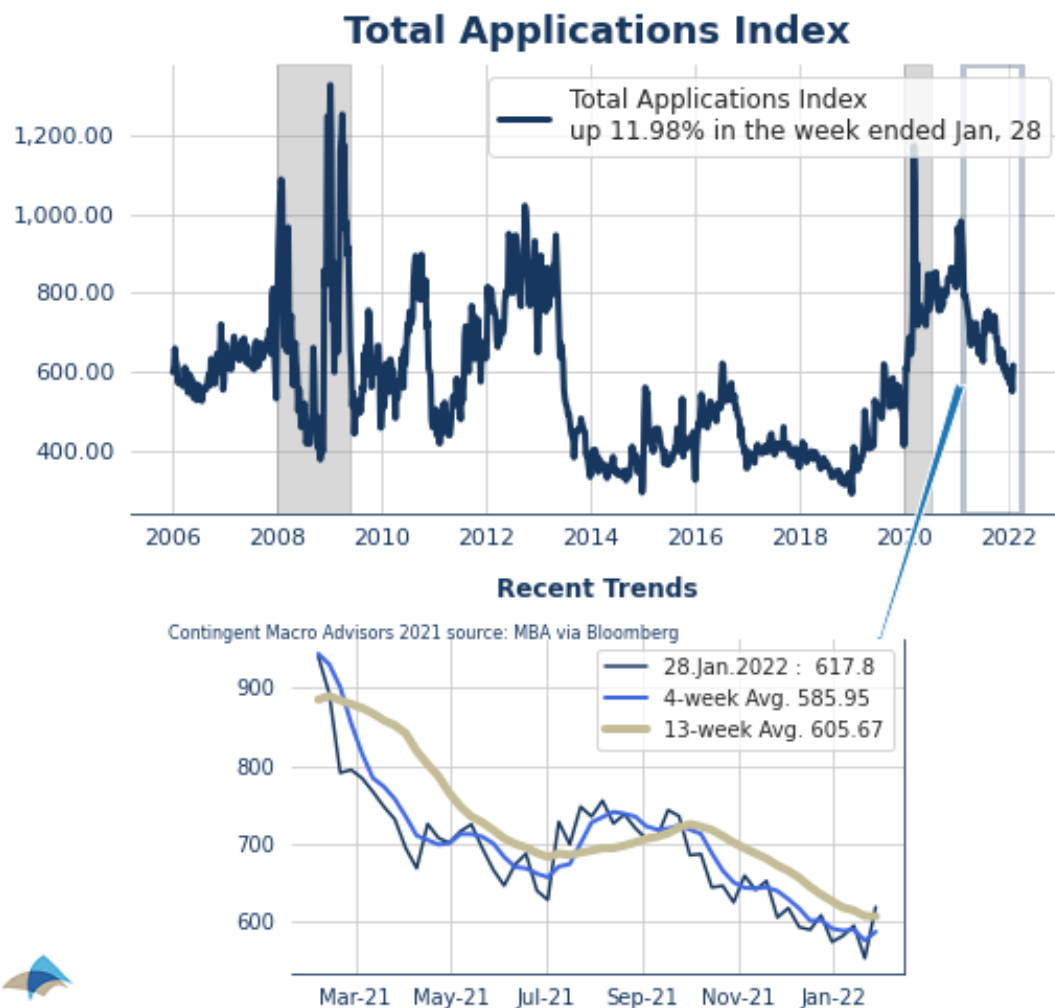


02.Feb.2022

Mortgage Apps: Sharp Rebound, Refi Trend Still Down

Bottom Line: As 30-year mortgage rates inched higher still in the final week of January, averaging 3.89% adjusted for points paid, refis rebounded after weeks of declines. While last week's tally was above the 4- and 13-week averages for total applications, we suspect the spike in activity was related to the "media-effect" that sometimes pushes borrowers to before events related to interest rates, like last week's Fed meeting. The trend in purchase volumes remains modestly higher, while the trend in refinancing is firmly lower. Finally, spreads for TBA mortgages in the secondary market have been volatile but tightened in the last week, retracing some of the year's widening, a possible "sell the rumor, buy the news" event as last week the Fed signaled its clear intention to hold the bulk of its portfolio in Treasuries.



The MBA Mortgage Application Index ROSE sharply , UP 12.0% to 618.0, ABOVE the 13-week average of 606.0 but -37.0% BELOW the year-ago level. Non-seasonally adjusted the index ROSE 15.4%.

The Purchase Index ROSE 4.0% to 312.0, ABOVE the 13-week average of 295.0 but -6.7% BELOW the year-ago level.

The Refinancing Index ROSE sharply , UP 18.4% to 2355.0, BELOW the 13-week average of 2427.0 and -50.4% BELOW the year-ago level.

The effective (adjusted for points paid) 30-year mortgage rate ROSE 4bps to 3.89%, ABOVE the 13-week average of 3.51% and 29bps ABOVE the year-ago level.

