

# HaMMR Digest

Stay current with economic and mortgage market trends.

March 23, 2026

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### Ready, Set, Wait?

- **Key Takeaway:** Fed rate decision headlined the week against backdrop of an escalating Mideast conflict while the market priced in potential rate hikes in '26.
- **Macro Implications:** Bar for the Fed to hike rates remains high with an extended pause lasting through mid-2027 plausible should labor market remain stable.
- **Housing Implications:** Weak housing sector is set to face another challenging few months cushioned by healthy credit fundamentals and tight inventory.

### Macro: Well, That Escalated Quickly

- Oil prices briefly hit \$115/bbl with national gas prices surging toward \$4/gal.
- G-4 central banks leaning into tightening bias, squeezing financial conditions.
- Conflict resolution unclear with markets discounting second-order growth risks.

### Rates: Fed Hike in 2026? In This Economy?

- 10y UST yields up 44bps since the end of Feb. and highest since July 2025.
- Yield curve bear flattening significantly as near-term inflation expectations rise.
- Markets pricing in hikes this year overdone unless labor market strengthens.

### Housing: It Was the Best of Times, It Was the Worst of Times

- After encouraging start to 2026, mortgage rates have spiked 50bps+ in mere weeks.
- Affordability concerns rekindle as higher rates accompany higher fuel costs.
- Motivated sellers in markets with above average inventory will need to cut prices.

### FOMC Meeting: Inertia Building

- Policymakers left the Fed funds rate unchanged with a hawkish bias.
- New projections still point to one cut for '26 but with less conviction.
- Risks to growth and inflation were revised in a stagflationary direction.

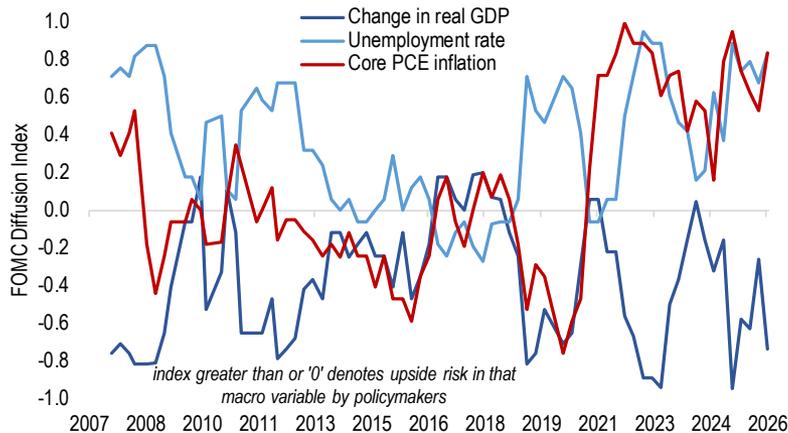
### Producer Inflation: Snap, Crackle, Pop

- Headline up most since Feb. '25; core up 4%+ annualized in 6 of 8 months.
- Rising energy costs will bleed into freight, warehousing and food processing.
- Late-stage costs across sectors keep firming with notable rise in services.

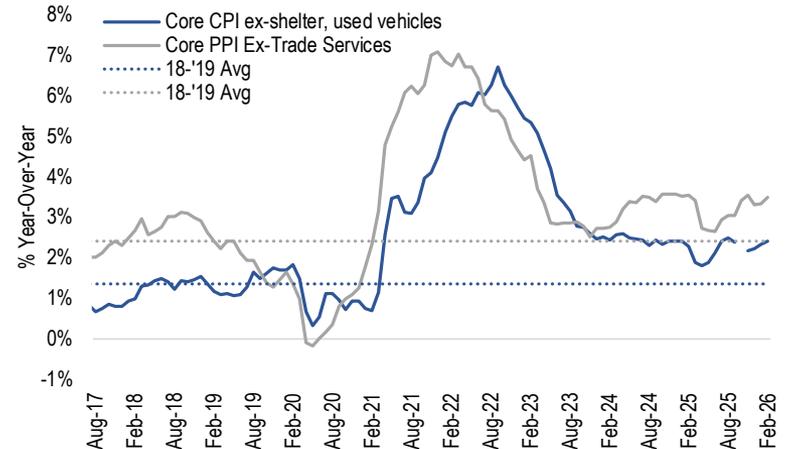
### New Home Sales: Weather Strikes Again

- New home sales plunged to the slowest annualized pace since 2022.
- Poor weather stymied sales but underlying trend remained on soft footing.
- Months' supply of completed homes remained in 2017–2019 range.

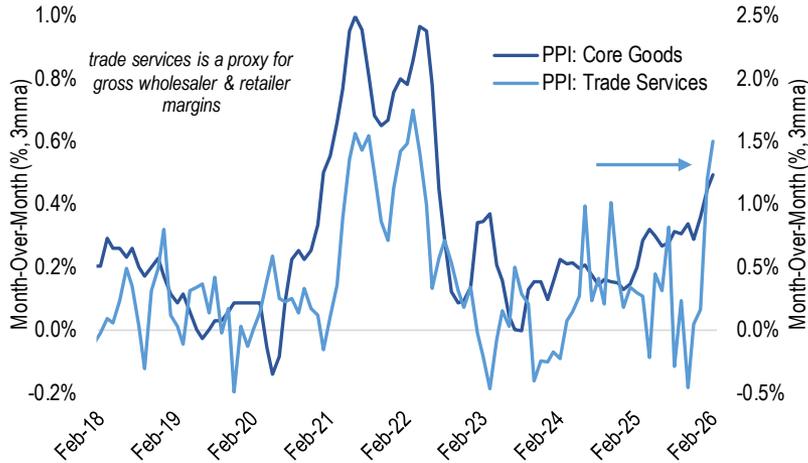
## Fed Projections Show Greater Downside Risk to Growth and More Upside Risk to Inflation, Unemployment



