

A photograph of a row of colorful townhouses in shades of red, blue, and white, with green shutters and a well-manicured lawn in the foreground.

HaMMR Digest

Stay current with economic and mortgage market trends.

May 11, 2026

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“Bad News Bears” Labor Market

- **Key Takeaway:** Stabilizing payrolls and firmer hours worked mask a sharply bifurcated labor market between incumbents and job seekers.
- **Macro Implications:** Low layoffs and uncertainty over broader inflation pass-through from higher oil prices will keep the Fed on hold.
- **Housing Implications:** A resilient labor market is a mixed signal for housing: More income supports demand, but higher rates offset that boost in today’s market.

Macro: Growth Cooling, Not Cracking

- Business surveys continue to point to a healthy state of private sector activity.
- Productivity gains are limiting wage growth, easing inflation pressure for the Fed.
- Business lending growth accelerating despite banks tightening lending standards.

Rates: Markets Priced in Less Easing

- 10y UST yields down -2bps w/w as Mideast ceasefire largely holding.
- Front-end of the curve held flat; payrolls not strong enough to reprice Fed policy.
- All eyes will be on inflation data this week with another firm print expected.

Housing Market: Stuck in a Holding Pattern

- Mortgage rates hovering around mid-6% failing to stimulate sales momentum.
- Pending sales largely trended sideways with new listings ebbing lower.
- Despite uptick in days on market, inventory growth has stalled.

Jobs Report: Sum of All Fears Over?

- April payrolls reflect first consecutive monthly rise in a year.
- Unemployment up 0.08%-pts to 4.34%, but below prior six-month average.
- Stabilizing labor demand not enough to stem rise in discouraged workers.

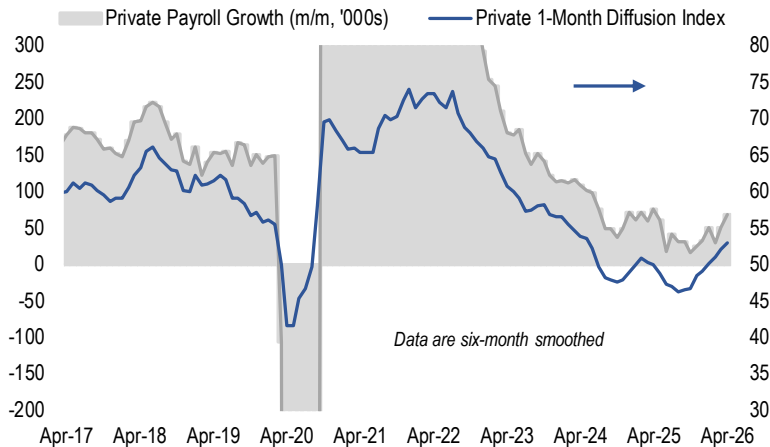
New Home Sales: Price Cutting Still in Vogue

- 1Q26 sales were down -36% annualized despite an uptick in March.
- Ready-to-occupy units are primarily the only inventory builders can sell.
- Months’ supply of completed homes at upper end of 2017–2019 range.

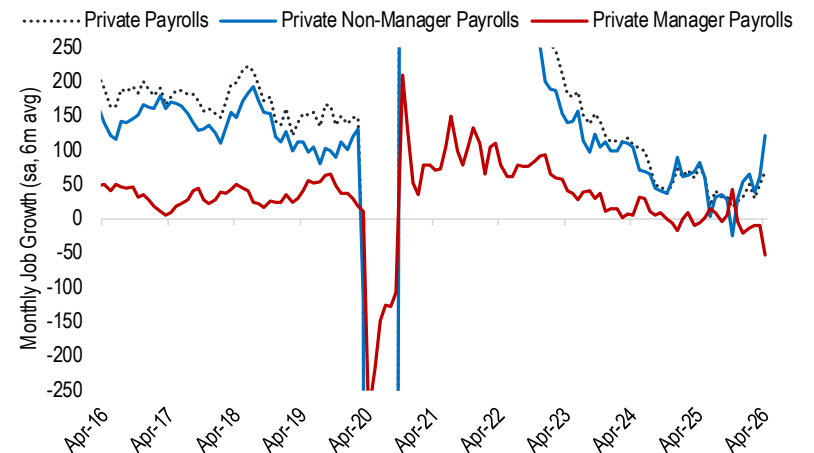
ISM PMI: Come Rain, Come Sunshine

- Manufacturing activity getting a lift from AI capex, despite rising input costs.
- Services business activity firm despite consumer-facing segments cooling.
- Employment measures have steadied while prices remain elevated.

