

HaMMR Digest

Stay current with economic and mortgage market trends.

December 8, 2025

Parker Ross — Global Chief Economist

pross@archgroup.com | 914 216 7270 | [@econ_parker](#) on X and [Threads](#)

Leonidas Mourelatos — Assistant Vice President, Global Real Estate Economics

lmourelatos@archgroup.com | 631 521 9048

Setting the Scene without the Main Character

- **Key Takeaway:** Data in hand ahead of this week's Fed policy meeting hints at steady activity and a resilient, but slightly softer, consumer spending impulse.
- **Macro Implications:** Without Oct. or Nov. payrolls, the Fed will lean on alt data that reinforce recent trends, supporting a "dovish hold" or "hawkish cut."
- **Housing Implications:** Without meaningful improvement in the labor market or affordability, the housing market remains stuck in low gear.

Macro: Tides Are Turning?

- Activity measures on balance show modest improvement through November.
- Prelim Dec. consumer sentiment show we may have passed peak pessimism.
- Fed's preferred inflation measure (PCE) remained stuck near 3% as of Sept.

Rates: Power of Persuasion

- 10y UST yield up 13bps despite cooler than expected inflation data.
- Yield curve bear steepened as long-term rates rose faster than short-term rates.
- Markets gearing for a "hawkish cut" and have tempered rate cut odds for 2026.

Housing: Move Along, Not Much to See Here

- Mortgage rates have stabilized in the low-6% range since the end of September.
- Despite improvement in affordability, housing costs remain restrictive.
- Sellers responding to weak demand by pulling listings, limiting inventory growth.

Personal Income and Spending: Q3 Spending Ends in a Whimper

- Sept. real disposable income up 0.1% m/m and 1.9% y/y.
- Flat real spending on the month amid -0.4% decline in goods outlays.
- Services spend was narrowly based with bulk in finance and insurance.

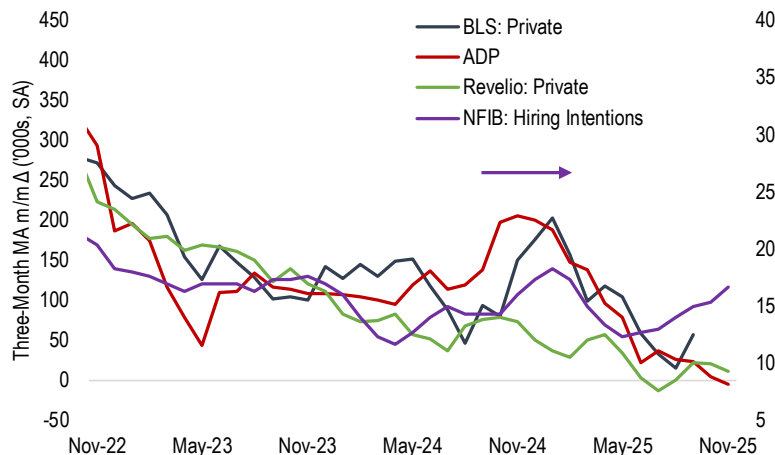
Consumer Sentiment: The Holiday Blues Come Early

- Consumer sentiment measures remained at historically low levels in Nov.
- Current conditions have dipped as expectations deteriorated further.
- Income expectations still "okay," suggesting modest spending outlook.

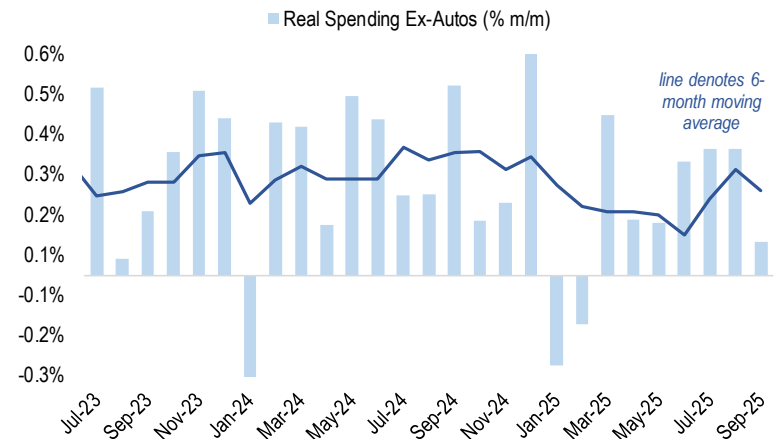
ISM PMI: Here's to Hoping

- Share of manufacturing sectors in decline held steady in November.
- Services activity improved with employment highest since May.
- Firms still highlight challenging operating environment despite stabilizing.

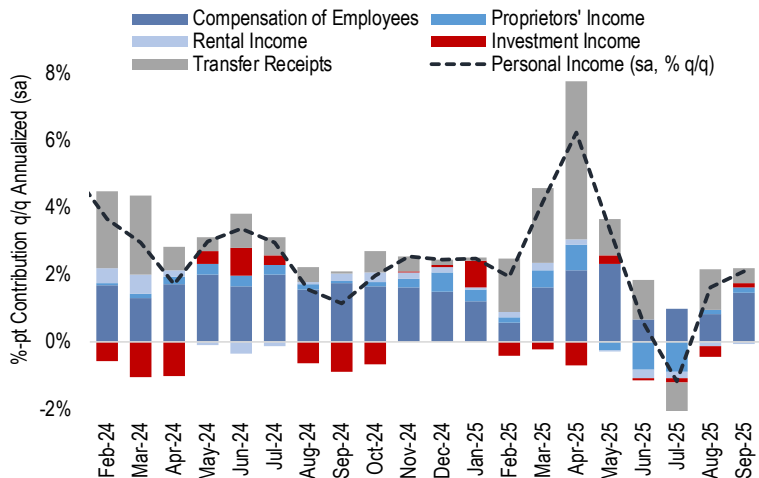
NFIB Hiring Intentions Hit a Multi-Month High, a Hopeful Sign That the Labor Market May Be Turning



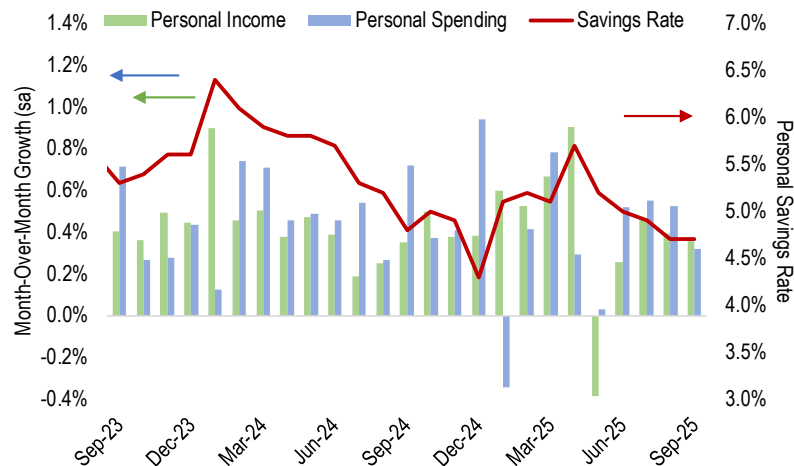
The Summer Rebound in Real Household Spending Grounded to a Halt in September



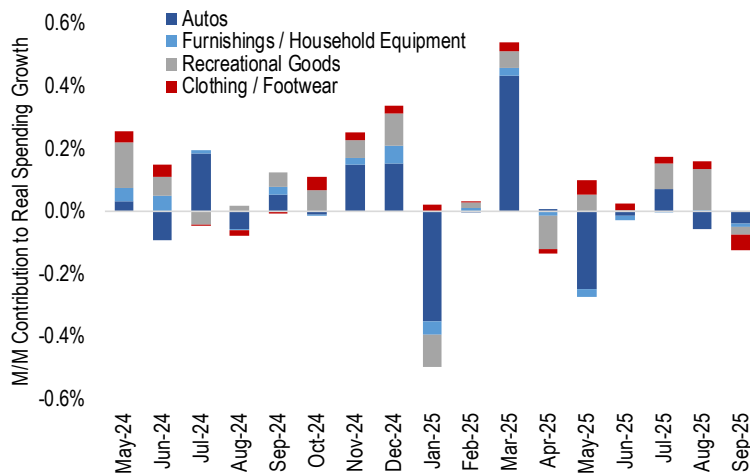
Real Labor and Investment Income Growth Rebounded in the Third Quarter, but Outlook Remains Muted