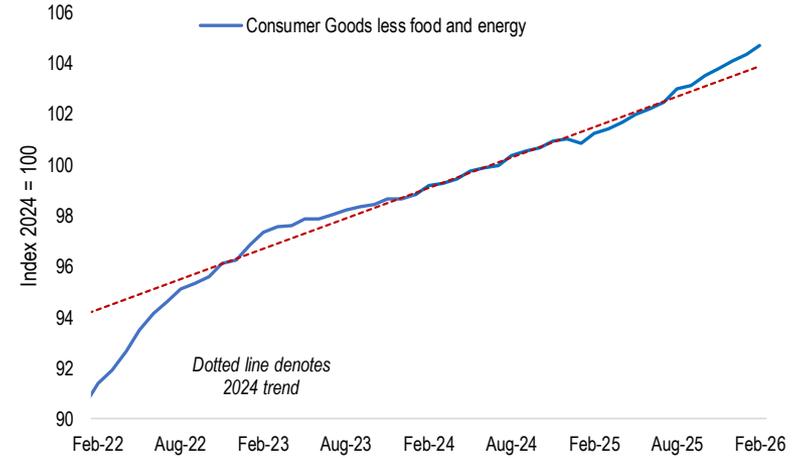
## Fed Still Inclined to Lower Rates (at Some Point), but Proof Remains in the Disinflation Pudding



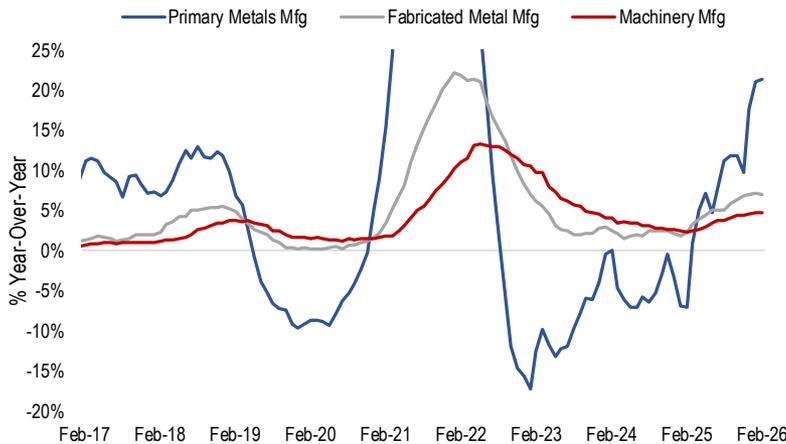
**Producer Price Inflation Continued to Come in on the Hotter Side, Led by Core Goods and Trade Services**



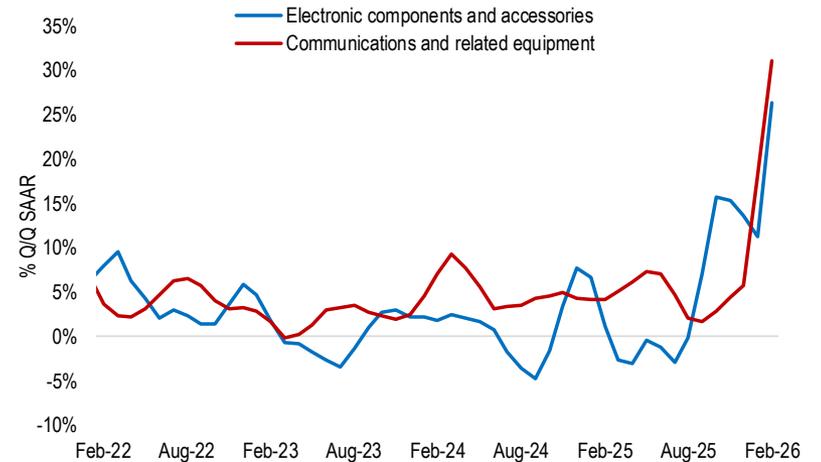
**Goods Prices Unlikely to Ease Near Term as Firms Face Higher Energy Input Costs**



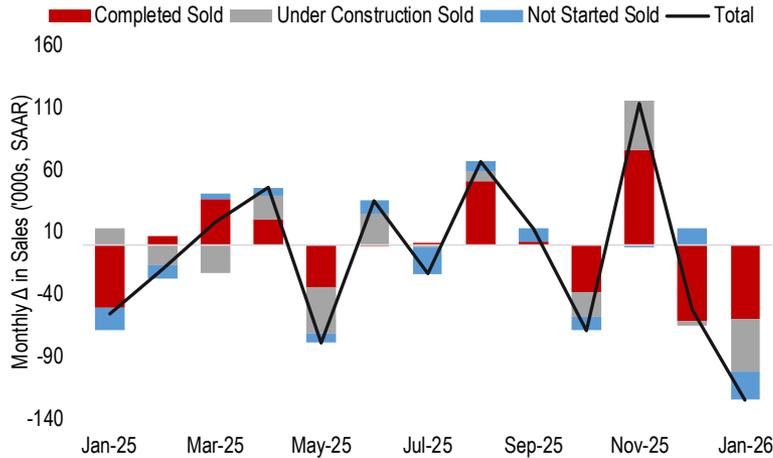
**Metals and Machinery Producer Prices Keep Progressing Higher**



