

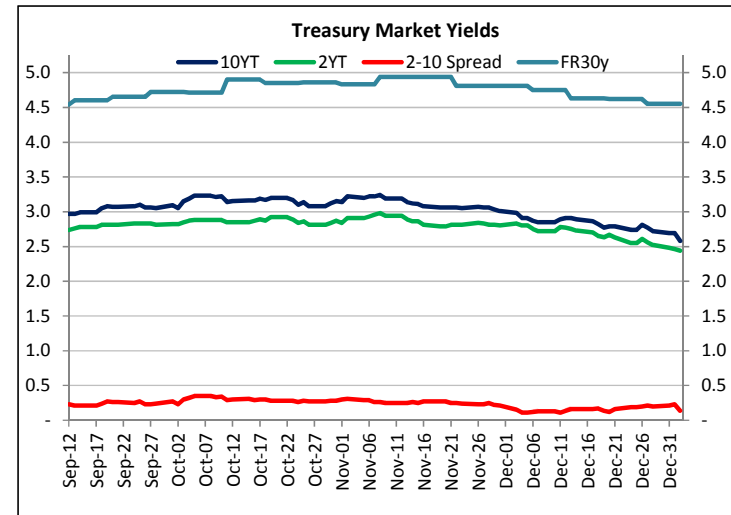
PMMS Rates	Current	1wk Ago	4wks Ago	6mths Ago	1yr Ago
30-Yr FRM	4.51	4.55	4.75	4.55	3.99
15-Yr FRM	3.99	4.01	4.21	4.04	3.44
5/1 ARM	3.98	4.00	4.07	3.87	3.47
MBA Index ¹	Current	1wk Ago	4wks Ago	6mths Ago	1yr Ago
Purchase	219.0	236.9	249.9	245.5	231.1
Refinance	729.9	816.0	836.4	996.0	1,130.4
ARM	480.5	521.3	539.8	519.9	398.8
MBA Weekly Survey Rate and Point (incl. orig fee) Averages ²					
FR30 conforming		FR30 jumbo		FR15 conforming	
4.84%	0.42 pts	4.72%	0.30 pts	4.25%	0.60 pts
Weekly Economic Data					
Data Series	Prior	Prior Revised	Current		
ADP Employment Report - ADP	179 K	157 K	271 K		
FHFA House Price Index Y/Y - FHFA	6.0%	6.1%	5.7%		
Pending Home Sales - NAR	-2.6%	-2.6%	-0.7%		
S&P Corelogic Home Price Index Y/Y - S&P	5.1%	5.2%	5.0%		

Sources: Moody's Analytics/Freddie Mac/MBA/Marketwatch/ADP/FHFA/NAR/S&P

¹seasonally adjusted; ²for 80% LTV

- 10yT and 2yT yields fell to 2.58% and 2.44% this week as concerns of potential slowdown in U.S. factory activity and a cooling global economy inspired a global flight to safety. The 2/10 spread currently sits at 0.14%.
- Freddie Mac's survey rates decreased this week with the PMMS-30 and PMMS-15 down 4 bps and 2 bps to 4.51% and 3.99%, respectively. The PMMS-5 was down 2 bps to 3.98%.
- MBA mortgage application volume decreased 9.8% from two weeks earlier with the Purchase index down 7.6% and the Refinance index down 10.6%. The refinance share of mortgage applications decreased to 42.7% from 43.6%, while the adjustable-rate mortgage (ARM) share remained unchanged at 7.6%.
- The ADP employment report projects 271 K new private sector jobs were created during the month of December, a significant increase from the negatively revised number of 157 K in November. Mark Zandi, Chief Economist at Moody's Analytics, stated that "businesses continue to add aggressively to their payrolls despite the stock market slump and trade war." Zandi believes December's favorable weather helped lift the job market and will further lower unemployment. Market participants will look to tomorrow's employment situation report for confirmation of the ADP estimate.
- The FHFA house price index for October showed annual house price appreciation of 5.8%, down from an upwardly revised September rate of 6.1%, and a monthly increase of 0.3%. The S&P Corelogic 20-city home price index increased 0.4% in October and is up 5.0% annually, a slight decrease from 5.2% in September. Despite a strong labor market and improved consumer spending, rising mortgage rates have weakened housing affordability and driven sales and house prices lower the last several months.
- The Pending Home Sales Index decreased 0.7% in November to 101.4 from 102.1 in October with pending home sales down 7.7% compared to a year ago, marking the eleventh straight month of annual decline. All four regions have dropped compared to a year ago, with the West experiencing the largest decline of 12.2%.

Essent Weekly Economic Landscape - 1/3/19



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

Upcoming Economic Releases

Friday 1/4/2019

Employment Situation - BLS
Oil Inventories - EIA

Tuesday 1/8/2019

Job Openings and Labor Turnover Survey - BLS

Wednesday 1/9/2019

FOMC Minutes - FED
Oil Inventories - EIA

Thursday 1/10/2019

Jobless Claims - DOL

Friday 1/11/2019

Consumer Price Index - BLS

Tuesday 1/15/2019

Producer Price Index - BLS

Wednesday 1/16/2019

Retail Sales - Census
Housing Market Index - NAHB
Oil Inventories - EIA