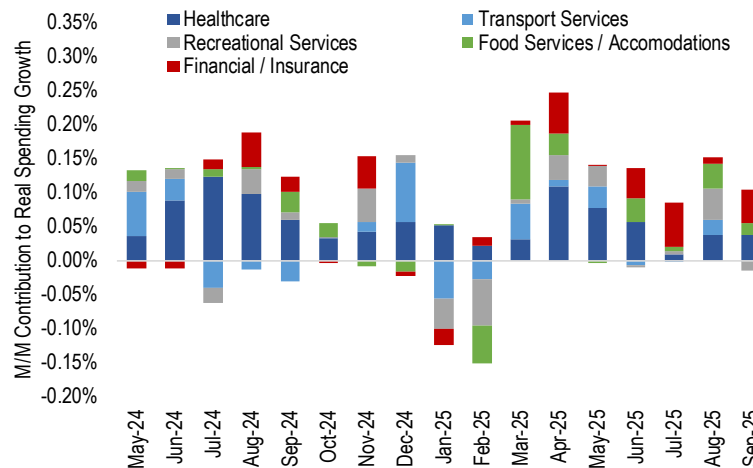
Drawdown in Savings Rate Looks to Have Eased, a Likely Factor behind the Pullback in Spending



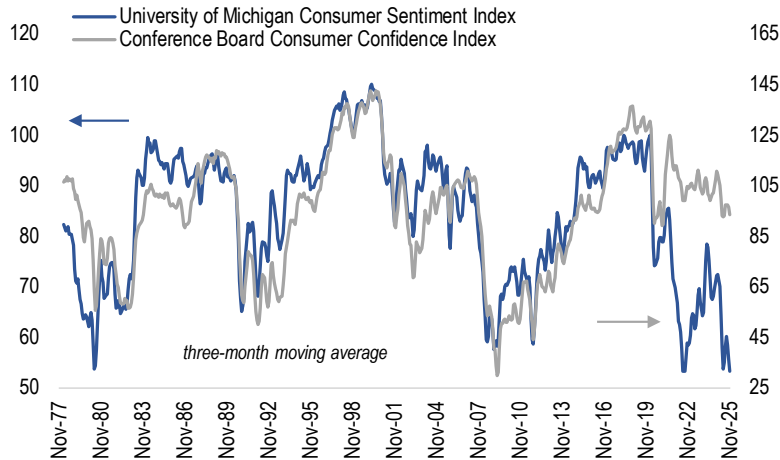
Weak Goods Spending Was Broad-Based in September, Led by Autos and Apparel



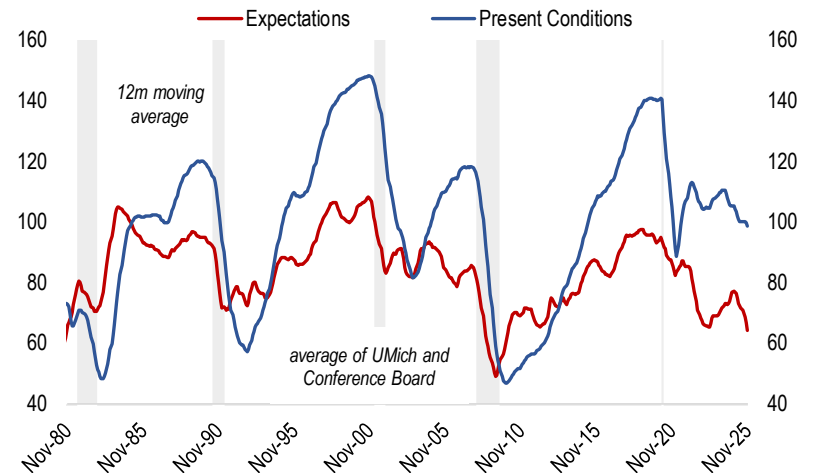
Services Consumption Spending Growth Mostly Came from Non-Discretionary Categories



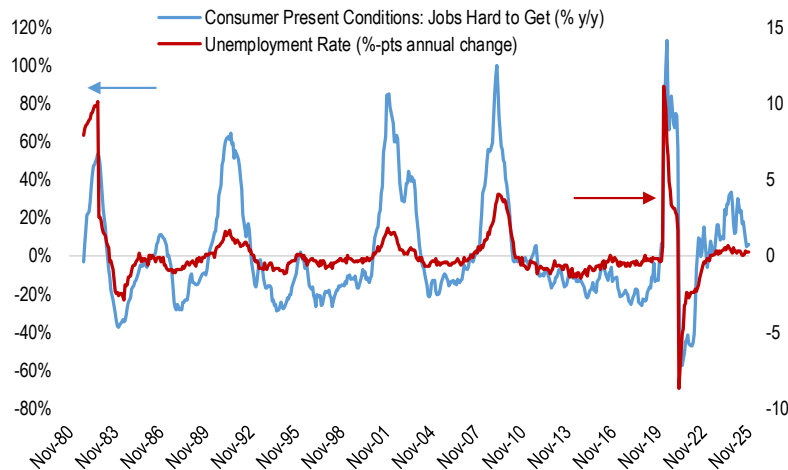
Consumer Sentiment Measures Continue to Bounce Along Historically Low Readings ...



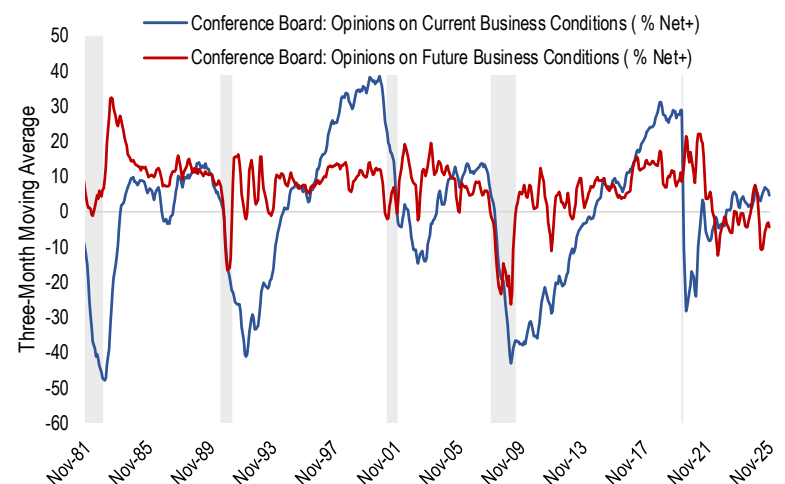
... Driven Primarily by Pessimism over the Future, but Present Conditions Have Turned Lower as Well



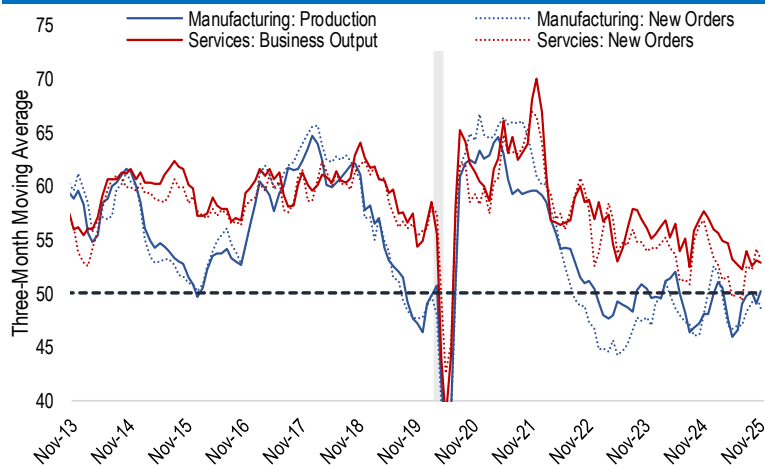
Despite a Sluggish Labor Market, Consumer Perceptions of "Jobs Hard to Get" Has Improved Year-over-Year



