Daily market update: July 7, 2017

We'll add more market news briefs throughout the day. Check back to read the latest.

Most recent market news

Friday, July 7

U.S. Bureau of Labor Statistics Employment Situation Summary

- Total nonfarm payroll employment increased by 222,000 in June, and the unemployment rate was little changed at 4.4 percent, the U.S. Bureau of Labor Statistics reported today.
- Employment increased in health care, social assistance, financial activities and mining.
- In June, the unemployment rate, at 4.4 percent, and the number of unemployed persons, at 7 million, were little changed. Since January, the unemployment rate and the number of unemployed are down by 0.4 percentage point and 658,000, respectively.
- The number of long-term unemployed (those jobless for 27 weeks or more) was unchanged at 1.7 million in June and accounted for 24.3 percent of the unemployed. Over the year, the number of long-term unemployed was down by 322,000.
- In June, 1.6 million persons were marginally attached to the labor force, down by 197,000 from a year earlier.
- Employment in professional and business services continued to trend up in June (+35,000) and has grown by 624,000 over the last 12 months.

News from earlier this week

Thursday, July 6

Mortgage Applications Increase in Latest MBA Weekly Survey

- Mortgage applications increased 1.4 percent from one week earlier, according to data from the Mortgage Bankers Association's (MBA) Weekly Mortgage Applications Survey for the week ending June 30, 2017.
- The refinance share of mortgage activity decreased to 44.9 percent of total applications from 45.6 percent the previous week. The adjustable-rate mortgage (ARM) share of activity increased to 7.2 percent of total applications.
- The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances ($424,100 or less) increased to its highest level since May 2017, 4.20 percent, from 4.13 percent, with points decreasing to 0.31 from 0.32 (including the origination fee) for 80 percent loan-to-value ratio (LTV) loans. The effective rate increased from last week.

- The average contract interest rate for 30-year fixed-rate mortgages with jumbo loan balances (greater than $424,100) increased to its highest level since May 2017, 4.10 percent, from 4.09 percent, with points increasing to 0.23 from 0.20 (including the origination fee) for 80 percent LTV loans. The effective rate increased from last week.
- The average contract interest rate for 15-year fixed-rate mortgages increased to its highest level since May 2017, 3.43 percent, from 3.39 percent, with points decreasing to 0.32 from 0.33 (including the origination fee) for 80 percent LTV loans. The effective rate increased from last week.
- The average contract interest rate for 5/1 ARMs increased to its highest level since March 2017, 3.37 percent, from 3.31 percent, with points decreasing to 0.22 from 0.25 (including the origination fee) for 80 percent LTV loans. The effective rate increased from last week.

30-Year Fixed Mortgage Rates Climb to Two-Month High; Current Rate is 3.83 Percent, According to Zillow Mortgage Rate Ticker

State	Current 30-Year Fixed Rate (7/5/17)	Last Week's 30-Year Fixed Rate (6/27/17)	Change in Basis Points
California Mortgage Rates	3.81%	3.69%	+12
Colorado Mortgage Rates	3.73%	3.71%	+2
Florida Mortgage Rates	3.81%	3.66%	+15
Illinois Mortgage Rates	3.84%	3.72%	+12
Massachusetts Mortgage Rates	3.82%	3.67%	+15
New Jersey Mortgage Rates	3.80%	3.65%	+15
New York Mortgage Rates	3.91%	3.78%	+13
Pennsylvania Mortgage Rates	3.82%	3.66%	+16
Texas Mortgage Rates	3.81%	3.65%	+16
Washington Mortgage Rates	3.86%	3.70%	+16