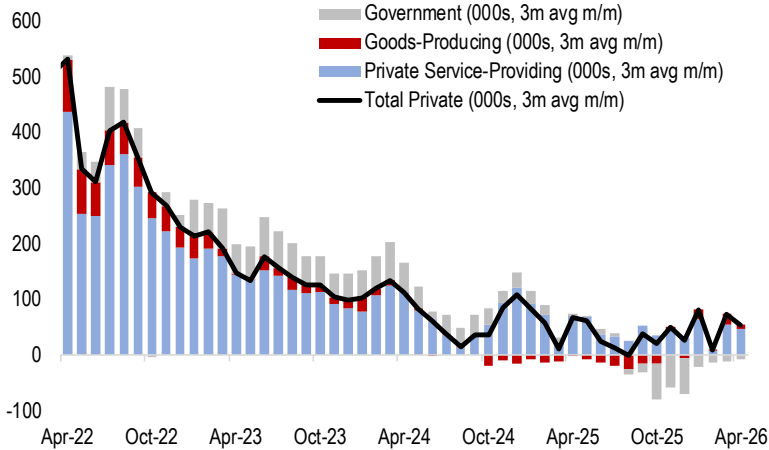
Private Job Growth Has Firmed over the Prior Six Months and Is Fairly Broad-Based



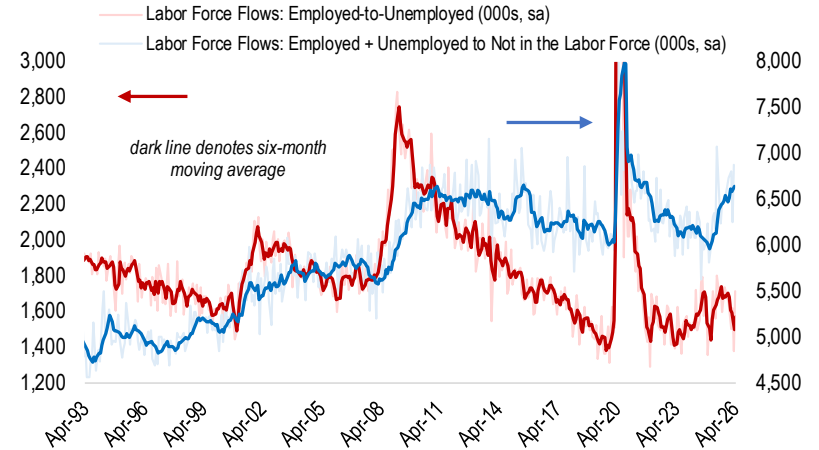
But Firms Are Reorganizing Staff Needs, Weighing on Manager-Level Employment



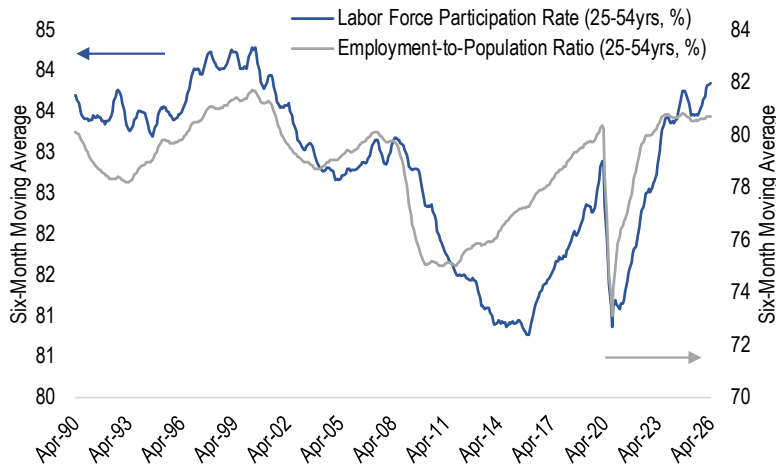
Through the Noise, Private Payroll Gains Show Modest Improvement from Last Year