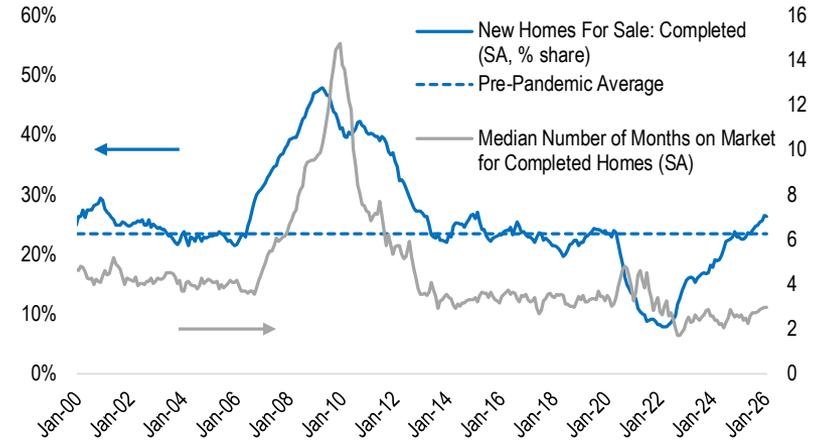
**The Surge in AI Capex Has Led to a Tightening of the Supply Chain and Rampant Surge in Prices**



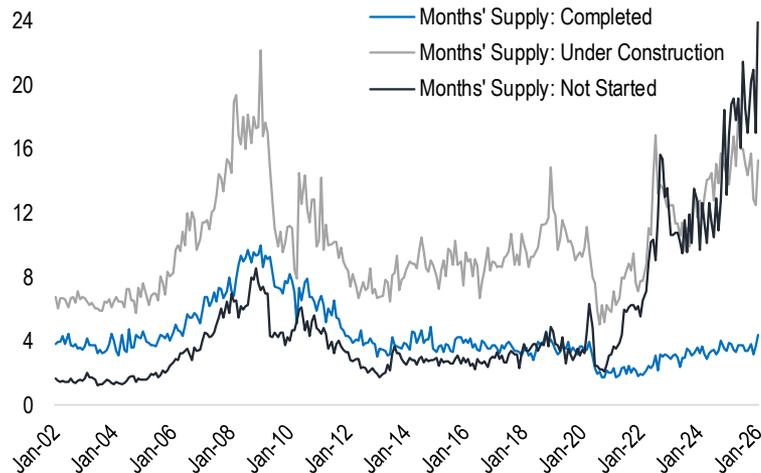
January New Home Sales Got Pinched by Bad Weather with Declines Led by Midwest and Northeast



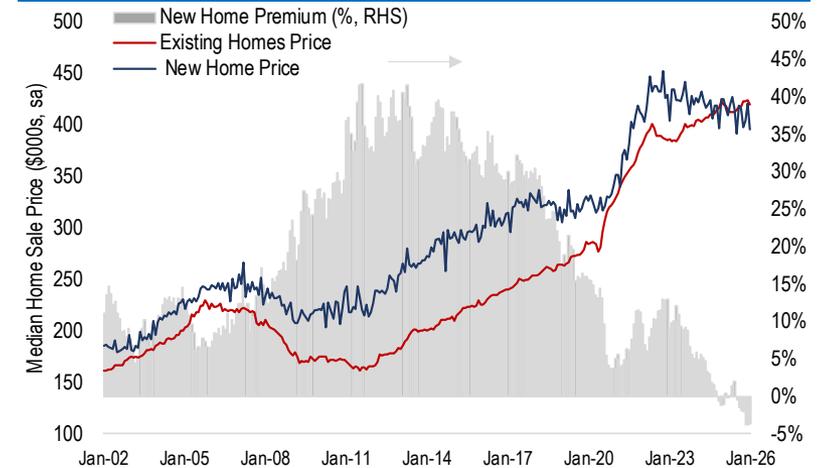
Completed Homes' Share of New Homes for Sale above Pre-Pandemic Norm but Still Selling Quickly



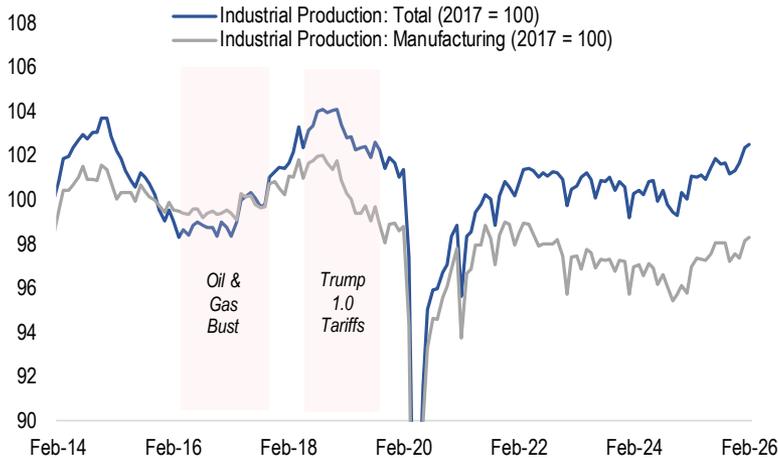
Sinking Sales Led to Step Rise in Months' Supply, Mostly for Uncompleted Home Segments



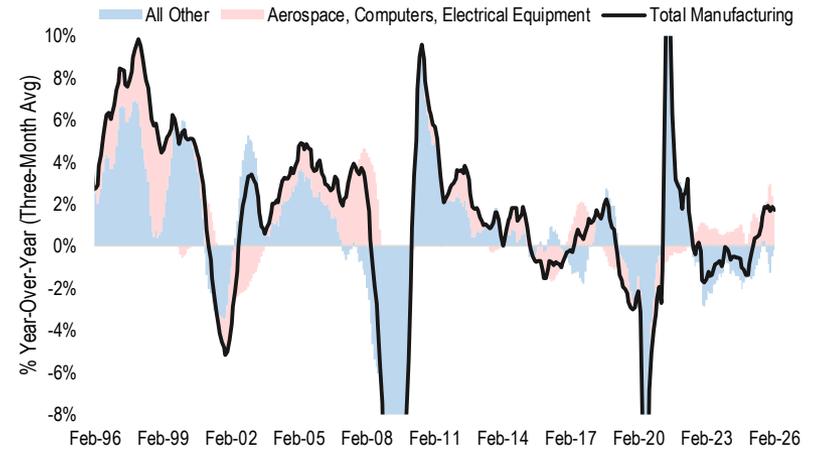
National New Home Discount Relative to Existing Home Prices Remained near Record