Current rates for 30-year fixed mortgages by state

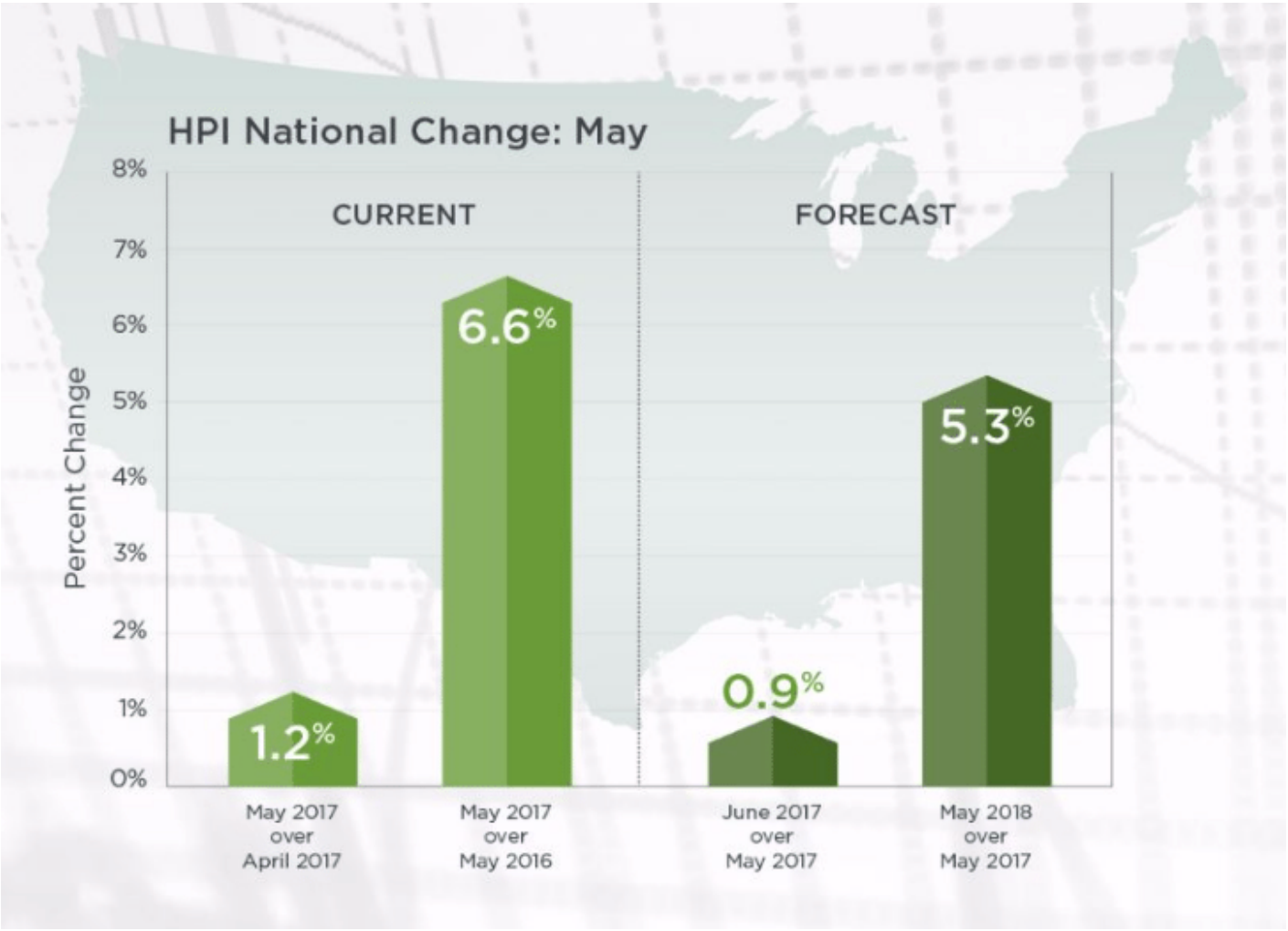
- The 30-year fixed mortgage rate on Zillow Mortgages is currently 3.83 percent, up 16 basis points from this time last week. The 30-year fixed mortgage rate rose throughout the week, reaching 3.87 percent on Tuesday before falling to the current rate on Wednesday.
- The rate for a 15-year fixed home loan is currently 3.07 percent, while the rate for a 5-1 adjustable-rate mortgage (ARM) is 3.09 percent.

"Mortgage rates moved decisively higher last week, reaching their highest levels in two months, on

speculation that the European Central Bank is looking to end its bond-buying program which has helped hold down long-term interest rates around the world," said Erin Lantz, vice president of mortgages at Zillow. "Despite a holiday-shortened week, important economic news later in the week – notably today's publication of the minutes from the Federal Reserve's June meeting and Friday's monthly jobs report – could move rates."