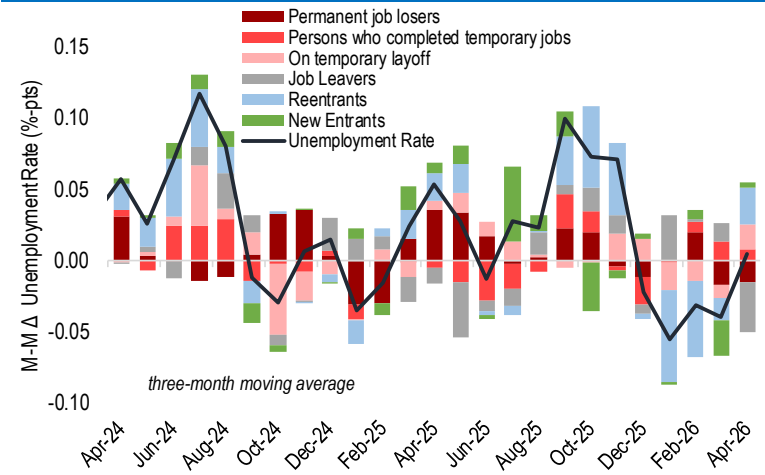
Payrolls' Nascent Recovery Hasn't Stopped Labor Force Exits, Though Layoffs Remain Low



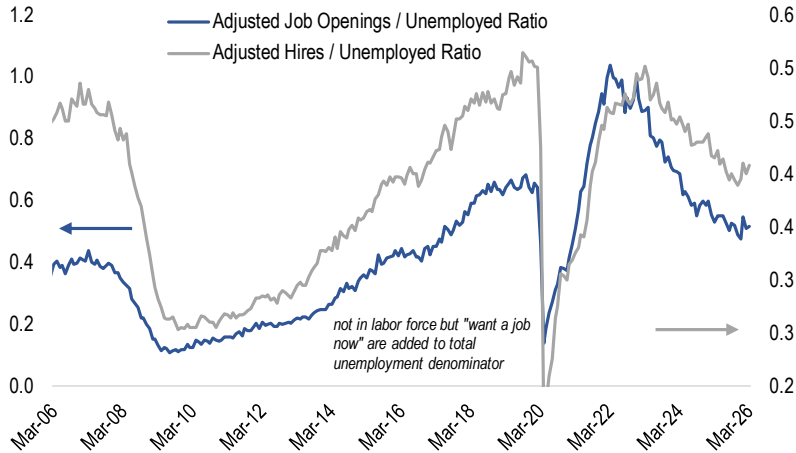
Evidence of Labor Slack Building as Prime-Age Participation Surge Outpaces Employment Rebound



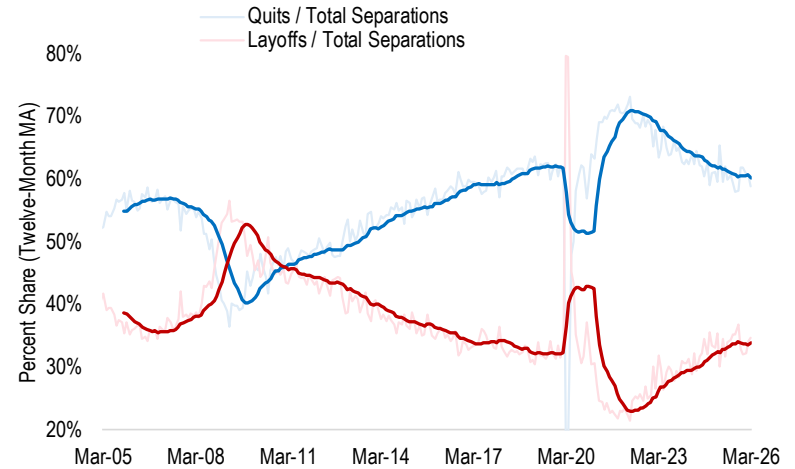
Unemployment Path Encouraging, but Downward Trajectory Has Been Flattered by Reduced Entrants



