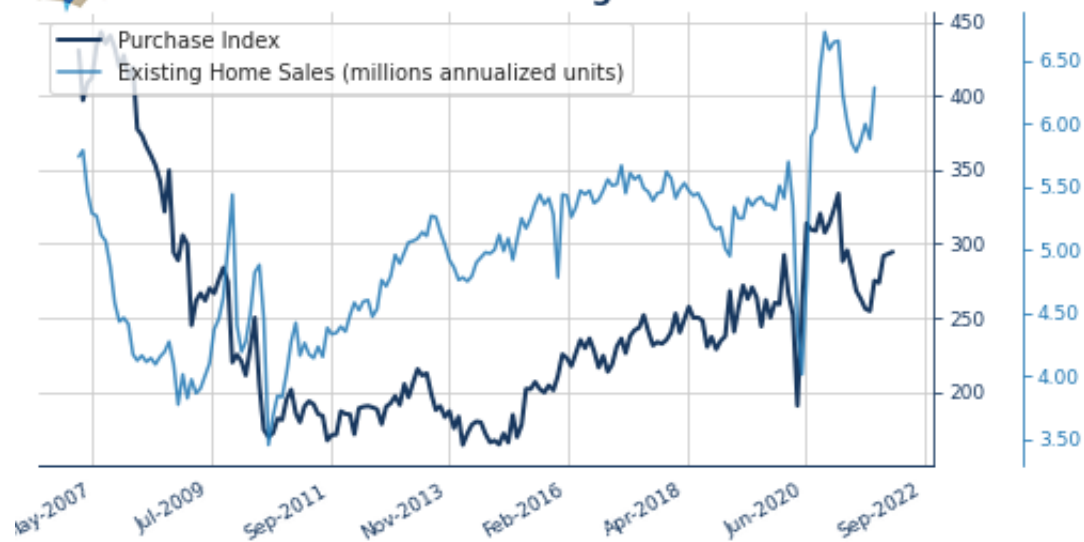


Mortgage Rates

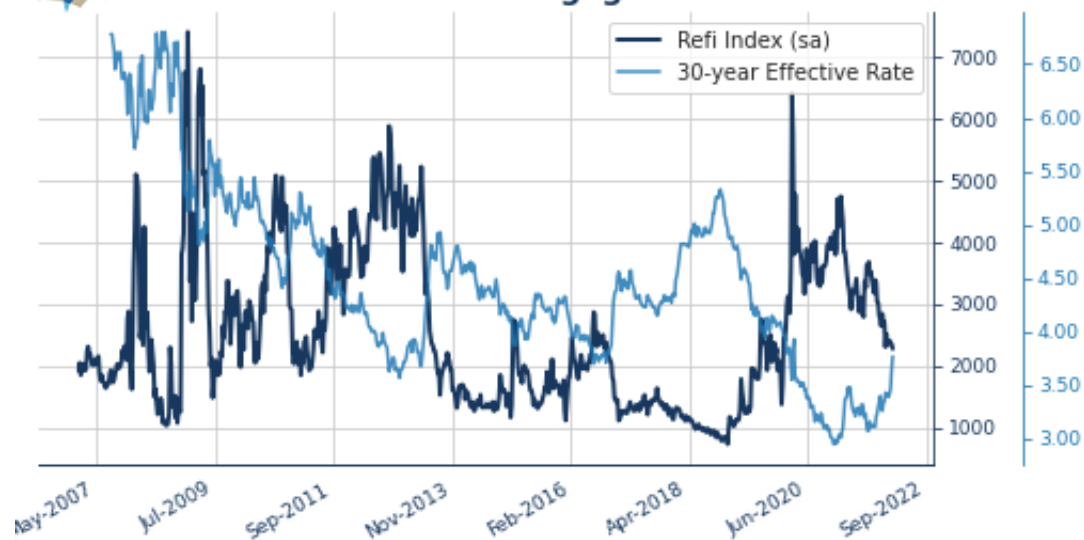




Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	14.Jan	07.Jan	31.Dec	24.Dec	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	593.70	580.60	572.80	607.10	587.15	595.28	613.32	704.20
Week % Chg	2.30	1.40	-5.60	3.20				
Total Apps NSA % Chg.	3.04	45.70	-4.82	-28.26				
Purchase Index	305.70	283.40	277.30	308.70	294.55	293.18	289.92	279.50
Purch. Idx - % Chg.	7.87	2.20	-10.17	7.37				
Refinance Index	2276.30	2349.80	2351.30	2411.30	2313.05	2405.46	2508.38	3174.26
Refi. Idx - % Chg.	-3.13	-0.06	-2.49	0.36				

Ref % Tot	60.30	64.10	65.40	63.90	62.20	64.34	63.01	64.07
MBA 30-yr Fixed Mortgage Effective Rate	3.77	3.65	3.47	3.42	3.71	3.42	3.43	3.28
MBA 30-yr Fixed Points	0.45	0.45	0.48	0.38	0.45	0.41	0.40	0.37
MBA 15-yr Fixed Mortgage Contract Rate	2.95	2.73	2.60	2.60	2.84	2.60	2.63	2.54
MBA 15-yr Fixed Mortgage Effective Rate	2.95	2.73	2.60	2.60	2.84	2.60	2.63	2.54
MBA 15-yr Fixed Points	0.43	0.35	0.31	0.29	0.39	0.31	0.33	0.32
MBA 5-yr ARM Effective Rate	3.04	3.03	2.45	2.74	3.04	2.74	2.83	2.77

source: Mortgage Banker Association via Bloomberg Professional