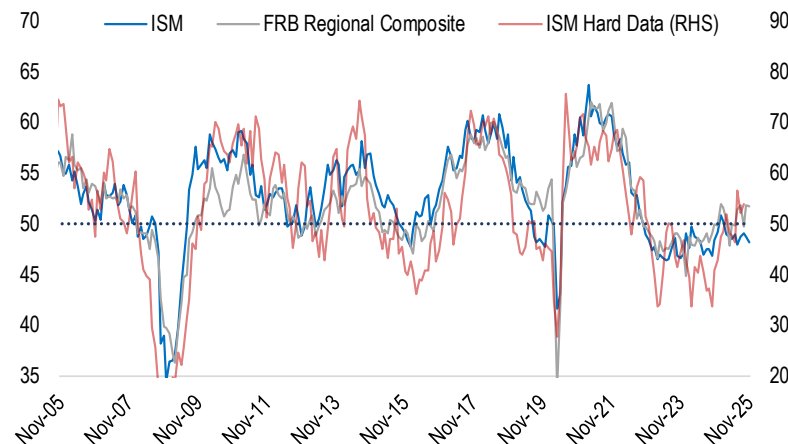
Consumer Outlook on Current and Future Business Conditions No Longer Improving



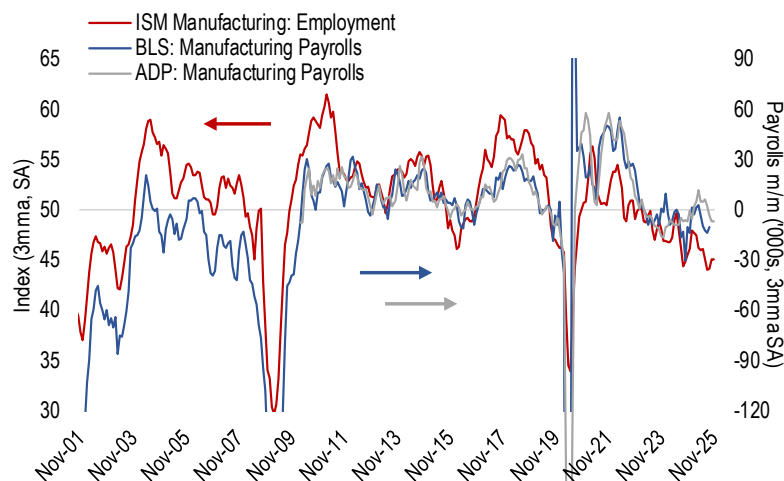
Manufacturing Output Flipped Back into Positive Territory as Services Sector Held Steady



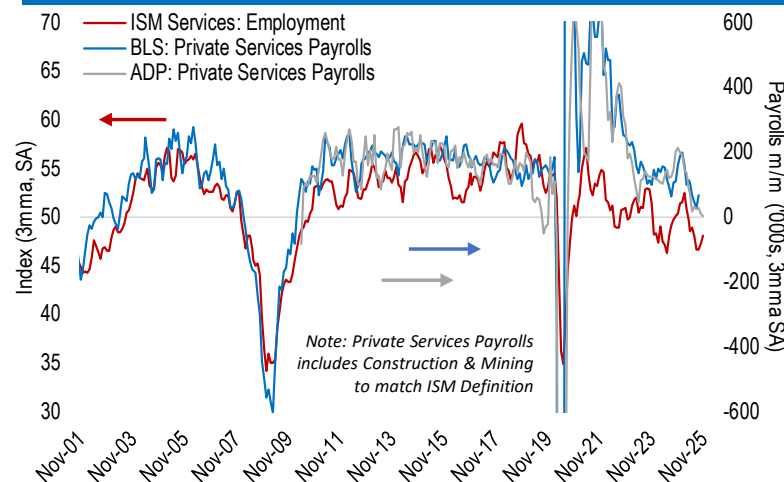
FRB Regional Manufacturing Surveys Point to Greater Resilience Than More Globally Exposed Firms in ISM



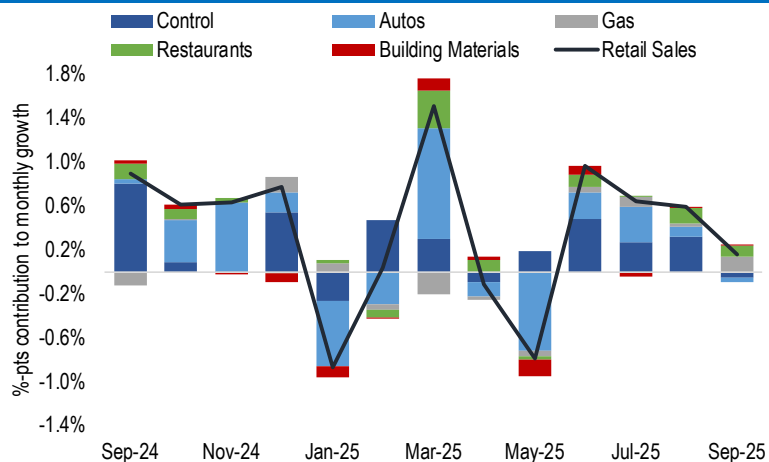
ISM Employment Index Hints at Stabilization, Albeit at Very Weak Levels



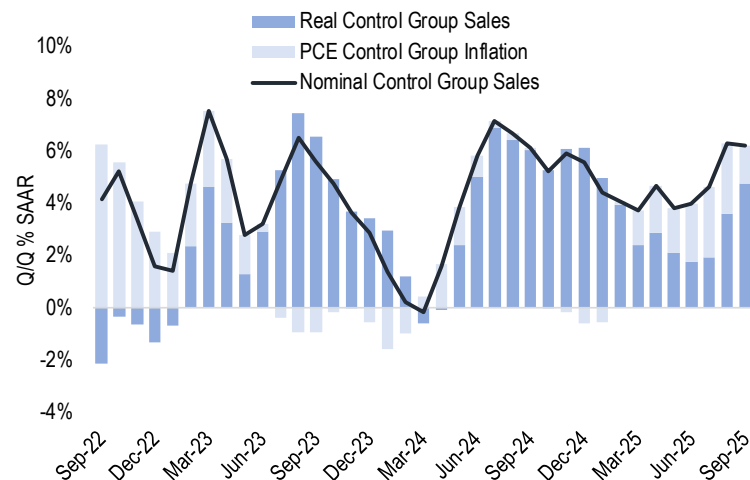
ISM Services Employment Similarly Showing Signs of Stabilizing with Rising Share of Firms Growing Staff



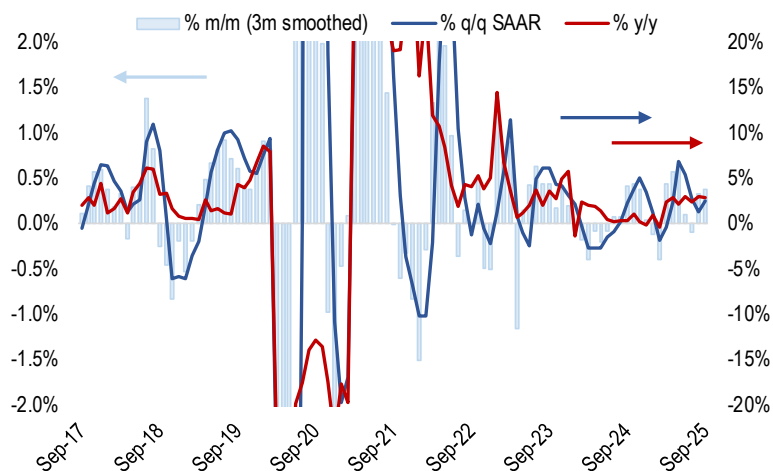
Nominal Retail Sales Took a Step Down in September Led by Pullback in Apparel and Hobby-Related Items