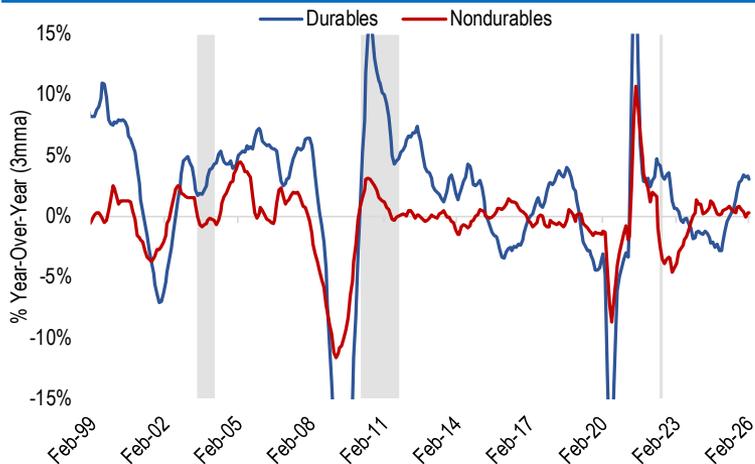
**Industrial Production Strengthened Further with Gains across Most Categories**



**Despite the Broad-Based Gains, Growth Still Driven by Aerospace, Tech and Electrical Equipment**

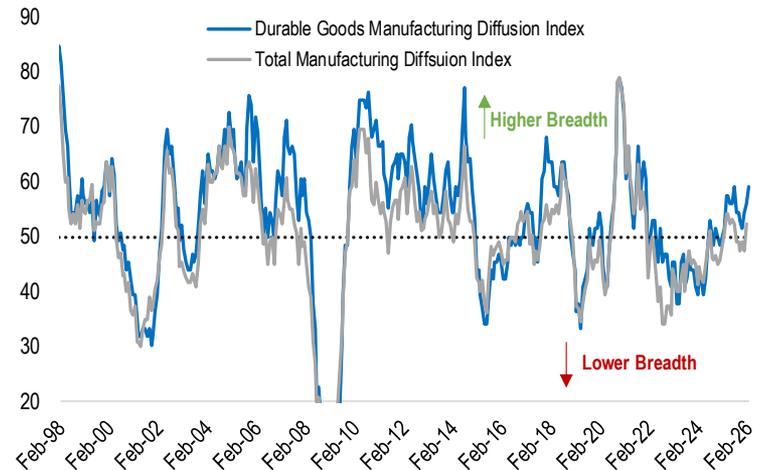


**Durable Goods Production Still Strong, Carried by Robust Business Equipment Output**

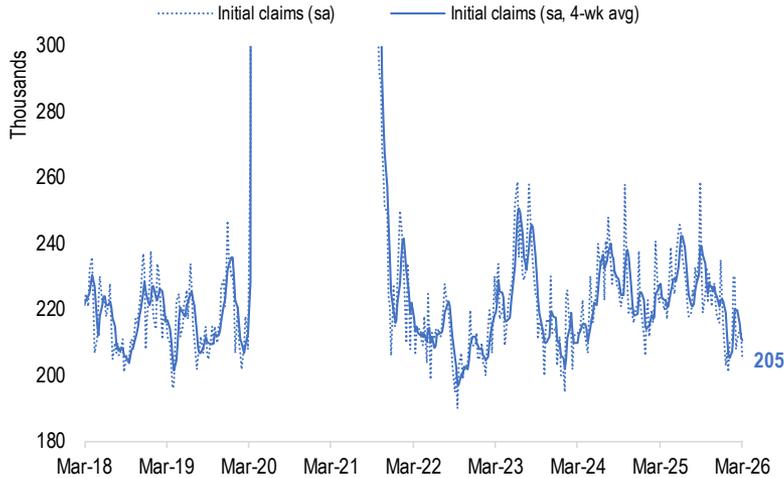


Durable goods are products that can be inventoried and have an average life of at least 3 years.

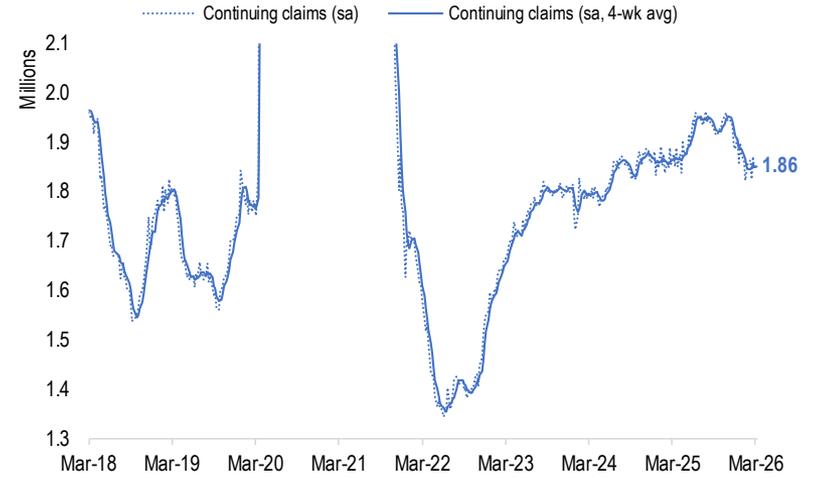
**Durable Goods Breadth Rose with Notable Strength in Autos, Machinery and Electrical Components**



