Essent Weekly Economic Landscape - 7/18/19

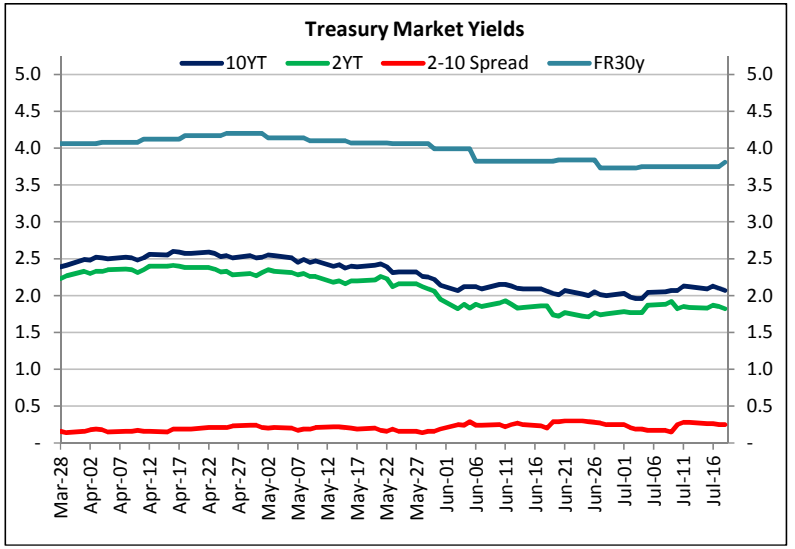
PMMS Rates	Current	1wk Ago	4wks Ago	6mths Ago	1yr Ago
30-Yr FRM	3.81	3.75	3.84	4.45	4.53
15-Yr FRM	3.23	3.22	3.25	3.88	4.02
5/1 ARM	3.48	3.46	3.48	3.87	3.86
MBA Index[1]	**Current**	**1wk Ago**	**4wks Ago**	**6mths Ago**	**1yr Ago**
Purchase	265.1	275.6	268.6	272.5	247.9
Refinance	1,827.3	1,799.7	1,888.8	1,110.5	979.6
ARM	519.8	572.5	667.2	711.0	472.5

MBA Weekly Survey Rate and Point (incl. orig fee) Averages[2]					
FR30 conforming		FR30 jumbo		FR15 conforming	
4.12%	0.38 pts	4.07%	0.21 pts	3.48%	0.32 pts

Weekly Economic Data			
Data Series	**Prior**	**Prior Revised**	**Current**
Retail Sales M/M - Census	0.5%	0.4%	0.4%
Housing Market Index - NAHB	64	64	65
Housing Starts - Census	1.269 M	1.265 M	1.253 M
Jobless Claims - DOL	209 K	208 K	216 K

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

[1]seasonally adjusted; [2]for 80% LTV



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

- Yields on the 10yT are unchanged from last week at 2.07%, while the 2yT decreased 2 bps to 1.82%, widening the 2/10 spread to 0.25%.
- Freddie Mac's survey rates increased this week with the PMMS-30 and PMS-15 up 6 bps and 1 bp to 3.81% and 3.23% respectively. The PMMS-5 increased 2 bps to 3.48%.
- MBA mortgage application volume decreased 1.1% from last week with the Refinance index up 1.5% and the Purchase index down 3.8%. The refinance share of mortgage application volume increased to 50.0% from 48.7%, while the adjustable-rate mortgage (ARM) share decreased to 4.9% from 5.3%.
- Confidence among US homebuilders for new build single-family homes, as measured by the NAHB/Wells Fargo housing market index, increased by 1 point in July to a survey level of 65. NAHB Chairman Greg Ugalde stated that "builders report solid demand for single-family homes. However, they continue to grapple with labor shortages, a dearth of buildable lots and rising construction costs that are making it increasingly challenging to build homes at affordable price points relative to buyer incomes." The future and current sales components both increased by 1 point to 71 and 72 respectively; similarly, borrower foot traffic rose by 1 point to 48.
- New housing starts decreased 0.9% in June to an annualized rate of 1.253 M, from a downwardly revised rate of 1.265 M in May. Single family starts increased 3.5% to an annual rate of 847 K, however, year-over-year is still down 0.8%. Permits hit a two year low, decreasing 6.1% to a rate of 1.220 M in June.
- Initial jobless claims increased 8 K during the second week in July to 216 K from 208 K the week prior. The 4 week moving average of initial claims slightly decreased by 250 to 219 K, while the 4 week moving average of continued claims decreased by 42 K to 1.69 M.

Upcoming Economic Releases

Friday 7/19/19
Consumer Sentiment - U of M

Tuesday 7/23/19
FHFA House Price Index - FHFA
Existing Home Sales - NAR

Wednesday 7/24/19
New Home Sales - Census
Oil Inventories - EIA

Thursday 7/25/19
Jobless Claims - DOL

Friday 7/26/19
GDP - BEA

Tuesday 7/30/19
S&P Corelogic Home Price Index - S&P
Consumer Confidence - CB
Pending Home Sales - NAR

©2019 Essent Guaranty, Inc., All rights reserved. This report is the property of Essent Guaranty, Inc. ("Essent"). Any reproduction, disclosure, or sale of this report, in whole or in part, to any third party is strictly prohibited. Information contained in this report may have been acquired from third party sources. Essent provides no warranty, express or implied, with respect to the accuracy of the information or the inferences drawn by Essent in this report, Essent has no obligation to update this report, and Essent shall not be liable for any errors or omissions or for the results obtained from the use of the content of this report.