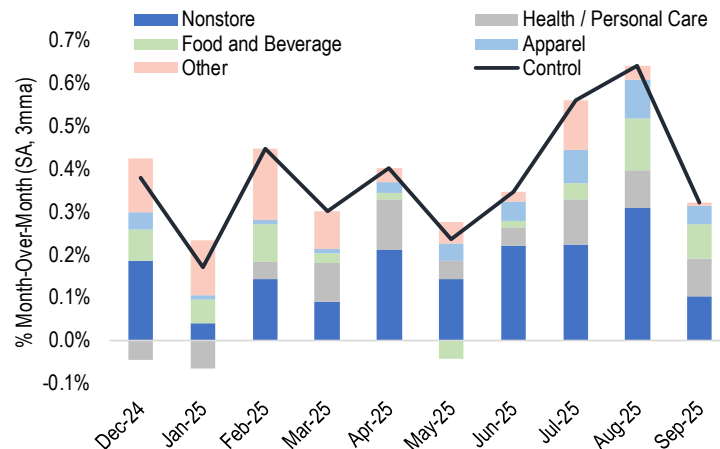
September's Cooldown Not Enough to Derail Solid Real (Inflation-Adjusted) Control Group Sales Growth in Q3



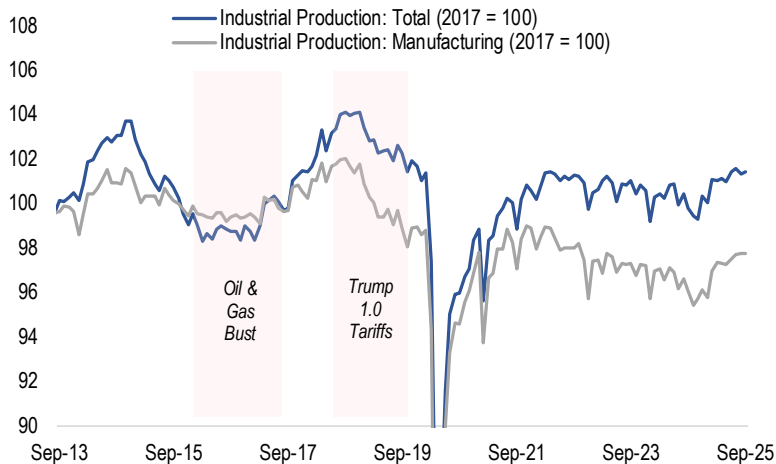
Real Restaurant Sales Showing Some Strength, an Encouraging Sign in Support of Consumer Resilience



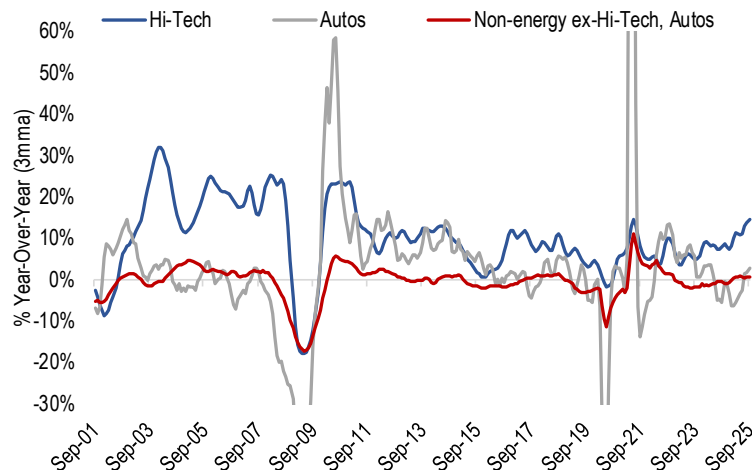
Looks Like Households Took a Step Back from Online Sales ahead of the Typical Holiday Shopping Season



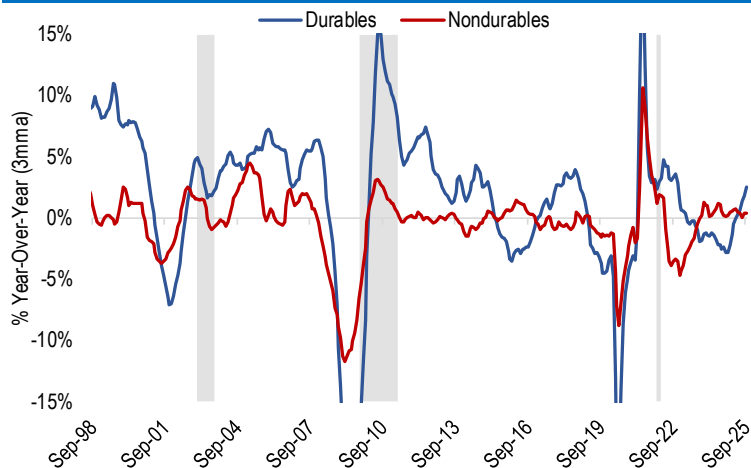
Industrial Production Has Proven Resilient with Manufacturing Output Holding above Pre-Tariff Levels



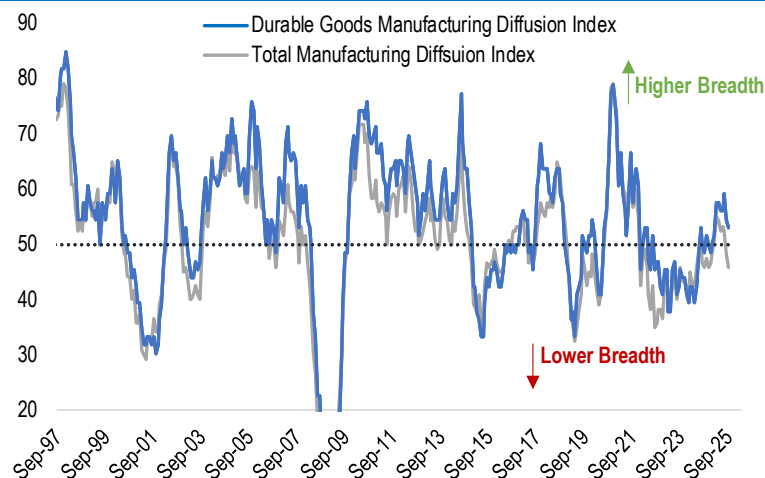
Production Related to Tech and Information Processing Continued to Gain Momentum



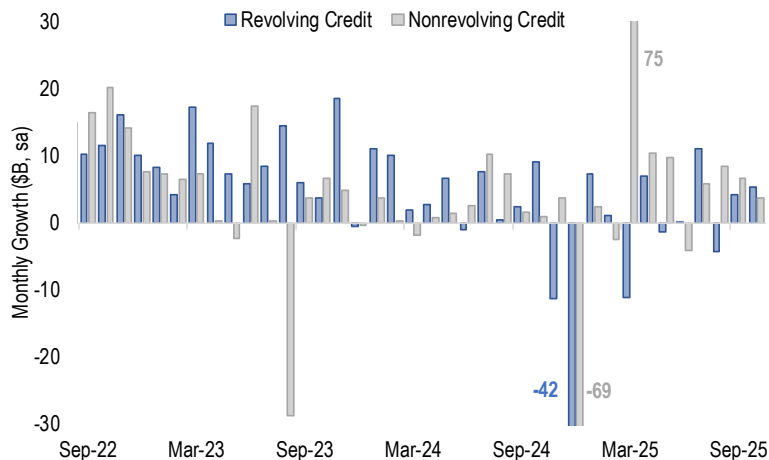
Durable Goods Production Still Strong, Carried by Robust Business Equipment Output



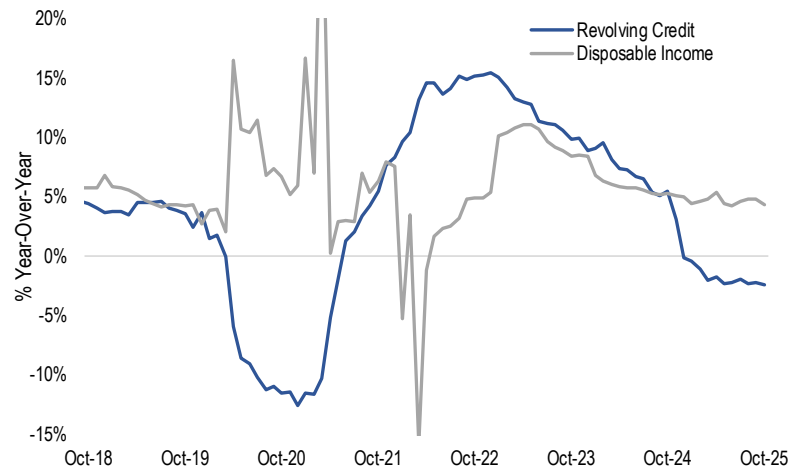
Durable Goods Breadth Eased, Led by Wood, Machinery and Electronics Production