Wednesday, July 5

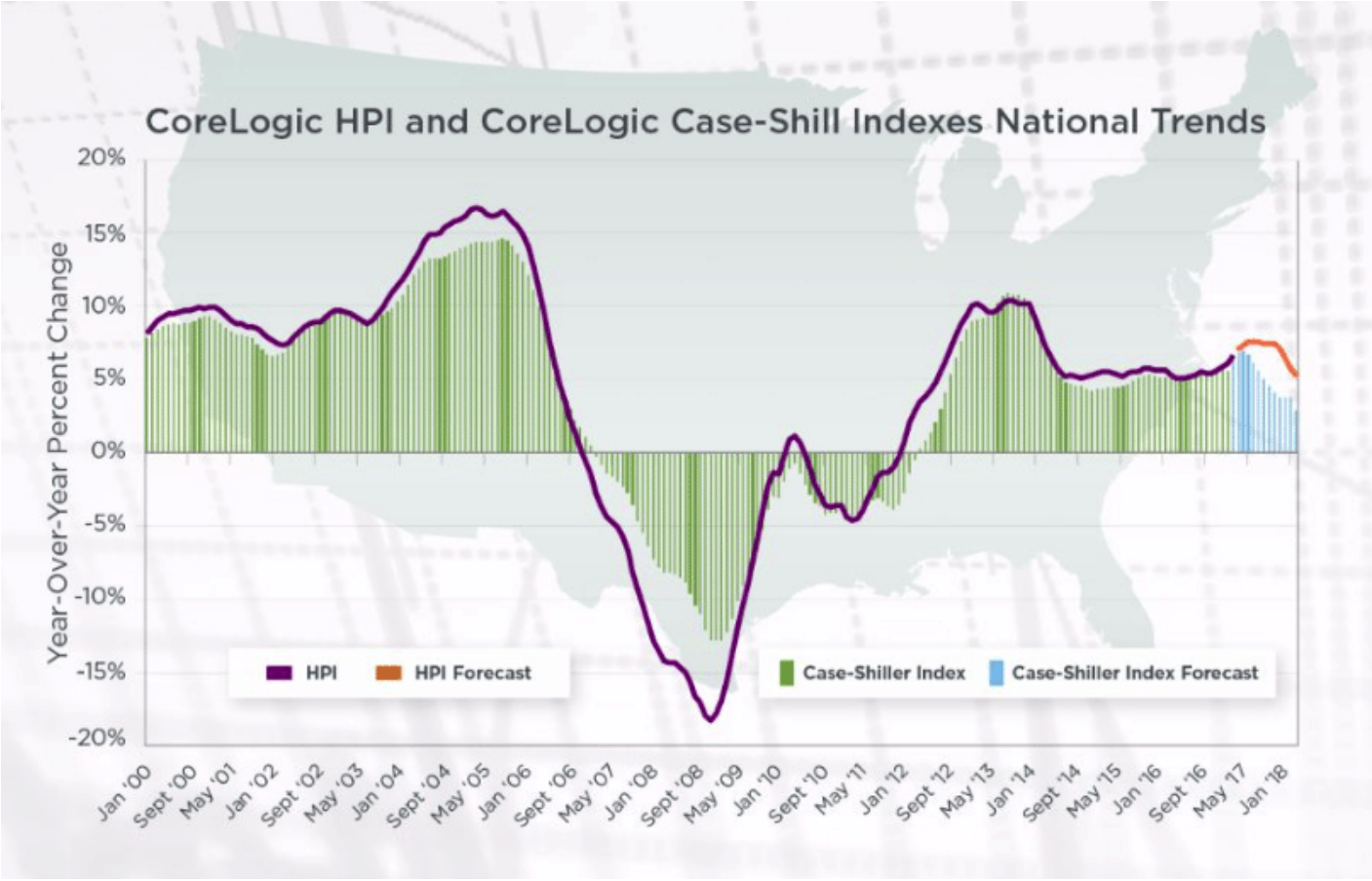
CoreLogic U.S. Home Price Insights, Through May 2017 with Forecasts from June 2017