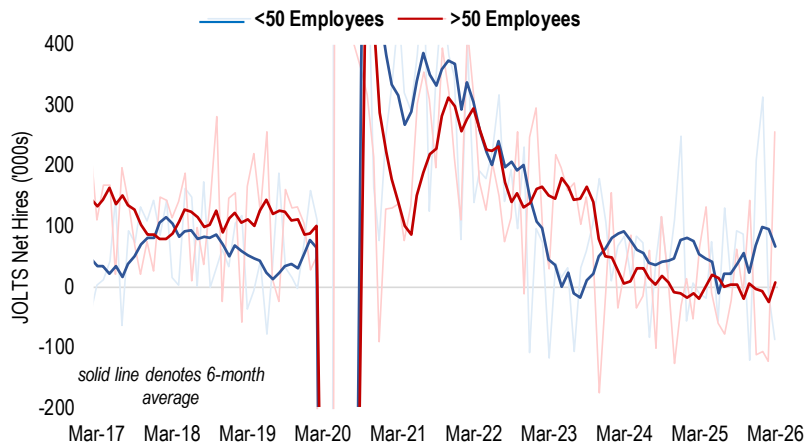
Latest JOLTS Data Showed a Modest Pickup in Openings Driven by Goods and Finance Sectors



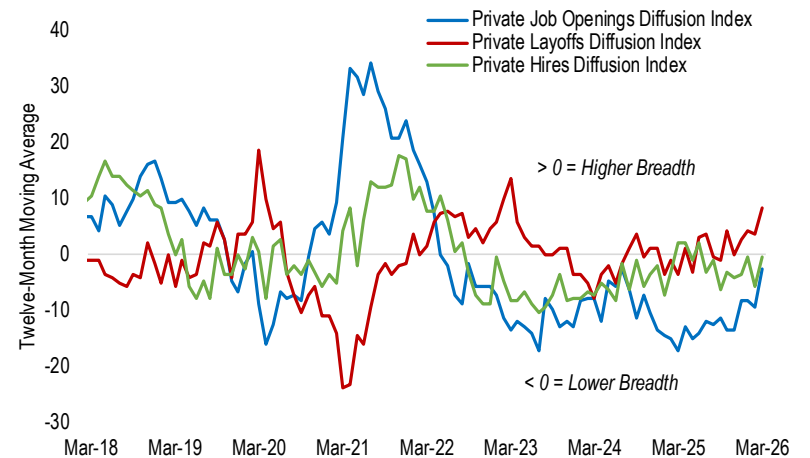
Quits and Layoffs Are Basically in A Standstill



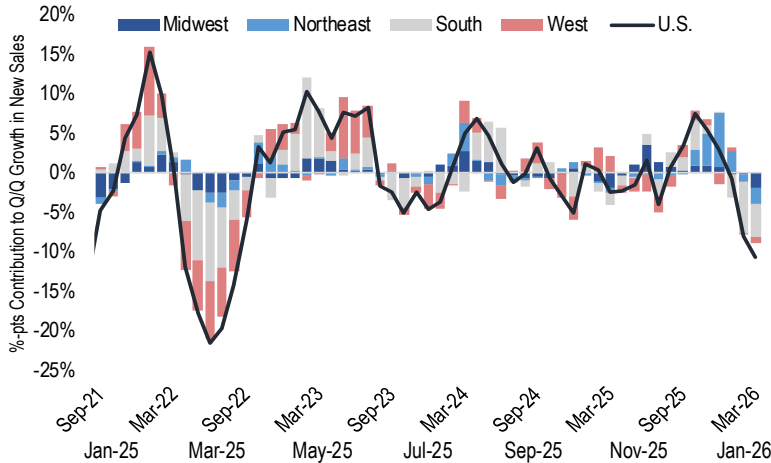
Net Hiring by Larger Firms Has Posted a Modest Rebound as Small Businesses Pull Back