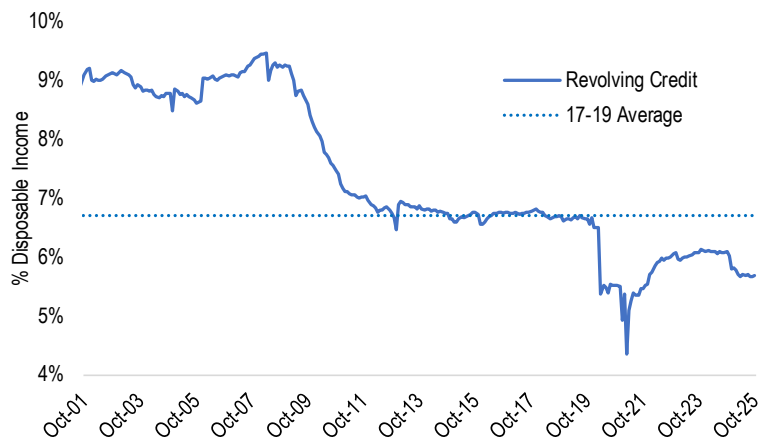
Revolving Credit Growth Remains Tepid, a Trend in Place Since Late Last Year



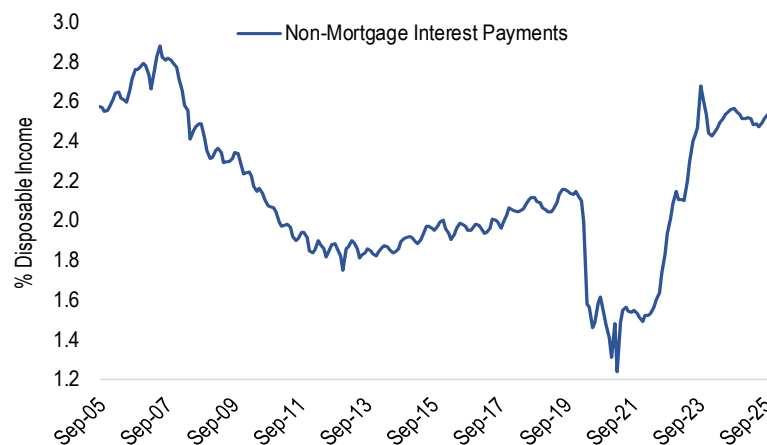
Longer Term Downshift in Revolving Consumer Credit to Persist as Spending Growth Cools



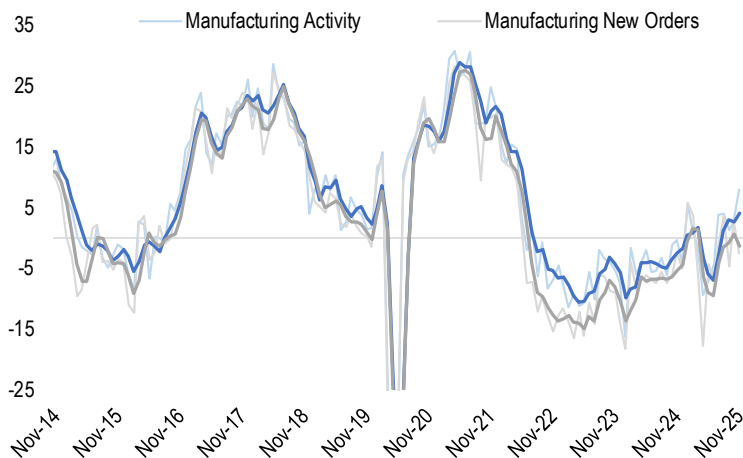
Revolving Credit Relative to Disposable Income Stabilizing Well Below the Pre-Pandemic Norm



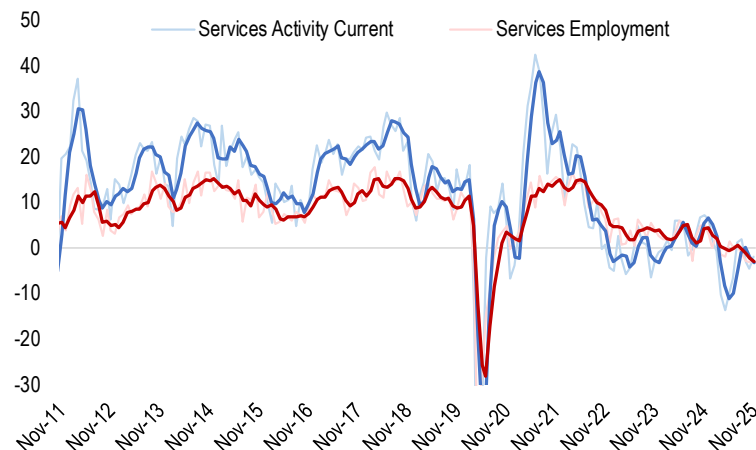
Household Non-Mortgage Interest Payments Have Turned Higher



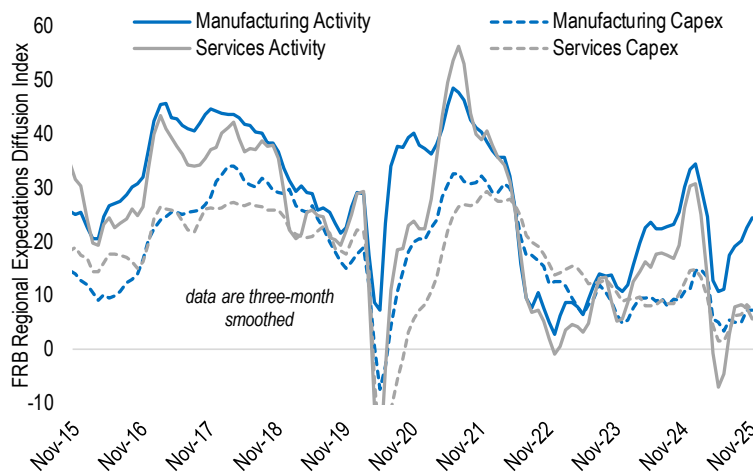
Manufacturing Activity Rebound Comes with Risk of Softness Ahead as New Orders Weaken



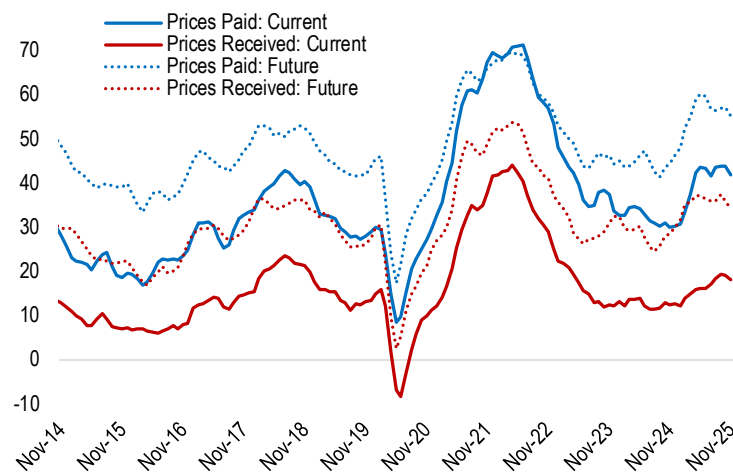
Services Industry Has Been Struggling with Notable Weakness in the Northeast



