Daily market update: June 7, 2017

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

Most recent market news

Wednesday, June 7

A Seller's Market? Consumers Express Diverging Sentiment on Home Buying and Selling in May

- The Fannie Mae Home Purchase Sentiment Index® (HPSI) decreased 0.5 percentage points in May to 86.2. The slight decrease can be attributed to decreases in three of the six HPSI components being larger on net than the three increases.
- Americans expressed greater belief that mortgage rates will go down over the next 12 months, with that component increasing 5 percentage points.

"High home prices have led many consumers to give us the first clear indication we've seen in the National Housing Survey's seven-year history that they think it's now a seller's market," said Doug Duncan, senior vice president and chief economist at Fannie Mae. "However, we continue to see a lack of housing supply as many potential sellers are unwilling or unable to put their homes on the market, perhaps due in part to concerns over finding an affordable replacement home. Prospective homebuyers are likely to face continued home price increases as long as housing supply remains tight."

Mortgage Applications Increase in Latest MBA Weekly Survey

- Mortgage applications increased 7.1 percent from one week earlier. This week's results included an adjustment for the Memorial Day holiday.
- The Market Composite Index increased 7.1 percent on a seasonally adjusted basis from one week earlier. On an unadjusted basis, the Index decreased 15 percent compared with the previous week.
- The Refinance Index increased 3 percent from the previous week.
- The seasonally adjusted Purchase Index increased 10 percent from one week earlier to its highest level since May 2010. The unadjusted Purchase Index decreased 14 percent compared with the previous week and was 6 percent higher than the same week one year ago.
- The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances and jumbo loan balances both decreased to their lowest levels since November 2016.

Mortgage rates

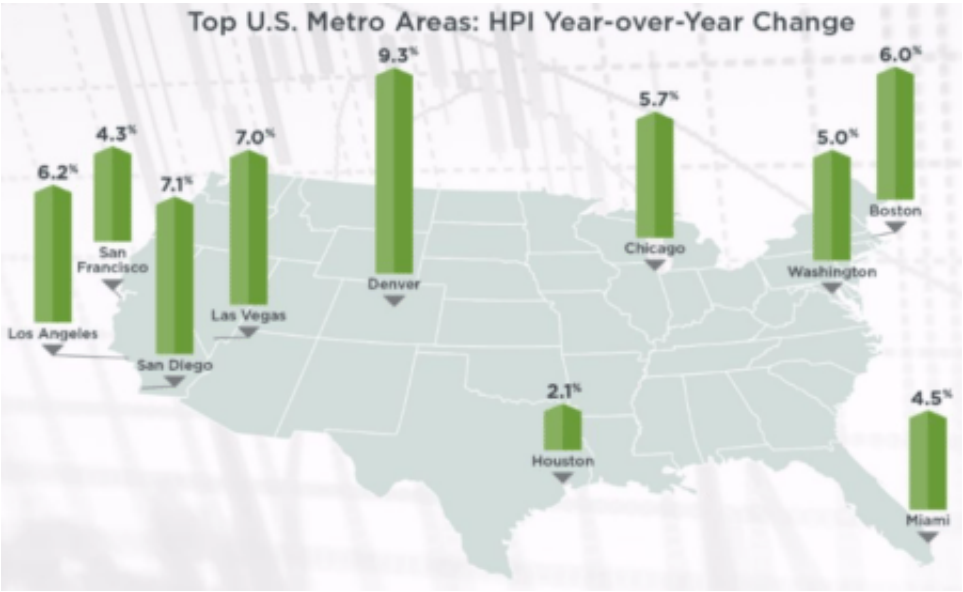
30-Year Fixed Rate Mortgage Rates for the Past 6 Months | Credio