Purchase Index

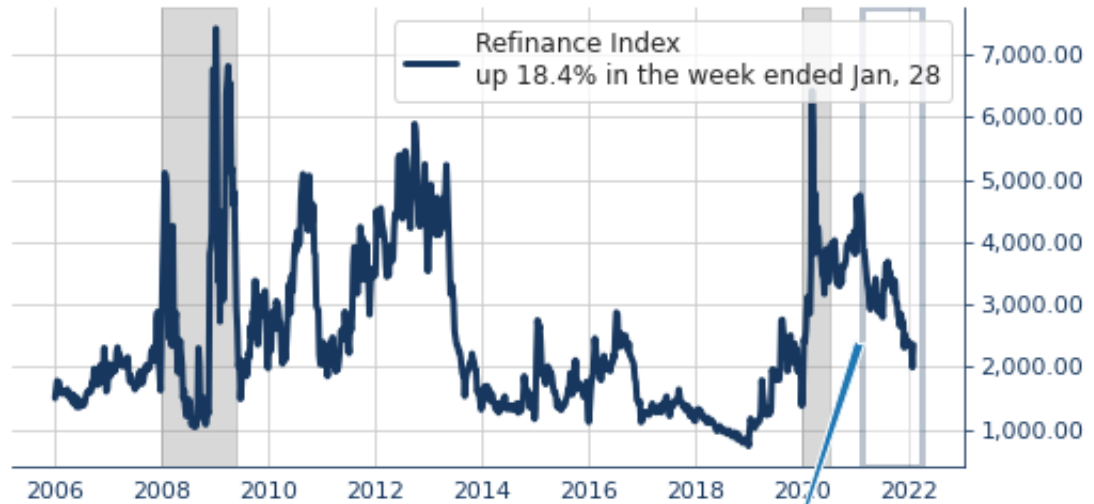


Recent Trends

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

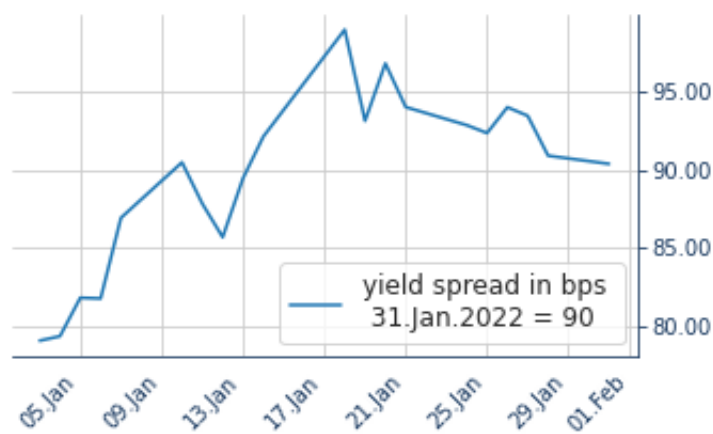


Recent Trends

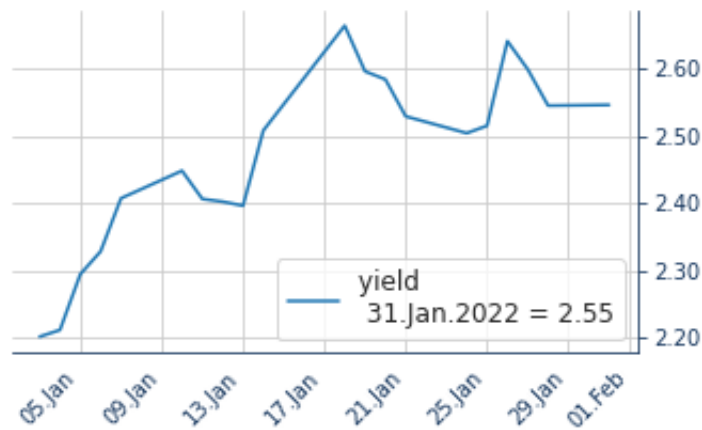
Contingent Macro Advisors 2021 source: MBA via Bloomberg