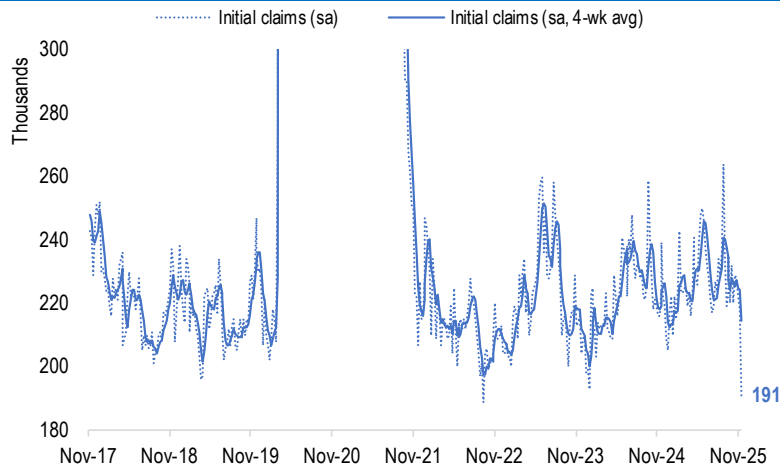
Business Expectations Best Summed Up as "Cautiously Optimistic"



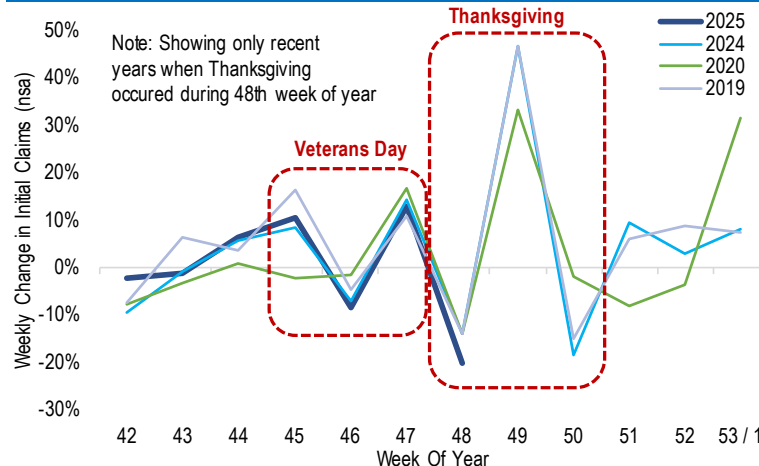
All Industry Pricing Dynamics Point to Current Margin Squeeze with Plan on Recouping Costs



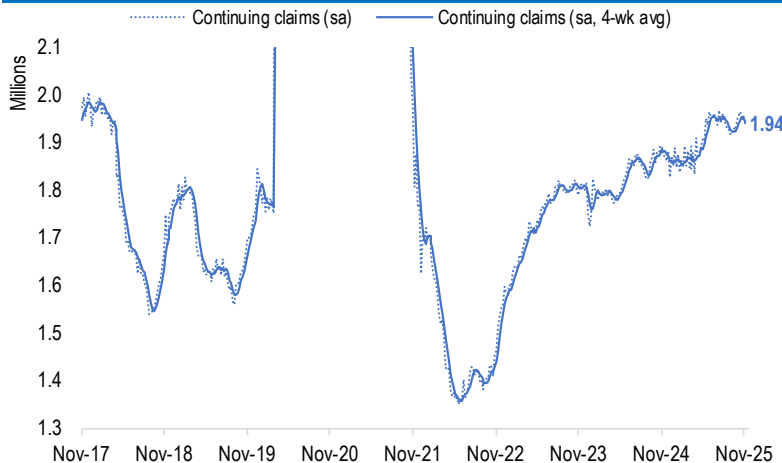
Initial Claims Plunged to 191k (sa) in Week Ending Nov. 29, Likely Impacted by Thanksgiving Week Distortions



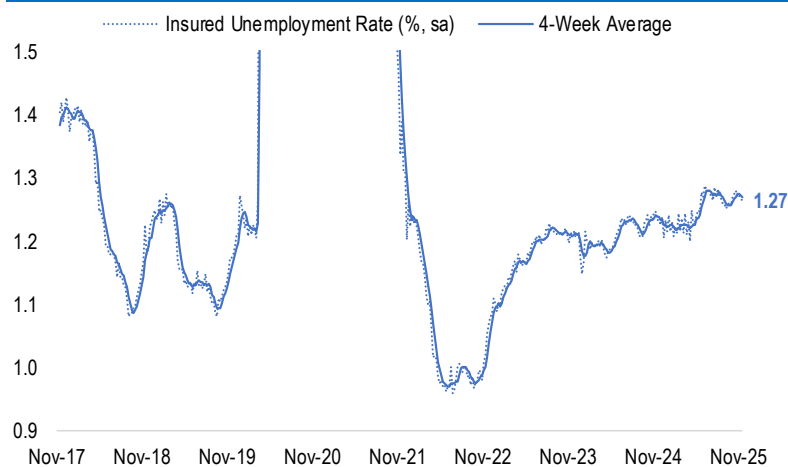
Claims Data Is Volatile in the Weeks around Thanksgiving, but Recent Data Is Encouraging



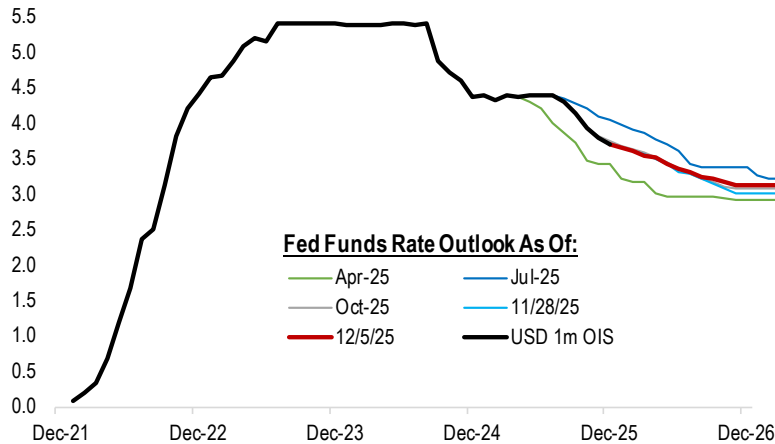
Continuing Claims Surged to 1,939k (sa) during Week Ending Nov. 22, Just Below Post-Pandemic High



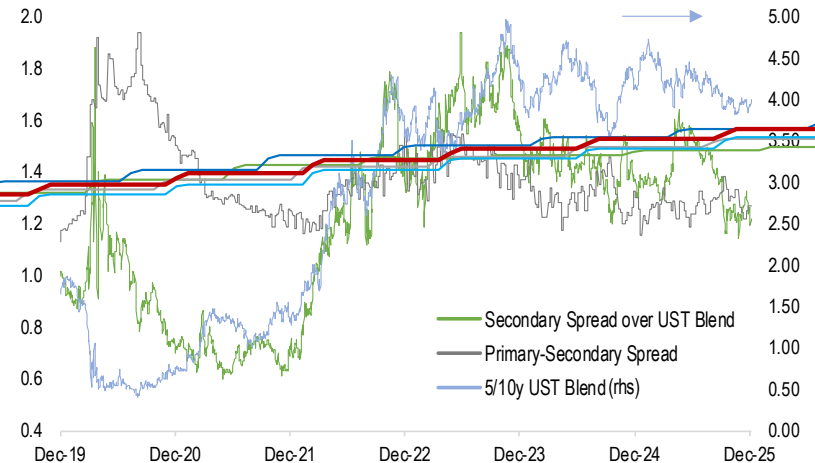
... Which Also Pulled the Insured Unemployment Rate Down Slightly from Recent Post-Pandemic High



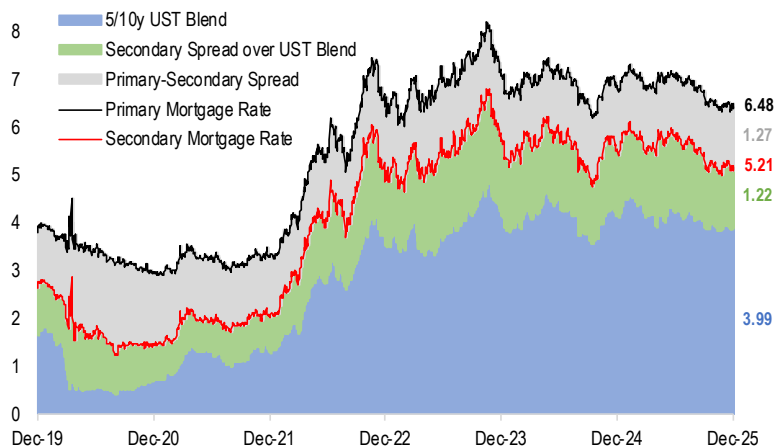
Market Odds of a 25bps Rate Cut This Week up to ~95% from Less Than 30% the Week before Thanksgiving