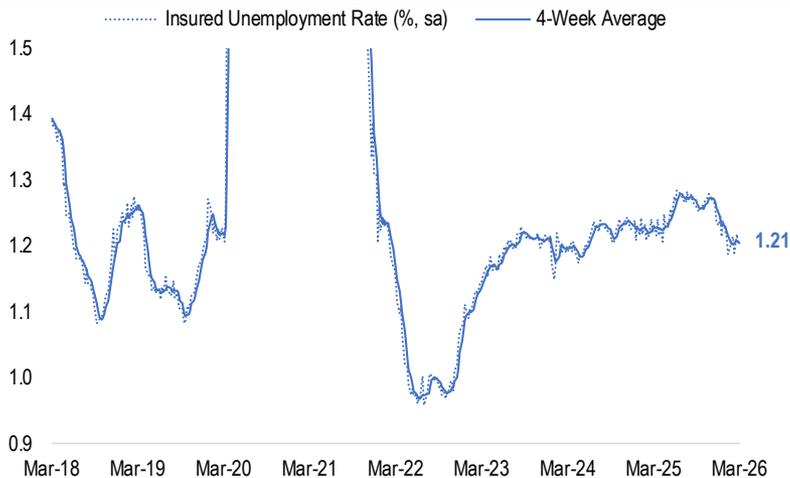
**Initial Claims Inched Down Again to 205k (sa) in Week Ending March 14, Just Above Multi-Year Low**



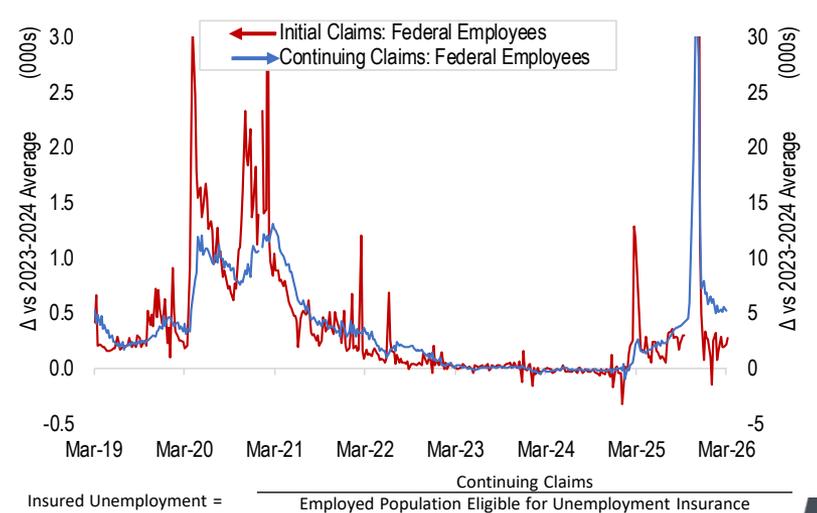
**Continuing Claims Inched Higher to 1,857k sa during Week Ending March 7, Just Above 2-Year Low**



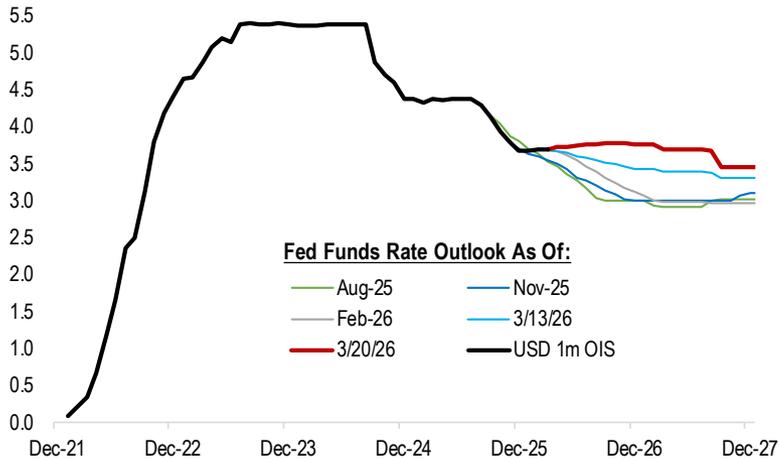
**Insured Unemployment Ticked Up to 1.21% alongside Continued Claims, Just Above Lowest Level Since 2024**



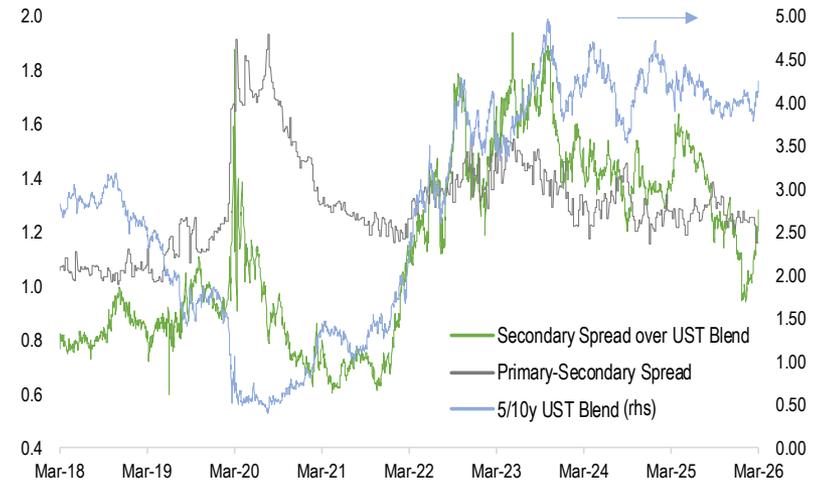
**Impact of DOGE-Related Federal Job Cuts Still Visible in the Federal Employee Jobless Claims Data**