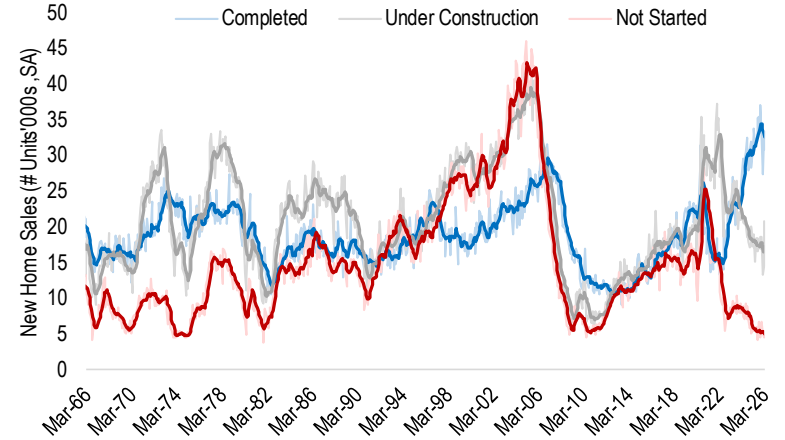
Turnover Breadth Improved Broadly; Layoffs Concentrated in Professional and Business Services



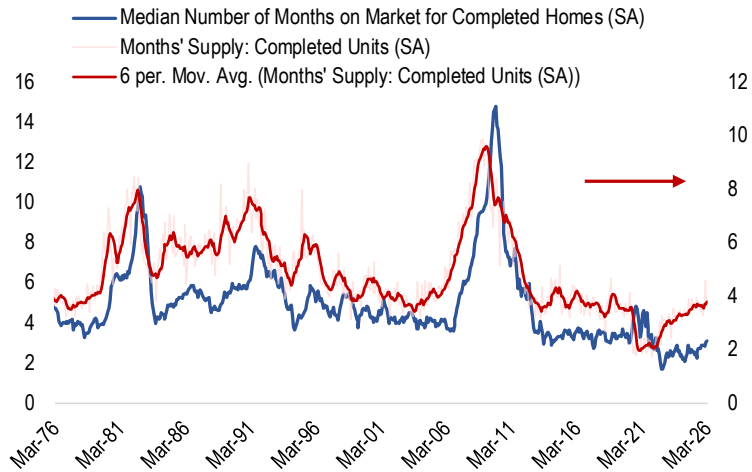
March New Home Sales Surprised to the Upside but Do Not Absolve a Very Poor 1Q26



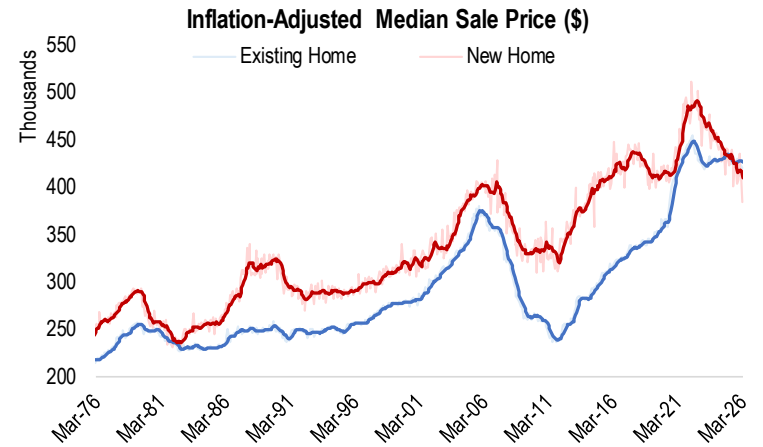
Buyers Hesitant to Pull Trigger on Anything but Ready-to-Occupy Homes for Sale



