

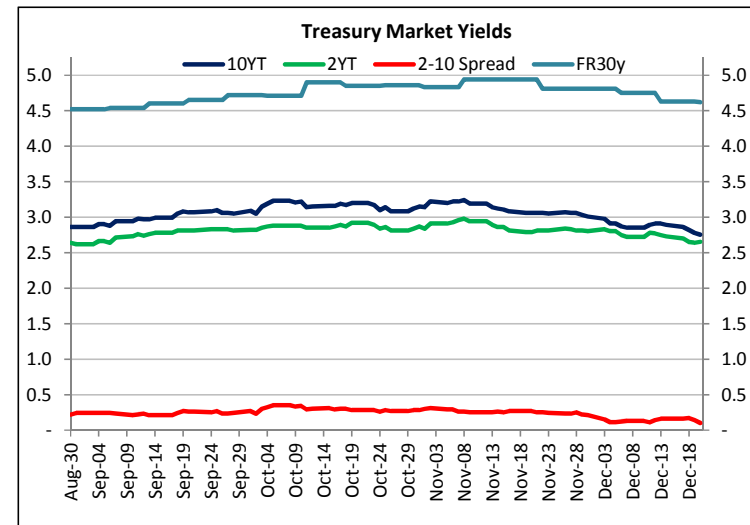
PMMS Rates	Current	1wk Ago	4wks Ago	6mths Ago	1yr Ago
30-Yr FRM	4.62	4.63	4.81	4.62	3.93
15-Yr FRM	4.07	4.07	4.24	4.07	3.36
5/1 ARM	3.98	4.04	4.09	3.83	3.36
MBA Index <sup>1</sup>	Current	1wk Ago	4wks Ago	6mths Ago	1yr Ago
Purchase	238.6	256.1	227.7	259.6	234.3
Refinance	832.2	851.6	783.7	1,052.3	1,240.5
ARM	548.9	564.5	492.4	576.3	456.3
MBA Weekly Survey Rate and Point (incl. orig fee) Averages <sup>2</sup>					
FR30 conforming		FR30 jumbo		FR15 conforming	
4.94%	0.43 pts	4.74%	0.26 pts	4.37%	0.37 pts
Weekly Economic Data					
Data Series	Prior	Prior Revised	Current		
Housing Market Index - NAHB	60	60	56		
Housing Starts - Census	1.228M	1.217M	1.256M		
Existing Home Sales - NAR	5.22M	5.22M	5.32M		
Jobless Claims - DOL	206 K	206 K	214 K		

Sources: Moody's Analytics/Freddie Mac/MBA/Marketwatch/NAHB/Census/NAR/DOL

<sup>1</sup>seasonally adjusted; <sup>2</sup>for 80% LTV

- Yesterday's announcement of a 25 bps increase in the Federal Funds Rate to a target range of 2.25-2.50% incited a drop in long duration bond yields. The impact of the rate increase was not as significant for the short-end of the yield curve and as a result, the 2/10 spread has narrowed to 0.11%. The 10yT and 2yT yields sit at 2.76% and 2.65%, respectively.
- Freddie Mac's survey rates decreased slightly this week with the PMMS-30 and PMMS-5 down 1 bp and 6 bps to 4.62% and 3.98%, respectively. The PMMS-15 was unchanged at 4.07%.
- MBA mortgage application volume decreased 5.8% from last week with the Purchase index down 6.8% and the Refinance index down 2.3%. The refinance share of mortgage applications increased to 43.5% from 41.5% the week prior, while the adjustable-rate mortgage (ARM) share increased to 7.9% from 7.6% the week prior.
- Confidence among US homebuilders for new build single-family homes, as measured by the NAHB/Wells Fargo housing market index, dropped 4 points to a survey level of 56 in December, the lowest level since May 2015. However, NAHB Chairman Randy Noel stated that "recent declines in mortgage interest rates should help move the market forward in early 2019." The future sales and current sales components were down 4 points and 6 points, respectively, while borrower foot traffic was down 2 points to 43.
- New housing starts increased 3.2% in November to an annualized rate of 1.256 M, from a negatively revised rate of 1.217 M in October. Single-family starts were down 4.6% to 824 K, while permits were up 5.0% last month to an annualized rate of 1.328 M. The increase was driven by multi-family permits, up 22.4%, while single-family permits were up 0.1% to 848 K, and are down 1.9% on an annual basis. For new home sales, single-family completions decreased to 772 K from 816 K.
- Existing home sales increased 1.9% in November to an annualized rate of 5.32 M. On an annual basis, existing home sales are down 7.0%, the largest year-on-year decline since May 2011. Median existing sales price increased 1.0% to \$258 K, and is up 4.2% from last year. Existing home supply for November decreased 5.9% to 1.74 M from 1.85 M in October and months of supply decreased to 3.9 months from 4.4 months.

## Essent Weekly Economic Landscape - 12/20/18



Sources: Moody's Analytics/Freddie Mac/US Federal Reserve Bank

### Upcoming Economic Releases

#### **Friday 12/21/2018**

GDP - BEA

Consumer Sentiment - U of M

#### **Wednesday 12/26/2018**

S&P Corelogic Home Price Index - S&P

#### **Thursday 12/27/2018**

Jobless Claims - DOL

FHFA House Price Index - FHFA

New Home Sales - Census

Consumer Confidence - CB

Oil Inventories - EIA

#### **Friday 12/28/2018**

Pending Home Sales - NAR

#### **Wednesday 1/2/2019**

ADP Employment Report - ADP

#### **Thursday 1/3/2019**

Challenger Job Cut Report - Challenger

Jobless Claims - DOL