MBS Current Coupon spread to Blend of Treasury Yields



MBS Current Coupon Yield

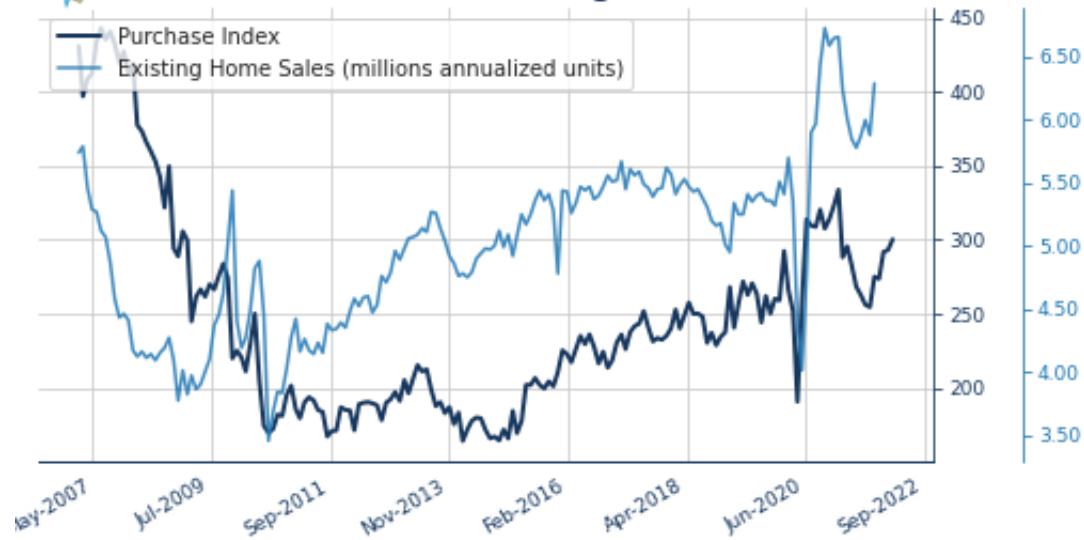


Mortgage Rates

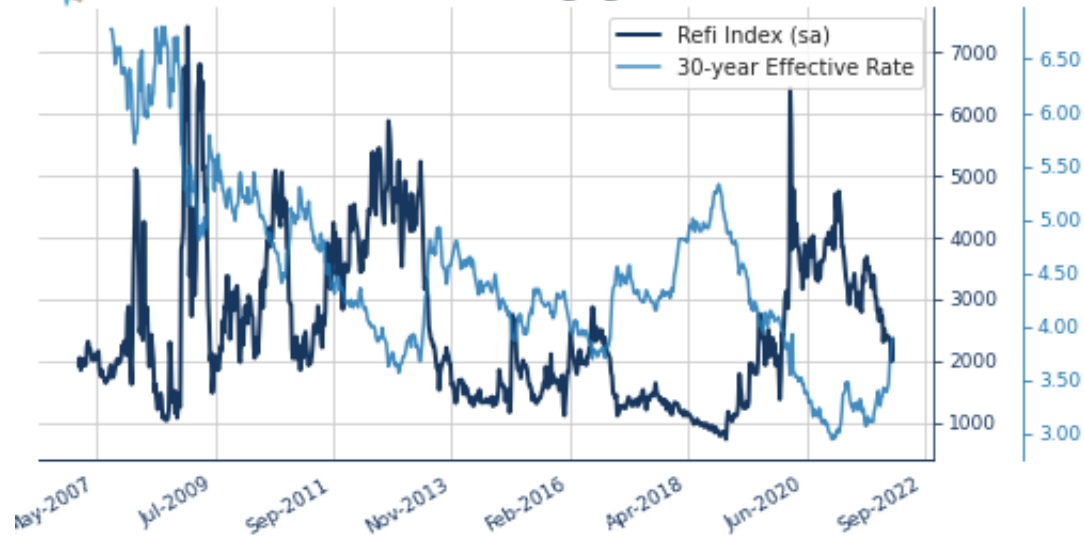




Purchase Index vs. Existing Home Sales



Refi Index vs. Mortgage Rate



Weekly MBA Mortgage Application Survey	28.Jan	21.Jan	14.Jan	07.Jan	MTD Avg	Prior Mo. Avg.	13wk. Avg.	52wk. Avg.
Total Applications Index	617.80	551.70	593.70	580.60	585.95	595.28	605.67	690.37
Week % Chg	12.00	-7.10	2.30	1.40				
Total Apps NSA % Chg.	15.42	-5.64	3.04	45.70				
Purchase Index	312.20	300.10	305.70	283.40	300.35	293.18	294.97	278.42
Purch. Idx - % Chg.	4.03	-1.83	7.87	2.20				
Refinance Index	2355.40	1989.40	2276.30	2349.80	2242.72	2405.46	2426.53	3084.59
Refi. Idx - % Chg.	18.40	-12.60	-3.13	-0.06				

Ref % Tot	57.30	55.80	60.30	64.10	59.38	64.34	62.16	63.51
MBA 30-yr Fixed Mortgage Effective Rate	3.89	3.85	3.77	3.65	3.79	3.42	3.51	3.32
MBA 30-yr Fixed Points	0.41	0.43	0.45	0.45	0.43	0.41	0.41	0.38
MBA 15-yr Fixed Mortgage Contract Rate	3.01	3.00	2.95	2.73	2.92	2.60	2.69	2.56
MBA 15-yr Fixed Mortgage Effective Rate	3.01	3.00	2.95	2.73	2.92	2.60	2.69	2.56
MBA 15-yr Fixed Points	0.41	0.39	0.43	0.35	0.39	0.31	0.35	0.32
MBA 5-yr ARM Effective Rate	3.09	3.18	3.04	3.03	3.08	2.74	2.86	2.79

source: Mortgage Banker Association via Bloomberg Professional