



**Mid Valley Financial**

Mortgage Banker, Since 1985

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## Is The Housing Market Finally Bouncing Back?

There are those who always try to portray the glass as being half full when it comes to the housing market. Then there are those who love a full glass, but who also call it like they see it. Right now, each camp has something to agree on: the glass is more full than it was last month.

Before proceeding, a disclaimer is in order. Outright measurements of housing market health are still not that great. We know that and have been discussing it for the better part of a year as sales slid and rates spiked. That part is old news.

The new news is that there are a few signs of change. If things were to continue to change as they have in the past few weeks, people would really be talking about a bounce in the housing market.

The just-released Pending Home Sales data from the National Association of Realtors is the latest in a small collection of data that quantifies the potential shift. In this case, words are probably worth more than pictures because we can say things like "pending home sales moved up at the fastest pace since October 2021." The chart may be a bit anticlimactic by comparison, but it's a start.

## National Average Mortgage Rates



	Rate	Change	Points
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### Mortgage News Daily

30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00

### Freddie Mac

30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00

Rates as of: 7/22

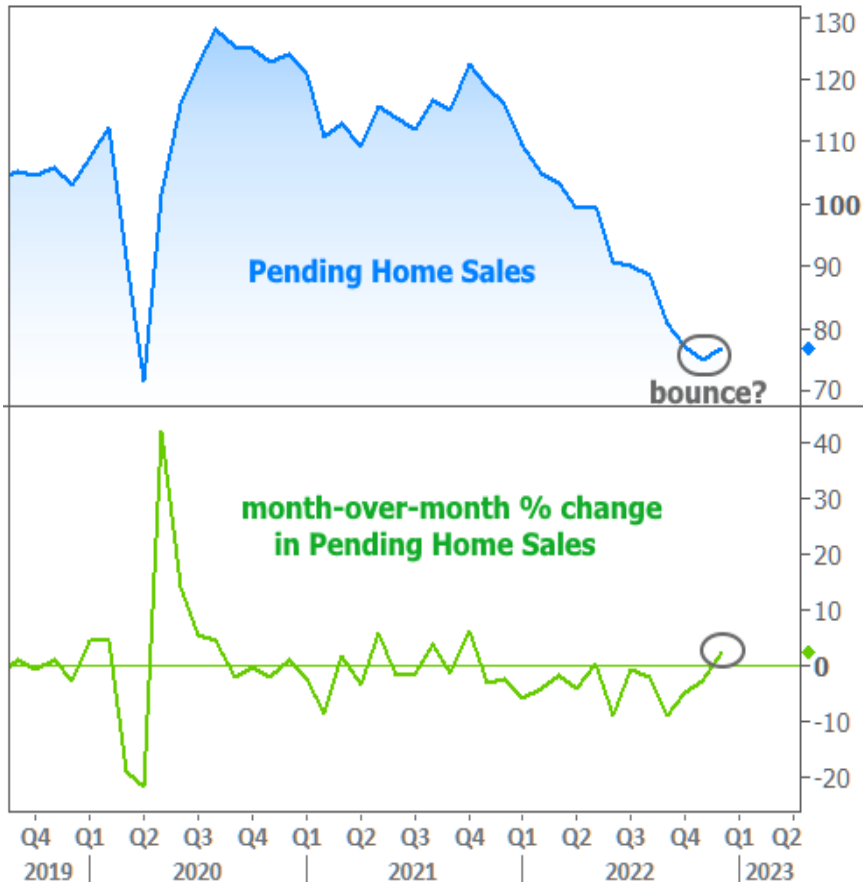
## Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.39	-0.01
MBS GNMA 5.5	99.78	+0.00
10 YR Treasury	4.2525	+0.0146
30 YR Treasury	4.4725	+0.0257

Pricing as of: 7/22 5:59PM EST

## Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%
Builder Confidence	Mar	51	+6.25%



“This recent low point in home sales activity is likely over,” said NAR Chief Economist Lawrence Yun. “Mortgage rates are the dominant factor driving home sales, and recent declines in rates are clearly helping to stabilize the market.”

As we’ve discussed at length in the past few weeks, rates are indeed much improved from 3-4 months ago. But the level of improvement is perhaps not even the most welcome change. Rather, it’s the STABILITY. With a range of just over half a percent for more than 3 months, rates haven’t seen a narrower, more stable range since late 2021.

## 30yr Fixed Mortgage Rates



Interestingly enough, this combination of lower and more stable rates PERFECTLY coincides with a noticeable shift in purchase mortgage applications. This week saw purchase apps tick up to the highest levels since August.



One great lesson from the past year (and many other times in the history of market watching) is to not draw sweeping conclusions about the future from a few months of data. Could rates move back up and could housing slump back toward previous levels? Sure. All we're saying is that the housing market will bounce at some point and the inception of such bounces look a lot like the charts above.

A word of caution is in order though. Housing played an outsized role in driving inflation over the past few years. The Fed is aware of it. If the market seems like it's bouncing too quickly, it's entirely possible that the Fed will do or say something to try to keep things on a simmer.

