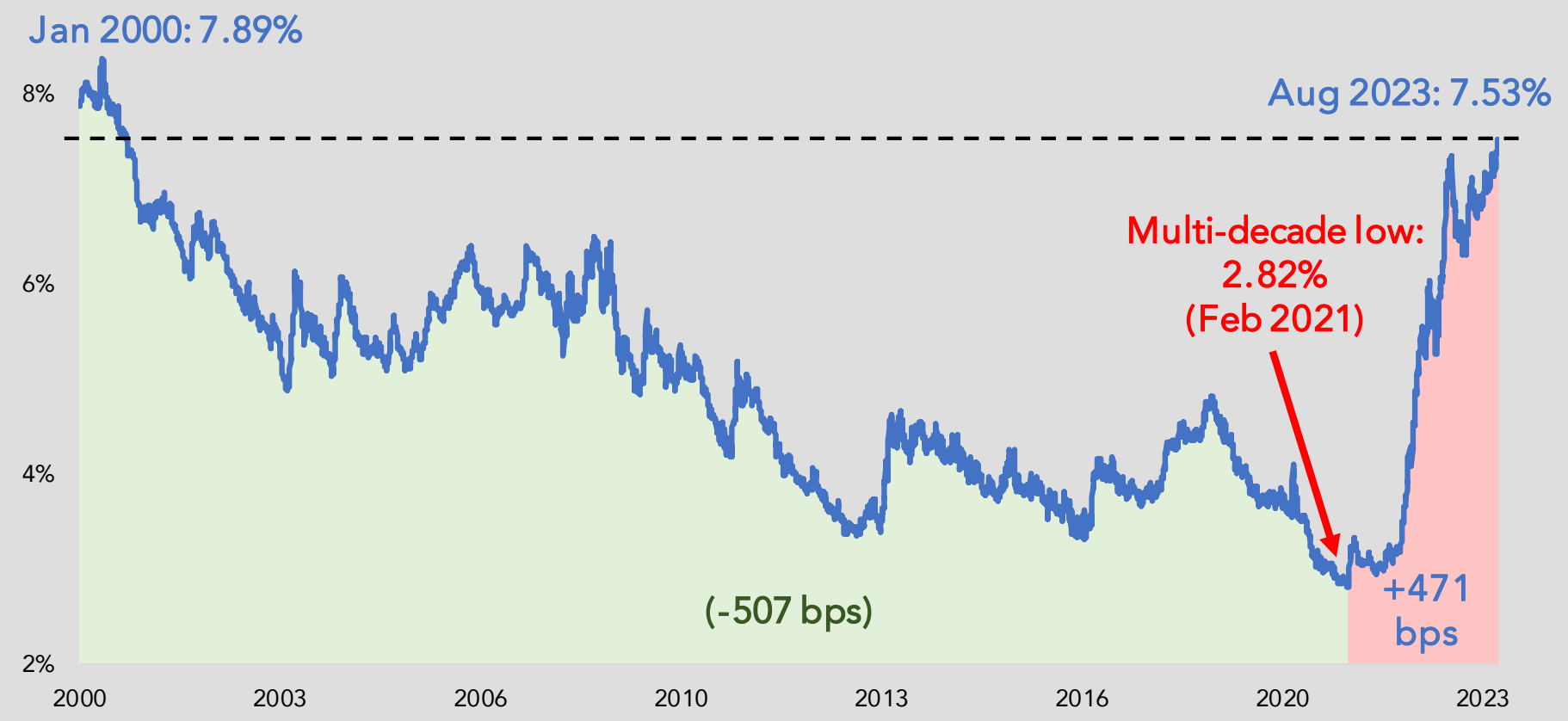


# Chart of the Day

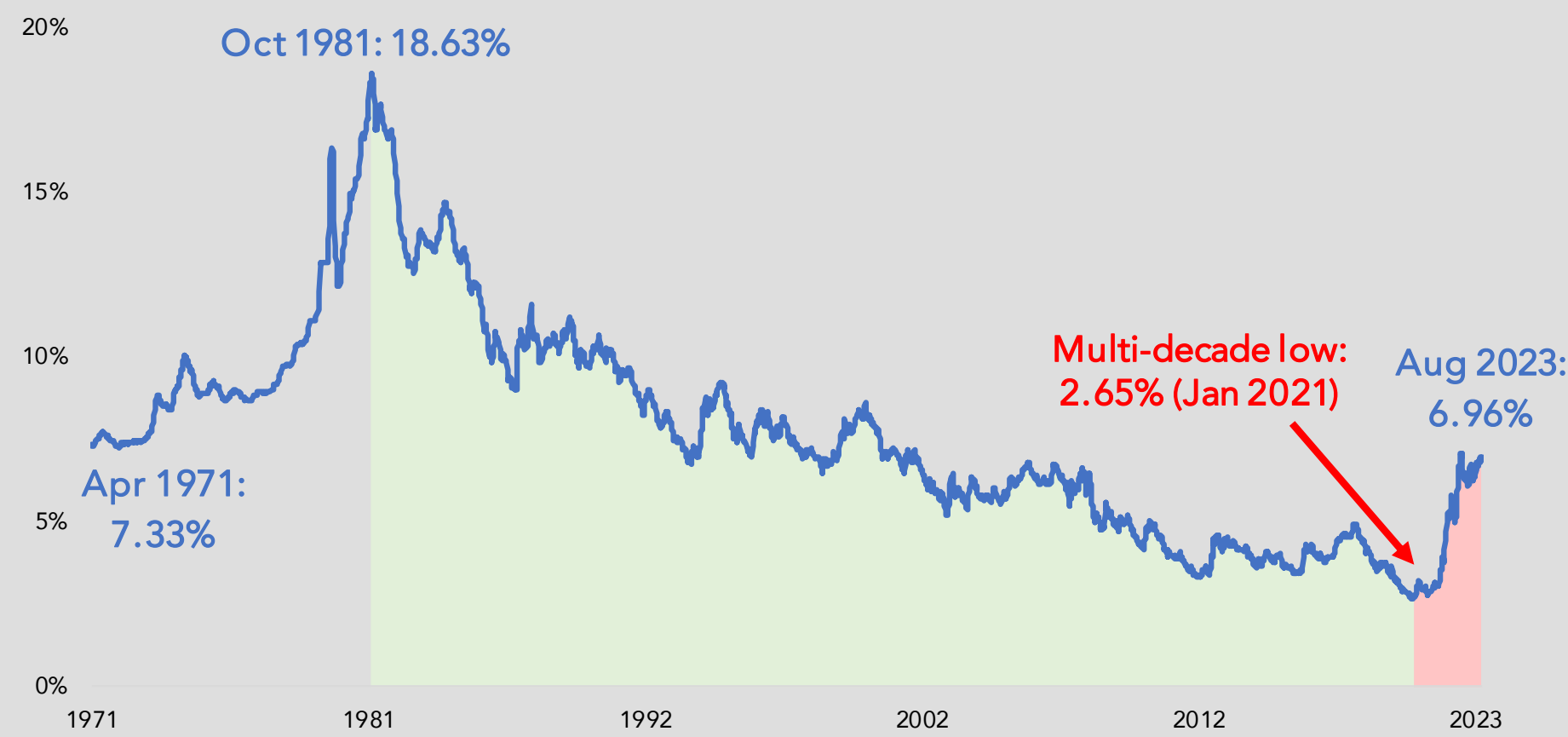
Historically, US mortgage rates have tended to move more in tandem with the 10 year US Treasury rate than the Fed Funds policy rate. Over the last month, US 30 year fixed mortgage rates surged above 7%, more than 2.5x the level of two years ago, and their highest level in 23 years. Key drivers of the continued increase include a mature Fed tightening cycle, upward pressure on 10 year rates from heavy US Treasury supply, a resilient US economy and a structurally under-supplied US housing market.

## US 30 year fixed rate mortgage



A closer look at the Freddie Mac Primary Mortgage Market Survey (PMMS), which is based on applications submitted to Freddie Mac from lenders across the country, provides a more historical snapshot of today's mortgage rates compared to the last 50 years.

## Freddie Mac Primary Mortgage Market Survey (PMMS) US 30 year fixed mortgage rate



Source: (1-2) Bloomberg. Data as of August 14, 2023. Bankrate.com US home mortgage 30 year fixed national average.

## Global Corporate & Investment Banking Capital Markets Strategy Team

 <p><b>Tom Joyce</b> Managing Director Tom.Joyce@mufgsecurities.com (212) 405-7472</p>	 <p><b>Hailey Orr</b> Managing Director Hailey.Orr@mufgsecurities.com (212) 405-7429</p>	 <p><b>Stephanie Kendal</b> Vice President Stephanie.Kendal@mufgsecurities.com (212) 405-7443</p>
--	---	--

“Macro stability isn’t everything, but without it, you have nothing.”