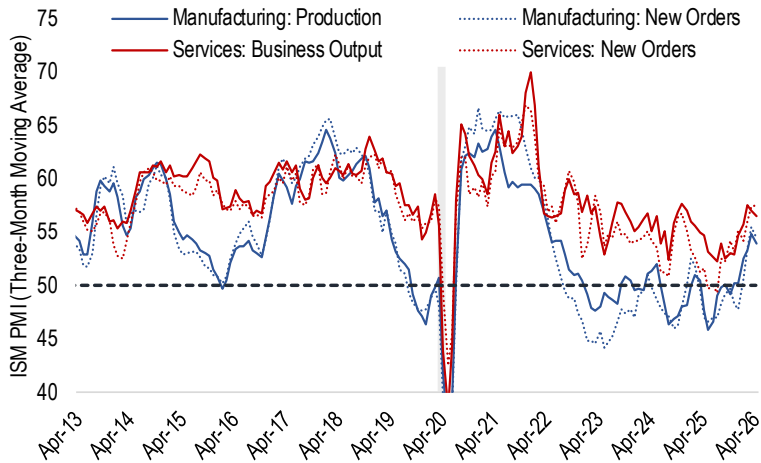
Even with Incentives, Sales Pace Isn't Keeping Up with Inventory, Leading to Rising Months' Supply



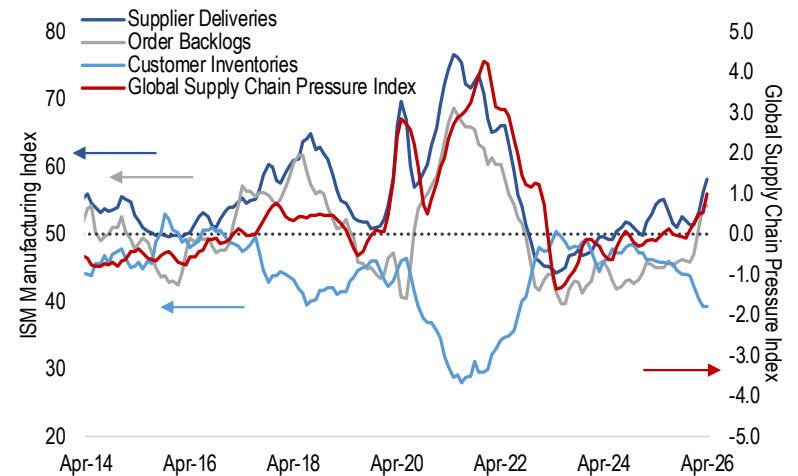
On Inflation-Adjusted Basis, New Home Sales Are the Cheapest Relative to Existing Homes on Record



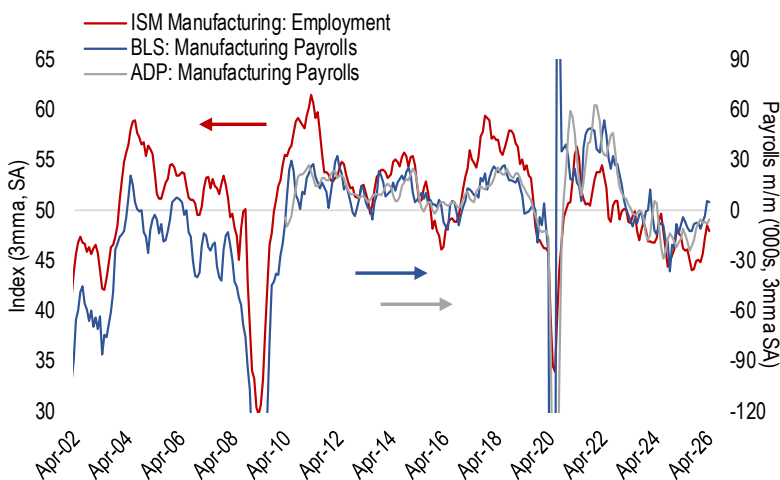
Economy-Wide Activity Still on Firm Footing despite Some Cooling in New Orders



