



The Housing Market and Interest Rates

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Mortgage Rates

30-Year Fixed Rate Mortgage



Latest data point is Jan 16, 2025

- Mortgage rates have been high over the past few years but have moderated somewhat due to Fed rate cuts.

Sources: Clearnomics,
Freddie Mac

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Mortgage Refinancing

Mortgage Bankers Association Refinancing Index and 30-Year Treasury Yield
30-Year rate is inverted to show relationship



Latest data point is Jan 17, 2025

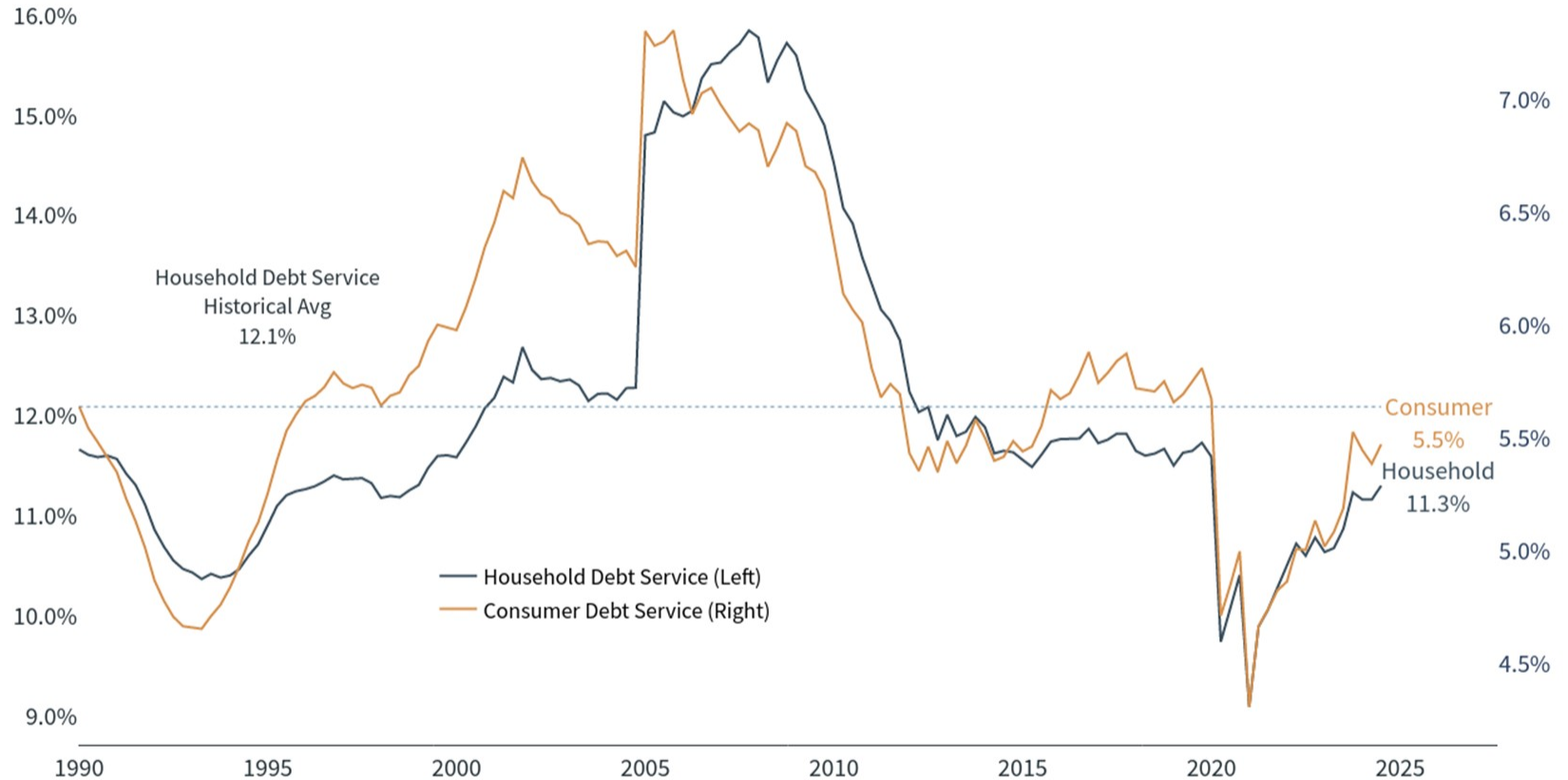
- Mortgage refinancings are highly correlated with interest rates, for obvious reasons.
- Refinancings has increased in recent years as long-term rates remain near historic lows.