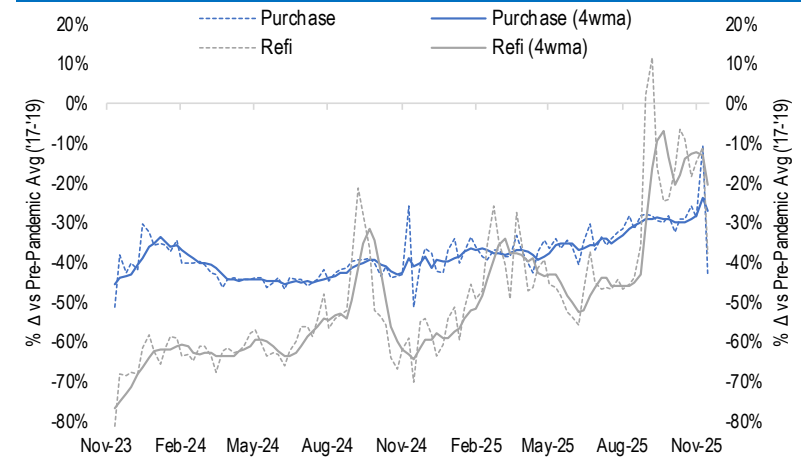
U.S. Treasury Yields Rose 12bps Last Week with Mortgage Spreads Down Just -2bps ...



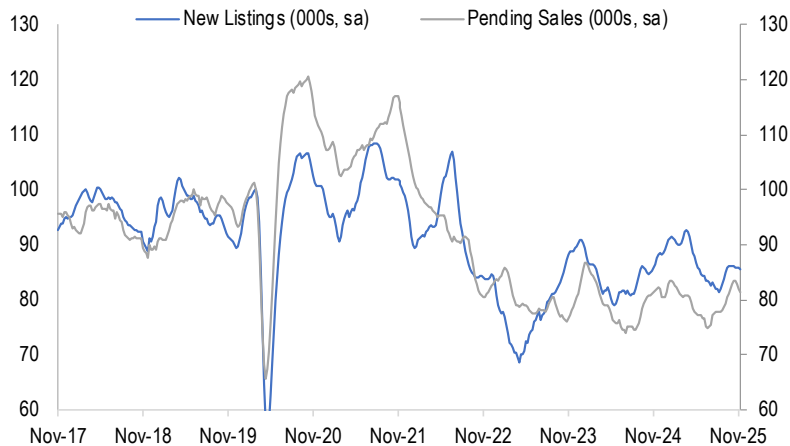
... Which Pushed Mortgage Rates Up, Reversing Prior Week's Decline



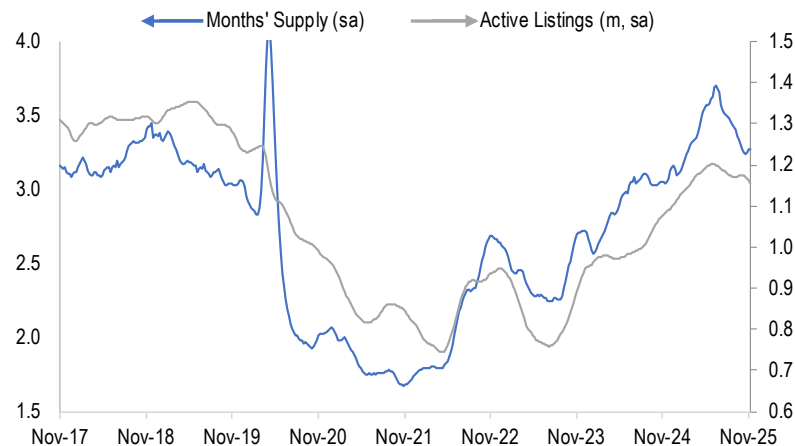
Mortgage Refi and Purchase Apps Dropped Sharply during Holiday-Impacted Week



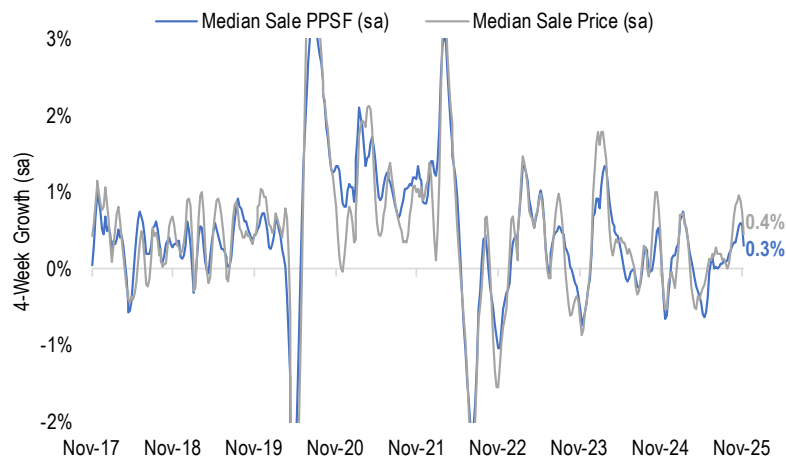
Pending Sales Showing Signs of Pulling Back through the End of November ...



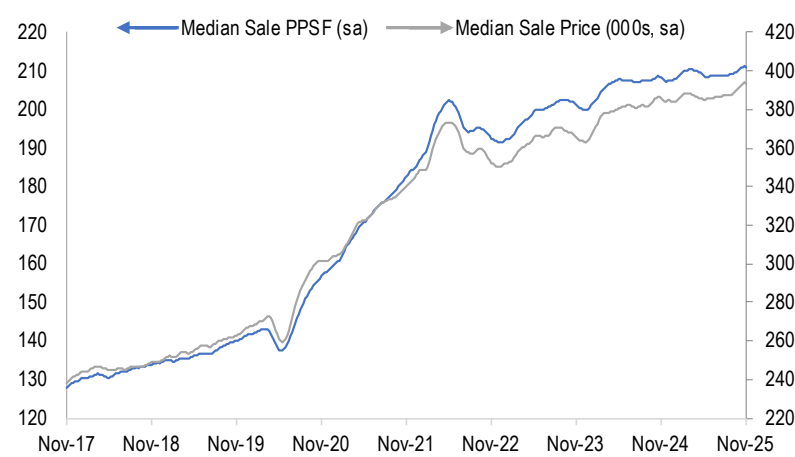
... Faster Than New Listings Have Cooled, Turning Months' Supply Tentatively Higher



Pace of Seasonally Adjusted Home-Price Growth Has Cooled Sharply in Recent Weeks



Home Prices Inched Higher in Q3, and That Momentum Has Carried into Q4



Annual Home-Price Declines Becoming More Widespread as Many Markets Have Softened

