



VICTORY PARTNERS

MIDDLE MARKET INSIGHT

What Business Owners Need To Know

1.2% CLIMB IN MORTGAGE APPLICATIONS

Mortgage Applications Rise in Potential Housing Market Respite- Could Home Buying Become More Affordable Soon?

- Mortgage applications rose last week 1.2% for the first time in months according to the Mortgage Bankers Association (MBA). This occurred as the 30-year fixed mortgage rate fell 31 basis points to 5.43%, its largest weekly decline since 2020.
- MBA member Joel Kan said this decline in rates increased refinancing and purchase applications. He explained that though “activity remains depressed” compared to a year ago, lower mortgage rates and increasing housing inventory could “lead to a rebound in purchase activity”.
- Bank of America analysts are also positive in their expectations, saying that mortgage rates could drop 0.9% by the end of the year, projecting more affordability and the rise of housing prices to slow down to a “healthy” 5% next year compared to this year’s 15% spike.

BANK OF AMERICA ANALYSTS:

MORTGAGE RATES COULD
DROP FROM 5.3% TO 4.5%
BY END OF 2022

Carlyle CEO Resigns in Sudden Reversal of Generational Shift

- Kewsong Lee became CEO in September 2020 following a “power tussle” that led to former co-chief executive and now governor of Virginia Glenn Youngkin leaving the company. Lee’s five year employment agreement is set to expire at the end of the year at which point he will officially exit.
- Lee, a former Warburg Pincus employee who joined Carlyle in 2013, attempted to remake the firm and clashed with the old guard during his tenure. He restructured teams so dealmakers could work more closely, filled the top ranks with new people and attempted to shift the DC-based firm closer to New York. Lee says the industry is facing an uncertain environment as the Fed continues to tackle inflation and valuations will need to be reset before deal activity picks up again.
- Shares of the private equity firm are down 31% this year. Co-founder Bill Conway will serve as the interim CEO as a newly formed search team helps place a permanent chief executive.

KEWSONG LEE TO STEP DOWN AS CEO FOLLOWING EMPLOYMENT CONTRACT EXPIRATION

CARLYLE SHARES DOWN 31% THIS YEAR, UNDERPERFORMING ITS RIVALS

UPS to Buy Italy's Bomi in a Deal Reportedly Valued at 'Several Hundred Million Dollars'

- United Parcel Service (UPS) confirmed ahead of this week that it was in talks to buy Bomi Group, an Italy-based healthcare logistics provider, for an unknown amount. The deal is expected to close before the end of the year.
- The acquisition will add over 350 temperature-controlled vehicles and “4 million square feet” to the UPS Healthcare business. UPS’s Healthcare business consists of the packaging, tracking and distribution of healthcare supplies, which requires cold and frozen storage of products during delivery.
- Bomi, a leading global healthcare logistics company, is set to “enhance the portfolio of services” UPS offers to the Healthcare Sector. Upon announcement, President of UPS Kate Gutmann expressed that UPS is working to become the “number one provider of complex healthcare logistics”.

UPS CONFIRMS DEAL TO BUY BOMI GROUP

UPS SHARES UP MONDAY MORNING; SHARES UP 9.4% PAST THREE MONTHS

Sources: www.forbes.com | www.themiddlemarket.com | www.marketwatch.com