News from earlier this week

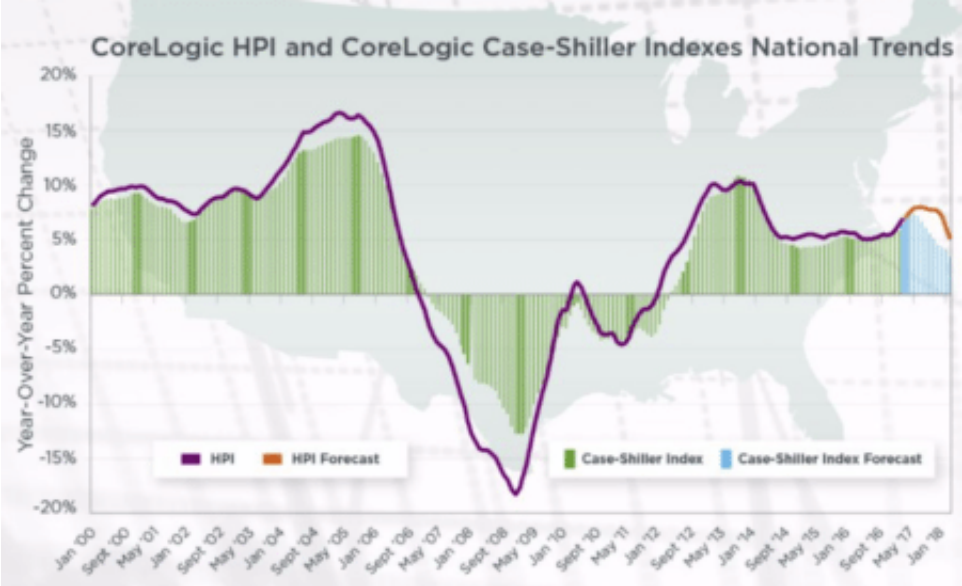
Tuesday, June 6

CoreLogic Home Price Insights

“Mortgage rates in April dipped back to their lowest level since November of last year, spurring home-buying activity,” said Frank Nothaft, Chief Economist at CoreLogic. “In some metro areas, there has been a bidding frenzy as multiple contracts are placed on a single home. This has led home-price growth to outpace rent gains. Nationally, home prices were up 6.9 percent over the last year, while rent growth for single-family rental homes recorded a 3 percent rise through April, according to the CoreLogic Single-Family Rental Index.”



Source: CoreLogic Home Price Insights



Source: CoreLogic Home Price Insights

- Home prices nationwide, including distressed sales, increased year over year by 6.9 percent in April 2017 compared with April 2016 and increased month over month by 1.6 percent in April 2017 compared with March 2017.
- The CoreLogic HPI Forecast indicates that home prices will continue to increase both year-over-year and month-over-month by 5.1 percent and 0.7 percent, respectively.
- Both the CoreLogic HPI Single Family Combined tier and the CoreLogic Case-Shiller Index are posting positive, but moderating year-over-year percent changes, and forecasting gains for the next year.
- Fixed-rate mortgage interest rates are down by one-fourth of a percentage point since mid-March.
- Nationally, the year over year home price changed by 6.9 percent. Most states experienced increases, except Alaska, Delaware and Wyoming, with the largest gains made in Washington (12 percent) and Utah (10.1 percent).

Monday, June 5

Black Knight's Mortgage Monitor: Q1 2017 Originations Fall 34 Percent, Led By 45 Percent Drop in Refinance Lending; Despite Recent Rate Softening, Home Affordability Remains Near Post-Recession Low

"Overall, first lien mortgage originations fell by 34 percent in the first quarter of 2017," said Black Knight Data & Analytics Executive Vice President Ben Graboske. "As expected, the decline was

most pronounced in the refinance market, which saw a 45 percent decline from Q4 2016 and were down 20 percent from last year."

- Because of the upward interest rate shift seen in Q4 2016, Q1 2017 purchase and refinance originations have both seen significant quarterly declines in volume.
- Refinance lending among higher-credit-score borrowers saw a quarterly decline of 50 percent.
- After surpassing their pre-crisis peak for the first time in February, home prices rose another 1.3 percent in March – the largest monthly increase in nearly four years.

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