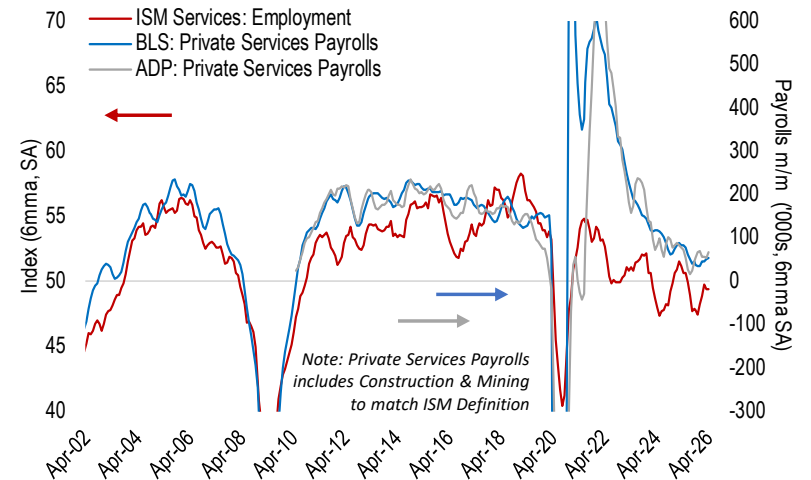
Manufacturing Supply Chains Getting Stretched, Adding to Broader Input Price Pressures



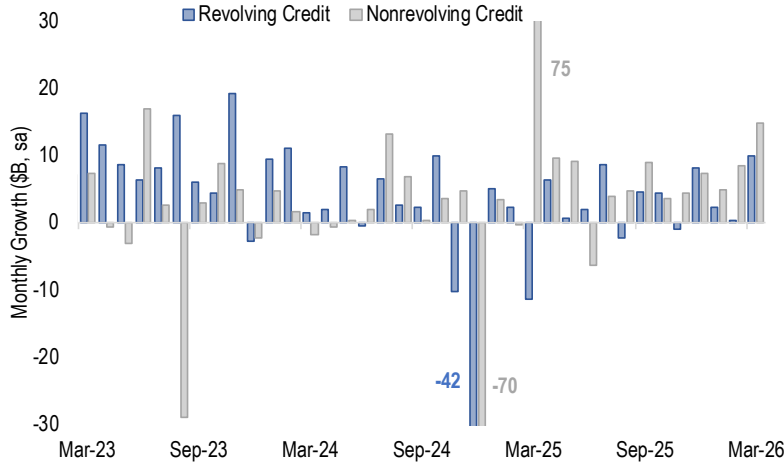
Multiple Measures of Manufacturing Employment Trending in Same Positive Direction



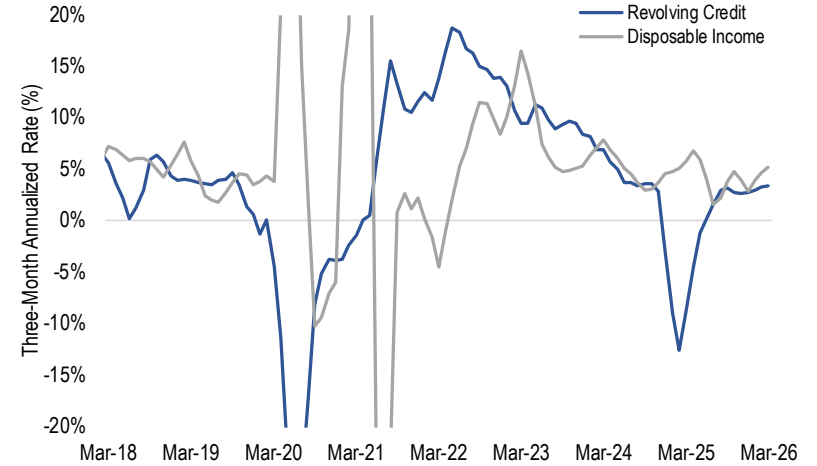
ISM Services Employment Index Weaker Than Payrolls, Partly Reflecting Government Sector Drag