Sources: Clearnomics, Federal Reserve,
Mortgage Bankers Association

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Household Debt Service

Debt service as a percentage of income. Household debt service includes consumer and mortgage debt.



Latest data point is Jul 2024

- Household debt has increased but is not at levels seen during the housing bubble.
- Lower interest and mortgage rates could help to keep household debt levels manageable.

Sources: Clearnomics,
Federal Reserve

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Months' Supply of New Home Inventory

The ratio of new houses for sale versus new houses sold



Latest data point is Nov 2024

- The supply of available homes has increased as the broader housing market has slowed.

Sources: Clearnomics,
National Association of Realtors

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Definitions and Methodology

The **S&P 500** is a market capitalization-weighted index of large cap U.S. stocks. U.S. **mid cap** and **small cap** are the S&P 400 and S&P 600, respectively. **Value** and **growth** are the corresponding Standard & Poor's value and growth indices.

MSCI EM is an index of emerging market stocks. **MSCI EAFE** is an index of developed market stocks. **MSCI ACWI** is an index of global stocks.

The **forward P/E** is a ratio of the current market price of an index divided by an estimate of earnings over the next twelve months. The **Shiller P/E** is based on Robert Shiller's cyclically adjusted price-to-earnings ratio.

The **AAll Investor Sentiment** index is based on a weekly survey conducted by AAll.

Unless stated otherwise, **earnings** and **valuations** data are from LSEG indices.

The **LEI**, or Leading Economic Index, is produced monthly by the Conference Board.

Consumer sentiment indices are based on surveys conducted by the University of Michigan Surveys of Consumers.

Asset Class Performance and Asset Classes Relative to U.S.

Stocks charts: The EM, EAFE, Small Cap, Fixed Income and Commodities are these indices, respectively: MSCI EM, MSCI EAFE, Russell 2000, Bloomberg U.S. Aggregate Bond Index, Bloomberg Commodity Index.

Fixed Income Performance: All sectors are represented by the Bloomberg bond indices except for EMD USD and Local which are the JPMorgan EMBIG Diversified Index and JPMorgan GBI-EM Core Index, respectively.

The Balanced Portfolio is a historical 60/40 index calculation consisting of 40% U.S. Large Cap, 5% Small Cap, 10% International Developed Equities, 5% Emerging Market Equities, 35% U.S. Bonds, and 5% Commodities.

The **Bloomberg Commodity Index** is a broadly diversified basket of physical commodities futures contracts.

The **DXY** is a U.S. dollar index based on a basket of currencies, including the Euro, Yen, Pound, Canadian Dollar, Swedish Krona and Swiss Franc.

Portfolio Risk/Reward and Portfolio Drift Since 2009 charts: stocks and bonds are the S&P 500 and Bloomberg U.S. Aggregate bond index, respectively. Each portfolio represents a historical stock/bond asset allocation.

The **MSCI Factor** indices are created and maintained by MSCI to capture factor returns. They cover various factors including Quality, Size, Momentum, Volatility, Value and Yield. The Multi-Factor index tracks the performance of Value, Momentum, Quality and Size.

The **MSCI USA** index tracks large and mid cap U.S. stocks.



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