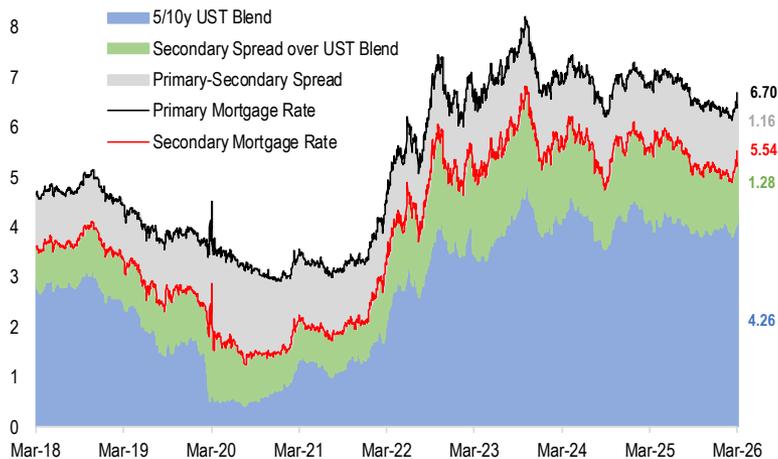
Rate Cuts? Market Is Now Pricing in Rate Hikes as More Likely Near Term; Next Cut Pushed Out to Late '27



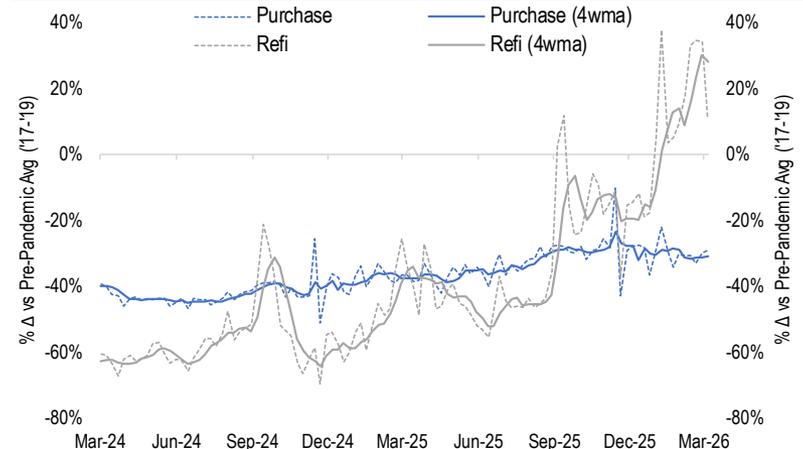
Mortgage Spreads Widened 9bps Last Week, Piling On to the 14bps Surge in UST Yields ...



... Which Caused Mortgage Rates to Jump Back to Sept. '25 Levels, Erasing Half a Year of Downward Progress



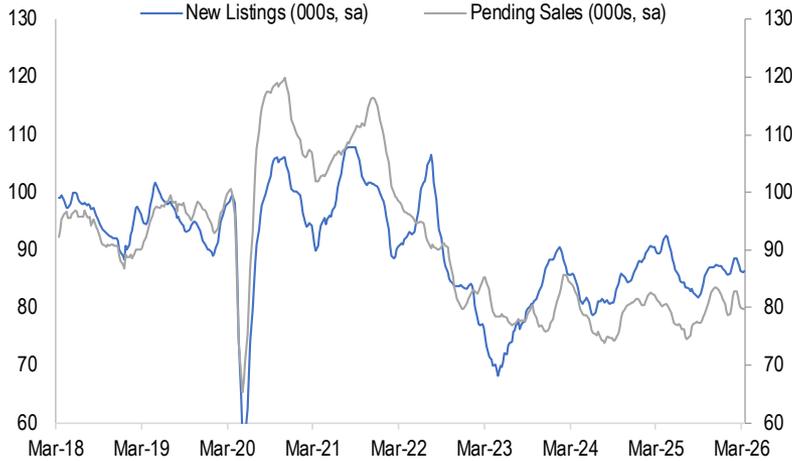
Mortgage Purchase Applications Remained Muted and Rebound in Refi Apps Continued to Cool



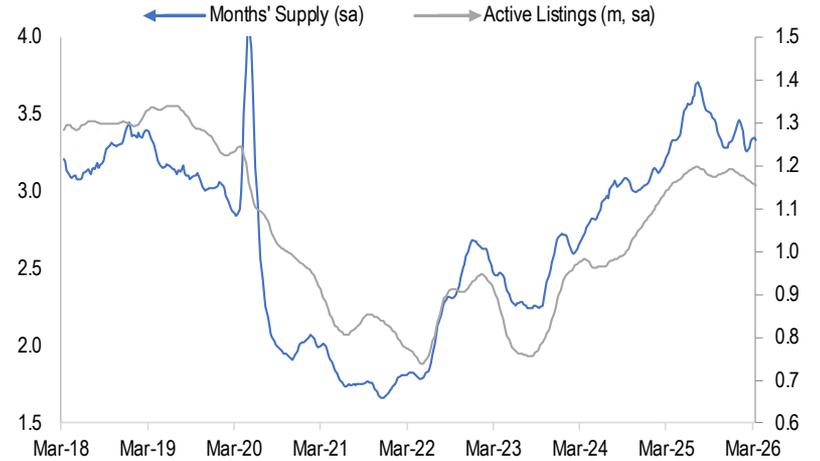
Sources: Bloomberg, FRB, Mortgage Bankers Association, Arch Global Economics

**Secondary Spread:** Current Coupon Option Adjusted Spread over 5/10y UST Blend  
**Primary-Secondary Spread:** Primary Mortgage Rate - Secondary Mortgage Rate