Metro	Median Sale Price Per Square Foot (y/y)		Median List Price Per Square Foot (y/y)		Active Listings with Price Drops		Average Sale-to-List Ratio		Median Days on Market vs Pre-COVID		Total Active Listings (y/y)	Months' Supply vs Pre-COVID	
	Current	(Δ q/q, ppt)	Current	(Δ q/q, ppt)	Current	(Δ y/y, ppt)	Current	(Δ y/y, ppt)	Current	Year Ago		Current	Year Ago
All Redfin Metros	1.5%	0.9%	2.4%	1.9%	5.4%	0.9%	98.2%	-0.3%	-4.8	-10.6	5%	6%	-2%
Atlanta	-2.7%	-1.0%	1.9%	3.6%	5.4%	1.2%	97.5%	-0.5%	23.4	13.7	5%	28%	12%
Austin	-2.6%	-0.3%	-1.4%	-0.6%	6.9%	1.0%	97.0%	-0.2%	47.9	42.0	8%	100%	65%
Baltimore	1.4%	0.5%	1.2%	1.0%	6.1%	0.8%	99.8%	-0.9%	-5.3	-15.0	17%	-16%	-34%
Boston	0.5%	-2.3%	2.0%	-1.3%	4.8%	0.7%	99.9%	-0.9%	4.6	1.1	18%	6%	-13%
Chicago	3.9%	-1.4%	5.7%	1.8%	3.6%	1.0%	99.0%	-0.1%	-15.0	-15.5	-8%	-30%	-28%
Dallas	-5.0%	-1.6%	-2.2%	0.8%	7.4%	1.8%	97.1%	-0.4%	25.2	8.3	6%	44%	22%
Denver	-3.8%	-1.3%	-0.9%	1.8%	6.9%	0.9%	98.2%	-0.3%	24.3	14.2	5%	81%	67%
Houston	-2.4%	-1.4%	1.2%	1.3%	6.3%	1.3%	95.8%	-0.9%	12.9	-3.3	5%	22%	13%
Los Angeles	0.0%	0.2%	2.4%	1.5%	3.6%	0.8%	99.4%	-0.6%	9.5	1.0	3%	22%	20%
Miami	-0.4%	-2.5%	3.2%	2.0%	3.5%	0.5%	94.9%	-0.6%	24.7	8.8	4%	36%	15%
Minneapolis	1.4%	0.1%	1.0%	-0.7%	6.1%	1.3%	99.2%	0.1%	-1.3	-1.3	-2%	7%	9%
Nashville	-1.2%	-3.6%	3.7%	2.3%	4.5%	1.1%	97.7%	-0.2%	18.3	3.1	12%	36%	9%
New York	5.6%	0.5%	9.3%	3.5%	3.3%	0.6%	99.9%	0.2%	-37.1	-44.8	4%	-24%	-31%
Phoenix	-1.6%	0.5%	1.6%	2.5%	6.3%	0.7%	97.9%	-0.3%	20.8	13.8	8%	50%	49%
Portland	-1.2%	1.2%	0.9%	1.8%	5.8%	0.3%	99.1%	-0.2%	14.6	3.5	7%	42%	26%
Riverside	-2.9%	-1.7%	2.7%	3.1%	4.6%	1.2%	98.8%	-0.3%	4.7	-6.2	-2%	9%	15%
San Diego	-3.5%	2.0%	1.9%	3.8%	4.7%	0.7%	98.7%	-0.5%	10.6	2.1	2%	8%	6%
Seattle	-3.1%	-4.1%	1.9%	-0.7%	5.6%	0.9%	98.9%	-0.7%	7.5	-0.7	18%	43%	6%
Tampa	0.6%	1.0%	2.5%	1.4%	7.2%	0.1%	96.5%	-0.3%	21.8	12.7	2%	62%	54%
Washington DC	1.7%	-0.2%	-0.5%	-2.5%	4.6%	0.7%	99.2%	-0.6%	8.0	-3.0	18%	14%	-6%

Data as of Nov. 30, 2025, and reflects 4-week averages.

Upcoming Data Releases

Key economic and housing data releases for the coming week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
12/8/25	11:00 AM	NY Fed 1-Yr Inflation Expectations	Nov	3.20	--	--	3.24	%
12/9/25	6:00 AM	NFIB Small Business Optimism	Nov	--	98.3	--	98.2	index, sa
12/9/25	10:00 AM	Conference Board Leading Index m/m	Sep	--	-0.3	--	--	%, sa
12/9/25	10:00 AM	JOLTS Job Openings	Oct	--	7,115	--	--	k, sa
12/9/25	10:00 AM	JOLTS Quits Rate	Oct	--	--	--	--	%, sa
12/9/25	10:00 AM	JOLTS Quits Rate	Oct	--	--	--	--	%, sa
12/9/25	10:00 AM	JOLTS Layoffs Rate	Oct	--	--	--	--	%, sa
12/10/25	7:00 AM	MBA Mortgage Applications w/w	Dec 5	--	--	--	-1.4	%, sa
12/10/25	8:30 AM	Employment Cost Index q/q	3Q	--	0.9	--	0.9	%, sa
12/10/25	2:00 PM	FOMC Rate Decision (Upper Bound)	Dec 10	--	3.8	--	4.0	%
12/11/25	8:30 AM	Initial Jobless Claims	Dec 6	--	220	--	191	k, sa
12/11/25	8:30 AM	Continuing Claims	Nov 29	--	1,947	--	1,939	k, sa
12/11/25	10:00 AM	Wholesale Inventories m/m	Sep F	--	0.1	--	--	%, sa
12/11/25	10:00 AM	Wholesale Trade Sales m/m	Sep	--	0.4	--	0.1	%, sa

Green = upside surprise; Red = downside surprise; (compared vs. prior if no consensus estimates available)

Recent Data Releases

Key economic and housing data releases over the prior week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
12/1/25	9:45 AM	S&P Global US Manufacturing PMI	Nov F	52.2	51.9	--	51.9	index, sa
12/1/25	10:00 AM	ISM Manufacturing	Nov	48.2	49.0	--	48.7	index, sa
12/1/25	10:00 AM	ISM Prices Paid	Nov	58.5	57.5	--	58.0	index, nsa
12/2/25	10:00 AM	Wards Total Vehicle Sales	Nov	15.6	15.4	--	15.3	m, saar
12/3/25	7:00 AM	MBA Mortgage Applications w/w	Nov 28	-1.4	--	--	0.2	%, sa
12/3/25	8:15 AM	ADP Employment m/m	Nov	-32	10	47	42	k, sa
12/3/25	8:30 AM	Import Price Index m/m	Sep	0.0	0.1	0.1	0.3	%, nsa
12/3/25	8:30 AM	Import Price Index y/y	Sep	0.3	0.4	-0.1	0.0	%, nsa
12/3/25	9:15 AM	Industrial Production m/m	Sep	0.1	0.1	-0.3	0.1	%, sa
12/3/25	9:15 AM	Capacity Utilization	Sep	75.9	77.2	75.9	77.4	sa
12/3/25	9:45 AM	S&P Global US Services PMI	Nov F	54.1	55.0	--	55.0	index, sa
12/3/25	9:45 AM	S&P Global US Composite PMI	Nov F	54.2	--	--	54.8	index, sa
12/3/25	10:00 AM	ISM Services Index	Nov	52.6	52.0	--	52.4	index, nsa
12/4/25	8:30 AM	Initial Jobless Claims	Nov 29	191	220	218	216	k, sa
12/4/25	8:30 AM	Continuing Claims	Nov 22	1,939	1,963	1,943	1,960	k, sa
12/4/25	10:00 AM	Durable Goods Orders m/m	Sep F	0.5	--	--	0.5	%, sa
12/4/25	10:00 AM	Cap Goods Orders Nondef Ex Air m/m	Sep F	0.9	--	--	0.9	%, sa
12/4/25	10:00 AM	Cap Goods Ship Nondef Ex Air m/m	Sep F	0.9	--	--	0.9	%, sa
12/5/25	10:00 AM	Personal Income m/m	Sep	0.4	0.3	--	0.4	%, sa
12/5/25	10:00 AM	Personal Spending m/m	Sep	0.3	0.3	0.5	0.6	%, sa
12/5/25	10:00 AM	Real Personal Spending m/m	Sep	0.0	0.1	0.2	0.4	%, sa
12/5/25	10:00 AM	PCE Inflation m/m	Sep	0.3	0.3	--	0.3	%, sa
12/5/25	10:00 AM	PCE Inflation y/y	Sep	2.8	2.8	--	2.7	%, nsa
12/5/25	10:00 AM	PCE Core Inflation (ex Food and Energy) m/m	Sep	0.2	0.2	--	0.2	%, sa
12/5/25	10:00 AM	PCE Core Inflation (ex Food and Energy) y/y	Sep	2.8	2.8	--	2.9	%, nsa
12/5/25	10:00 AM	U. of Mich. Sentiment	Dec P	53.3	52.0	--	51.0	index, nsa
12/5/25	10:00 AM	U. of Mich. 1 Yr Inflation	Dec P	4.1	4.5	--	4.5	nsa
12/5/25	10:00 AM	U. of Mich. 5-10 Yr Inflation	Dec P	3.2	3.4	--	3.4	nsa
12/5/25	3:00 PM	Consumer Credit m/m	Oct	9.2	10.5	11.0	13.1	\$B, sa

Green = upside surprise; Red = downside surprise; (compared vs. prior if no consensus estimates available)