Ultimately, broader economic factors will play the biggest role in determining the trajectory of rates (things like inflation, employment, and measures of economic output). We'll get several big ticket economic reports next week in addition to the latest policy announcement from the Fed. Forecasters and markets have already placed their bets on how that data will look. All we can know is that there is more potential for volatility than there was this week, for better or worse.

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**Recent Economic Data**

Date	Event	Actual	Forecast	Prior
<b>Monday, Jan 23</b>				
10:00AM	Dec Leading index chg mm (%)	-1.0	-0.7	-1.0

**Event Importance:**

- No Stars = Insignificant
- ☆ Low
- ★ Moderate
- ★★ Important

★★ Very Important

Date	Event	Actual	Forecast	Prior
<b>Tuesday, Jan 24</b>				
9:45AM	Jan Markit Composite PMI	46.6	47.0	45.0
1:00PM	2-Yr Note Auction (bl)	42		
<b>Wednesday, Jan 25</b>				
7:00AM	w/e MBA Purchase Index	205.4		198.7
7:00AM	w/e MBA Refi Index	502.3		438.3
1:00PM	5-Yr Note Auction (bl)	43		
<b>Thursday, Jan 26</b>				
8:30AM	Q4 GDP Advance (%)	2.9	2.6	3.2
8:30AM	Dec Durable goods (%)	5.6	2.5	-2.1
8:30AM	w/e Jobless Claims (k)	186	205	190
10:00AM	Dec New Home Sales (ml)	0.616	0.617	0.640
10:00AM	Dec New Home Sales (%) (%)	2.3	-4.7	5.8
1:00PM	7-Yr Note Auction (bl)	35		
<b>Friday, Jan 27</b>				
8:30AM	Dec Core PCE Inflation (y/y) (%)	4.4	4.4	4.7
10:00AM	Jan Consumer Sentiment (ip)	64.9	64.6	64.6
10:00AM	Jan Sentiment: 1y Inflation (%)	3.9		4.0
10:00AM	Dec Pending Sales Index	76.9		73.9
10:00AM	Jan Sentiment: 5y Inflation (%)	2.9		3.0
10:00AM	Dec Pending Home Sales (%)	2.5	-0.9	-4.0
<b>Tuesday, Jan 31</b>				
8:30AM	Q4 Employment costs (%)	1.0	1.1	1.2
9:00AM	Nov Case Shiller Home Prices-20 y/y (%)	6.8	6.8	8.6
9:00AM	Nov FHFA Home Prices y/y (%)	8.2		9.8
9:45AM	Jan Chicago PMI	44.3	45.0	44.9
10:00AM	Jan Consumer confidence	107.1	109.0	108.3
<b>Wednesday, Feb 01</b>				
7:00AM	w/e MBA Purchase Index	184.3		205.4
7:00AM	w/e MBA Refi Index	466.6		502.3
8:15AM	Jan ADP jobs (k)	106	178	235
10:00AM	Jan ISM Manufacturing PMI	47.4	48.0	48.4
10:00AM	Jan ISM Mfg Prices Paid	44.5	39.5	39.4
2:00PM	N/A FOMC rate decision (%)	4.500 - 4.750	4.625	4.375
<b>Thursday, Feb 02</b>				
7:30AM	Jan Challenger layoffs (k)	102.943		43.651
8:30AM	w/e Jobless Claims (k)	183	200	186
<b>Friday, Feb 03</b>				
8:30AM	Jan Non-farm payrolls (k)	517	185	223

Date	Event	Actual	Forecast	Prior
8:30AM	Jan Unemployment rate mm (%)	3.4	3.6	3.5
8:30AM	Jan Average earnings mm (%)	0.3	0.3	0.3
10:00AM	Jan ISM Biz Activity	60.4	54.5	54.7
10:00AM	Jan ISM N-Mfg PMI	55.2	50.4	49.6

## Who is Mid Valley Financial?

Mid Valley Financial, located in Fresno, CA, is the Central Valley's premier destination for a wide range of residential and commercial real estate loans. Our commitment to excellence has made us a trusted partner for property buyers and investors seeking tailored financial solutions.

### \*\*Why Choose Us:\*\*

With a track record spanning back to our inception in 1985, we have established ourselves as a reliable and innovative lender. We proudly serve properties exclusively within California, having funded loans in all 58 counties of the state. Our deep-rooted experience enables us to navigate complex loan scenarios with expertise and efficiency.

### \*\*Our Approach:\*\*

At Mid Valley Financial, we prioritize your financial goals. Whether you're a first-time homebuyer, envisioning your dream property, refinancing an existing mortgage, or looking to tap into your property's equity, our seasoned loan officers offer a wealth of knowledge and over 300 years of collective experience. We ensure that your funds are prepared when you need them, providing a smooth and swift loan process.

### \*\*Unlocking Possibilities:\*\*

As one of California's leading direct lenders, we've streamlined the loan process, minimizing obstacles that often deter borrowers. Many of our clients receive approvals within an hour, showcasing our dedication to quick and hassle-free solutions.

### \*\*Your Journey with Us:\*\*

Contact the MVF team today and let us put your journey to property ownership on cruise control. Our mission is to empower borrowers while fostering enduring and meaningful relationships. With highly competitive rates, a commitment to transparency, and a dedication to your financial success, Mid Valley Financial is your partner in realizing your real estate aspirations.

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