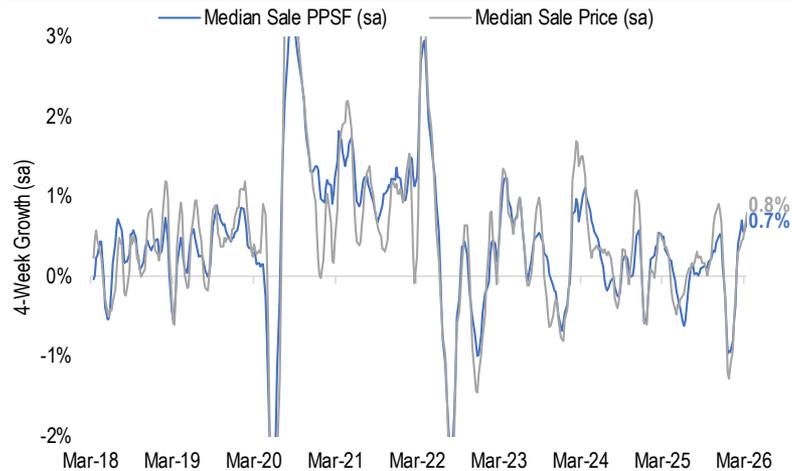
**Cooldown in Pending Sales Eased in Recent Weeks as Pace of New Listings Has Also Moved Sideways ...**



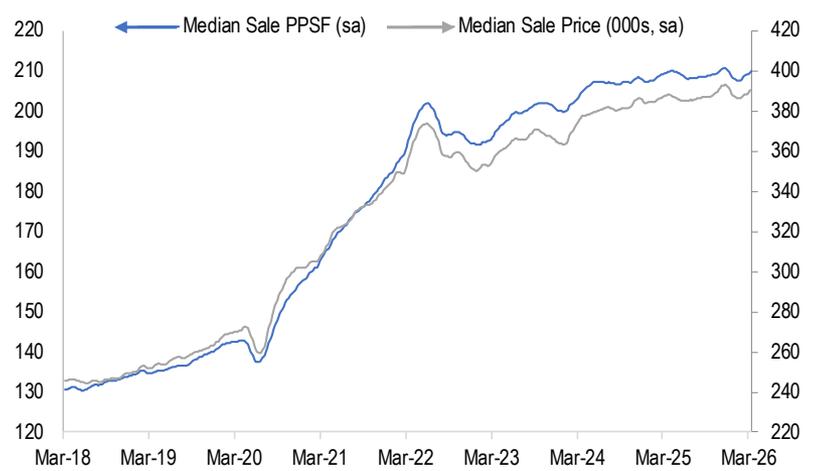
**... Which Has Turned the Tide for Months' Supply after Softening over the Past Month**



**Seasonally Adjusted Home-Price Growth Rebound from Recent Dip Continued through Mid-March**



**Prior Home-Price Downshift Is Cooling, with Signs of a Rebound Emerging through Mid-March**



## 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	0.4%	-0.5%	1.0%	0.0%	5.7%	0.7%	98.1%	-0.2%	-2.3	-10.0	0%	-2%	-4%
Atlanta	-1.1%	1.2%	1.5%	1.0%	5.6%	0.8%	97.8%	-0.2%	25.1	16.5	0%	19%	20%
Austin	-7.0%	-3.6%	0.6%	5.3%	7.7%	1.6%	97.3%	0.0%	61.3	55.8	3%	101%	99%
Baltimore	2.6%	1.7%	-0.4%	-0.7%	5.1%	0.3%	99.6%	-0.9%	-11.6	-20.8	10%	-17%	-29%
Boston	-0.1%	-1.6%	2.8%	3.1%	2.9%	-0.3%	99.9%	-1.2%	0.5	-8.5	5%	-3%	-15%
Chicago	3.7%	-0.5%	4.1%	0.2%	3.0%	0.6%	99.3%	0.0%	-14.7	-16.4	-6%	-29%	-28%
Dallas	-4.2%	0.8%	0.1%	4.2%	7.4%	0.8%	97.2%	-0.4%	46.2	28.4	-1%	65%	47%
Denver	0.5%	5.8%	5.9%	4.7%	7.5%	-0.2%	98.8%	-0.2%	22.9	21.4	4%	76%	70%
Houston	-2.6%	-0.3%	0.8%	1.6%	7.2%	1.4%	96.0%	-0.5%	25.4	8.4	2%	31%	22%
Los Angeles	-1.8%	-0.8%	-0.5%	-0.9%	4.1%	0.8%	99.6%	-0.8%	2.7	-0.2	-4%	24%	18%
Miami	-0.6%	1.7%	-1.2%	-1.2%	3.9%	0.1%	95.2%	-0.4%	31.7	24.3	-6%	15%	22%
Minneapolis	0.6%	-0.4%	1.7%	1.8%	4.8%	1.1%	99.2%	-0.1%	10.0	2.5	3%	4%	-7%
Nashville	-0.1%	0.4%	0.1%	-0.1%	4.3%	0.7%	97.5%	-0.5%	34.0	15.5	9%	31%	15%
New York	4.0%	-2.1%	5.9%	-3.0%	3.1%	0.3%	98.9%	-0.1%	-54.5	-56.2	-6%	-28%	-29%
Phoenix	-3.1%	-1.6%	2.5%	2.7%	7.8%	0.3%	97.8%	-0.2%	17.0	14.7	1%	42%	41%
Portland	-2.7%	-1.0%	0.7%	1.5%	6.7%	1.4%	99.5%	-0.3%	17.5	5.6	2%	43%	44%
Riverside	-1.4%	2.3%	1.2%	0.5%	5.0%	0.4%	98.7%	-0.1%	0.6	-5.9	-10%	2%	10%
San Diego	-0.7%	2.7%	0.3%	1.2%	5.0%	0.7%	99.0%	-0.6%	3.0	-3.0	-5%	-3%	7%
Seattle	-1.5%	0.8%	0.3%	1.5%	6.1%	1.3%	99.8%	-1.4%	0.1	-5.9	26%	69%	25%
Tampa	3.0%	2.5%	1.9%	3.2%	8.6%	0.1%	96.8%	0.2%	12.8	8.8	-7%	37%	36%
Washington DC	-3.1%	-4.6%	2.0%	3.5%	3.9%	0.0%	99.8%	-0.4%	7.7	-4.8	11%	5%	-5%

