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Essent Weekly Economic Landscape - 5/2/19

PMMS Rates	Current	1wk Ago	4wks Ago	6mths Ago	1yr Ago
30-Yr FRM	4.14	4.20	4.08	4.83	4.58
15-Yr FRM	3.60	3.64	3.56	4.23	4.02
5/1 ARM	3.68	3.77	3.66	4.04	3.74
MBA Index[1]	Current	1wk Ago	4wks Ago	6mths Ago	1yr Ago
Purchase	259.4	269.3	276.6	226.1	258.1
Refinance	1,228.3	1,293.0	1,786.0	861.8	1,104.9
ARM	543.5	580.0	1,022.8	545.3	556.4

MBA Weekly Survey Rate and Point (incl. orig fee) Averages[2]					
FR30 conforming		FR30 jumbo		FR15 conforming	
4.42%	0.46 pts	4.31%	0.23 pts	3.81%	0.40 pts

Weekly Economic Data			
Data Series	Prior	Prior Revised	Current
S&P Corelogic Home Price Index Y/Y - S&P	3.6%	3.5%	3.0%
Pending Home Sales - NAR	-1.0%	-1.0%	3.8%
ADP Employment Report - ADP	129 K	151 K	275 K
Jobless Claims - DOL	230 K	230 K	230 K

Sources: Moody's Analytics/Freddie Mac/MBA/Marketwatch/S&P/NAR/ADP/DOL
[1]seasonally adjusted; [2]for 80% LTV

➢ Yields on the 10yT and 2yT decreased 3 bps and 1 bp this week to 2.51% and 2.33% respectively, narrowing the 2/10 spread to 0.18%.

➢ Freddie Mac's survey rates also declined with the PMMS-30 down 6 bps and the PMMS-15 down 4 bps to 4.14% and 3.60% respectively. The PMMS-5 was down 9 bps to 3.68%.

➢ MBA mortgage application volume decreased 4.3% from last week with the Refinance index down 5.0% and the Purchase index down 3.7%. The refinance share of mortgage application volume decreased to 38.8% from 39.4%, while the adjustable-rate mortgage (ARM) share decreased to 6.2% from 6.4%.

➢ The S&P Corelogic 20-city home price index rose 0.2% in February and is up 3.0% annually, down from an annual gain of 3.5% as of January. Las Vegas and Phoenix saw the largest annual increases this month at 9.7% and 6.7% respectively. The San Francisco Bay area median home prices declined in February, reporting the first annual drop since 2012. On a seasonally adjusted basis, 17 of the 20 cities saw price increases in February.

➢ The Pending Home Sales Index increased 3.8% in March to 105.8 from 101.9 in February. NAR Chief Economist Lawrence Yun said, "we are seeing positive sentiment from consumers about home buying, as mortgage applications have been steadily increasing and mortgage rates are extremely favorable." Evidence of this is visible with purchase contracts increasing by 8.7% in the West and 4.4% in the South. Despite the monthly increases, the pending sales index is still down 1.2% annually.

➢ The ADP employment report projects private sector job growth of 275 K during the month of April, a substantial increase from last month's positively revised level of 151 K. The service sector had the strongest increase, accounting for 223 K jobs. Market participants will look to tomorrow's employment report for confirmation of the ADP estimate.

Treasury Market Yields

Legend: 10YT, 2YT, 2-10 Spread, FR30y
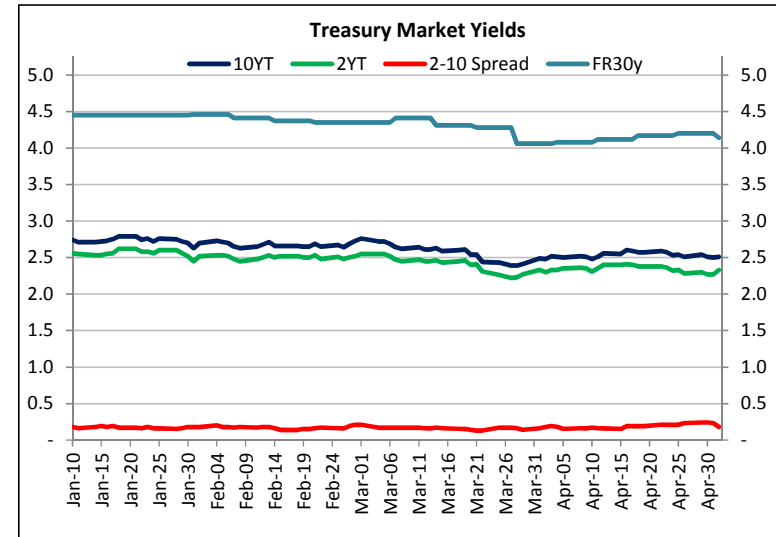
Sources: Moody's Analytics/Freddie Mac/US Federal Reserve Bank

Upcoming Economic Releases

Friday 5/3/19
Employment Situation - BLS

Tuesday 5/7/19
Job Openings and Labor Turnover Survey - BLS

Wednesday 5/8/19
Oil Inventories - EIA

Thursday 5/9/19
Jobless Claims - DOL
Producer Price index - BLS

Friday 5/10/19
Consumer Price Index - BLS

Wednesday 5/15/19
Retail Sales - Census
Housing Market Index - NAHB
Oil Inventories - EIA

Thursday 5/16/19
Housing Starts - Census
Jobless Claims - DOL