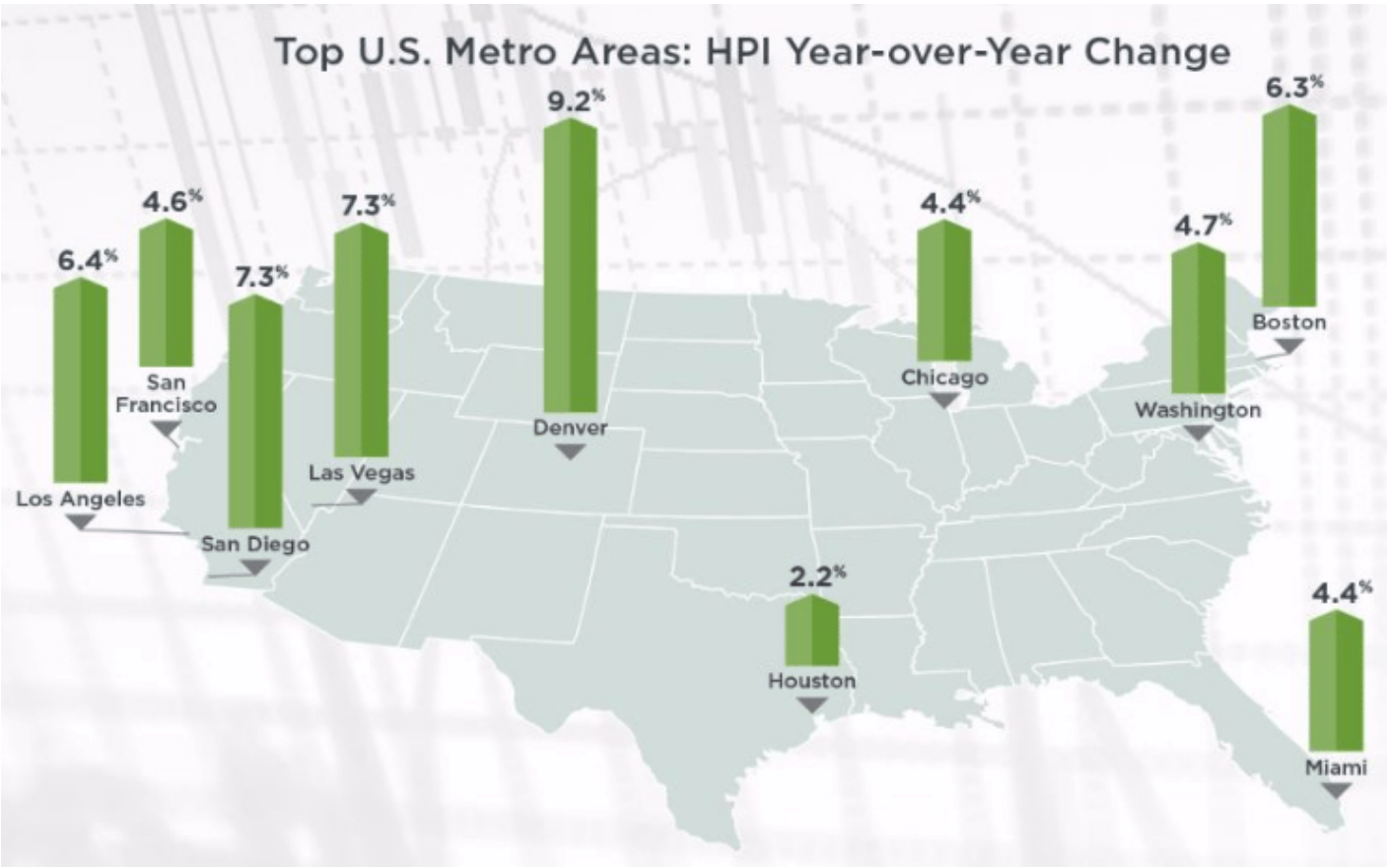
- Home prices nationwide, including distressed sales, increased year-over-year by 6.6 percent in May 2017 compared with May 2016 and increased month-over-month by 1.2 percent in May 2017 compared with April 2017.
- The CoreLogic HPI Forecast indicates that home prices will increase by 5.3 percent on a year-over-year basis from May 2017 to May 2018, and on a month-over-month basis home

prices are expected to increase by 0.9 percent from May 2017 to June 2017.

- Overall single-family rent inflation was 3.1 percent on a year-over-year basis in May 2017 compared with May 2016.
- Nationally, the year over year home price changed by 6.6 percent. Most states experienced increases, except Alaska, West Virginia and Wyoming. The states with the highest increases were Utah (10.4 percent) and Washington (12.6 percent), both experiencing double digit increases.



This graph shows a comparison of the national year-over-year percent change for the CoreLogic HPI and CoreLogic Case-Shiller Index from 2000 to present month with forecasts one year into the future.



These large cities continue to experience price increases with Denver leading the way at 9.2 percent year over year.

“For current homeowners, the strong run-up in prices has boosted home equity and, in some cases, spending,” said Frank Nothaft, chief economist at Core Logic. “For renters and potential first-time homebuyers, it is not such a pretty picture. With price appreciation and rental inflation outstripping income growth, affordability is destined to become a bigger issue in most markets.”

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