Data as of March 15, 2026, 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
3/23/26	8:30 AM	Chicago Fed Nat Activity Index	Feb	-0.1	0.2	--	0.2	index, nsa
3/24/26	8:30 AM	Nonfarm Productivity q/q	4Q F	--	1.8	--	2.8	%, saar
3/24/26	8:30 AM	Unit Labor Costs q/q	4Q F	--	3.5	--	2.8	%, saar
3/24/26	9:45 AM	S&P Global US Manufacturing PMI	Mar P	--	51.5	--	51.6	index, sa
3/24/26	9:45 AM	S&P Global US Services PMI	Mar P	--	52.0	--	51.7	index, sa
3/24/26	9:45 AM	S&P Global US Composite PMI	Mar P	--	--	--	51.9	index, sa
3/24/26	10:00 AM	Richmond Fed Manufact. Index	Mar	--	-8.0	--	-10.0	index, sa
3/25/26	7:00 AM	MBA Mortgage Applications w/w	Mar 20	--	--	--	-10.9	%, sa
3/25/26	8:30 AM	Import Price Index m/m	Feb	--	0.6	--	0.2	%, nsa
3/25/26	8:30 AM	Import Price Index y/y	Feb	--	0.4	--	-0.1	%, nsa
3/26/26	8:30 AM	Initial Jobless Claims	Mar 21	--	210	--	205	k, sa
3/26/26	8:30 AM	Continuing Claims	Mar 14	--	1,850	--	1,857	k, sa
3/26/26	11:00 AM	Kansas City Fed Manf. Activity	Mar	--	2.5	--	5.0	sa, index
3/27/26	10:00 AM	U. of Mich. Sentiment	Mar F	--	54.0	--	55.5	index, nsa
3/27/26	10:00 AM	U. of Mich. 1 Yr Inflation	Mar F	--	--	--	3.4	nsa
3/27/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	Mar F	--	3.5	--	3.2	nsa

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
3/16/26	8:30 AM	Empire Manufacturing	Mar	-0.2	3.9	--	7.1	index, sa
3/16/26	9:15 AM	Industrial Production m/m	Feb	0.2	0.1	--	0.7	%, sa
3/16/26	9:15 AM	Capacity Utilization	Feb	76.3	76.2	76.3	76.2	sa
3/16/26	10:00 AM	NAHB Housing Market Index	Mar	38	37	37	36	index, sa
3/17/26	10:00 AM	Pending Home Sales m/m	Feb	1.8	-0.6	-1.0	-0.8	%, sa
3/17/26	10:00 AM	Pending Home Sales y/y	Feb	-0.6	-4.5	-1.4	-1.2	%, nsa
3/18/26	7:00 AM	MBA Mortgage Applications w/w	Mar 13	-10.9	--	--	3.2	%, sa
3/18/26	8:30 AM	PPI Final Demand m/m	Feb	0.7	0.3	--	0.5	%, sa
3/18/26	8:30 AM	PPI Core (ex Food and Energy) m/m	Feb	0.5	0.3	--	0.8	%, sa
3/18/26	8:30 AM	PPI Final Demand y/y	Feb	3.4	3.0	--	2.9	%, nsa
3/18/26	8:30 AM	PPI Core (ex Food and Energy) y/y	Feb	3.9	3.7	3.5	3.6	%, nsa
3/18/26	10:00 AM	Durable Goods Orders m/m	Jan F	0.0	0.0	--	0.0	%, sa
3/18/26	10:00 AM	Cap Goods Orders Nondef Ex Air m/m	Jan F	0.1	0.0	--	0.0	%, sa
3/18/26	10:00 AM	Cap Goods Ship Nondef Ex Air m/m	Jan F	-0.1	-0.1	--	-0.1	%, sa
3/18/26	2:00 PM	FOMC Rate Decision (Upper Bound)	Mar 18	3.8	3.8	--	3.8	%
3/19/26	7:53 AM	Building Permits	Jan F	1,386	1,380	--	1,376	k, saar
3/19/26	7:53 AM	Building Permits m/m	Jan F	-4.7	--	--	-5.4	%, sa
3/19/26	8:30 AM	Initial Jobless Claims	Mar 14	205	215	--	213	k, sa
3/19/26	8:30 AM	Continuing Claims	Mar 7	1,857	1,852	1,847	1,850	k, sa
3/19/26	8:30 AM	Philadelphia Fed Business Outlook	Mar	18.1	8.0	--	16.3	index, sa
3/19/26	10:00 AM	Conference Board Leading Index m/m	Jan	-0.1	-0.1	--	-0.2	%, sa
3/19/26	10:00 AM	New Home Sales	Jan	587	722	712	745	k, saar
3/19/26	10:00 AM	New Home Sales m/m	Jan	-17.6	-2.7	-6.8	-1.7	%, sa
3/19/26	10:00 AM	Wholesale Inventories m/m	Jan F	-0.5	0.2	-0.1	0.2	%, sa
3/19/26	10:00 AM	Wholesale Trade Sales m/m	Jan	0.5	0.5	1.3	1.0	%, sa

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