

Rong360 Jianpu Technology (NYSE:JT) Big Data Institute: Mortgage Rate to Remain Stable with Slight Decline

BEIJING, INTERNATIONAL, CHINA, July 6, 2020 /EINPresswire.com/ -- Ranking: The Rank of Top 10 Cities with the Highest First-home Mortgage Rate Changed Greatly; Wuxi Sitting on the Top

In June 2020 (with data in statistics collected from May 20, 2020 to June 18, 2020), the top ten cities in the highest first-home mortgage rate ranking list remained unchanged, but the ranks were changed a lot: Suzhou and Zhengzhou dropped to No. 8 and No. 10 respectively after the slump of rates. The rate in Nanning also decreased by 6BPs this month and ranked No. 3; Wuxi replaced Nanning as the Top 1 city with the highest mortgage rate, followed by Hefei.

In June 2020 (with data in statistics collected from May 20, 2020 to June 18, 2020), Dalian's first-home mortgage rate declined by 10BPs and replaced Quanzhou to be listed one of the top 10 cities with the lowest mortgage rate.

Trends: Monetary Policy Signals More Easing; Mortgage Rate to Remain Stable with Slight Decline

Since April 20 when the 5-year LPR level declining 10BPs sequentially, all the cities, except Chengdu and Hefei, have seen the drop-down in mortgage rates to a greater or lesser extent. Amongst cities under our surveillance, Suzhou and Zhengzhou both saw a decrease of more than 30BPs, in addition to the greater-than-20BP decreases in another 8 cities.

The executive session of the State Council held on June 17, 2020, further signaled that a relatively easing monetary policy will continue. The meeting stated the government policies will guide

Chart 1 - Top 10 Cities with the Highest First-home Mortgage Rate in June 2020

City	Average Rate in June 2020	MoM (BP)	LPR Increase (BP)
Wuxi	5.90%	0	125
Hefei	5.88%	0	123
Nanning	5.85%	-6	120
Huizhou	5.83%	1	118
Chengdu	5.75%	-3	110
Wuhan	5.74%	-2	109
Nanchang	5.67%	-2	102
Suzhou	5.63%	-29	98
Guiyang	5.59%	-3	94
Zhengzhou	5.54%	-26	89

Source: Rong360 Jianpu Technology (NYSE: JT) Big Data Institute

Top 10 Cities with the Highest First-home Mortgage Rate in June 2020

financial institutions to provide more support to enterprises within reason, helping enterprise, especially micro, small and medium ones to weather the unprecedented times by driving financial system to transit 1.5 trillion yuan to business entities throughout the year. The meeting also reaffirmed to utilize a combination of tools such as RRR cuts, re-lending and re-discount loans to keep overall market liquidity reasonably sufficient, and strengthen efforts to solve the problem of financing.

On June 18, the People's Bank of China injected 50 billion yuan through 7-day reverse repos at 2.2%, and 70 billion yuan through 14-day reverse repos at 2.35%, as it resumed the use of a 14-day reverse repos after four months with the rate lower 20BPs than previously. Therefore, in the spirit of session on June 17, it is expected that the LPR of each bank will be still likely have a small downward on June 22, even if MLF continued to contract in volume while at a flat rate on June 15. However, considering that it is a short time, the downward may mainly reflect on the 1-year LPR while 5-year LPR will be in wait-and-see period with high probability of staying unchanged and will not have impact on mortgage rates in the short term. That is being said that the mortgage rate will remain stable with slight drop in the short term.

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