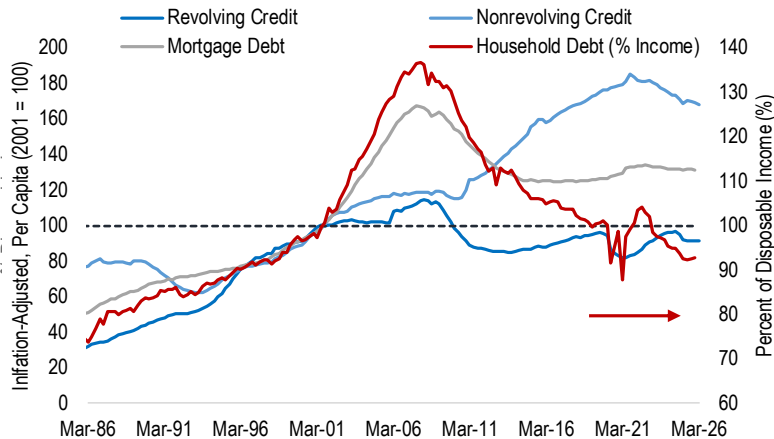
Consumer Credit Growth Rose in March, Alongside Stronger Auto Sales and a Lower Savings Rate



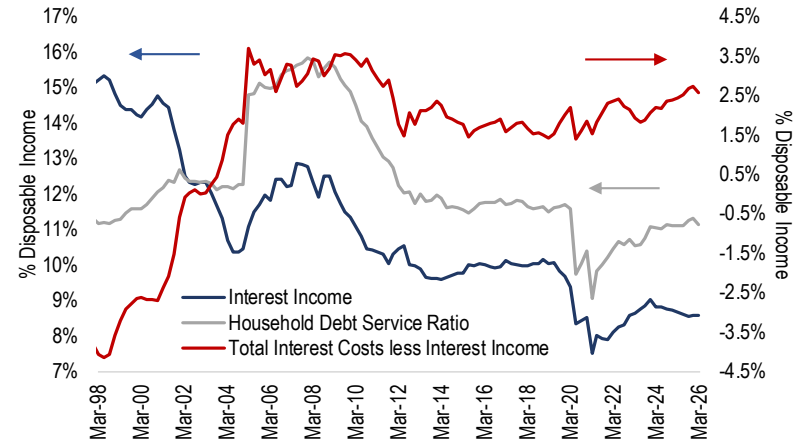
Households Have Leaned on Credit Recently, but Borrowing Remains Modest Relative to Income



Overall, Aggregate Household Credit Profile Remains Very Healthy Historically

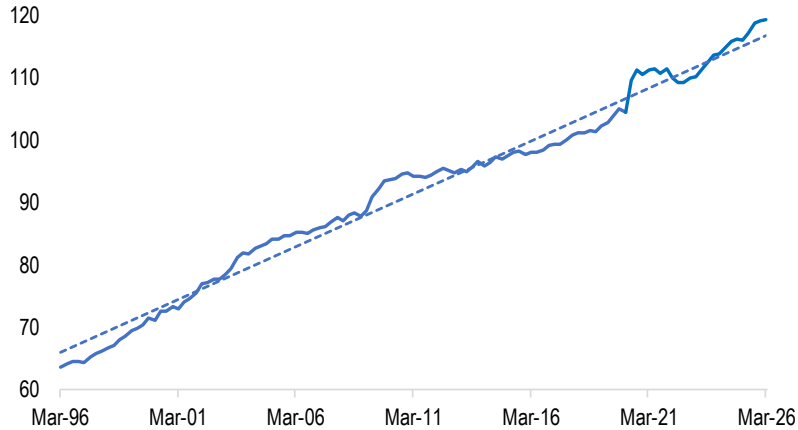


Household Interest Costs Rolling Over, Leading to Similar Dynamic in Debt Service Costs

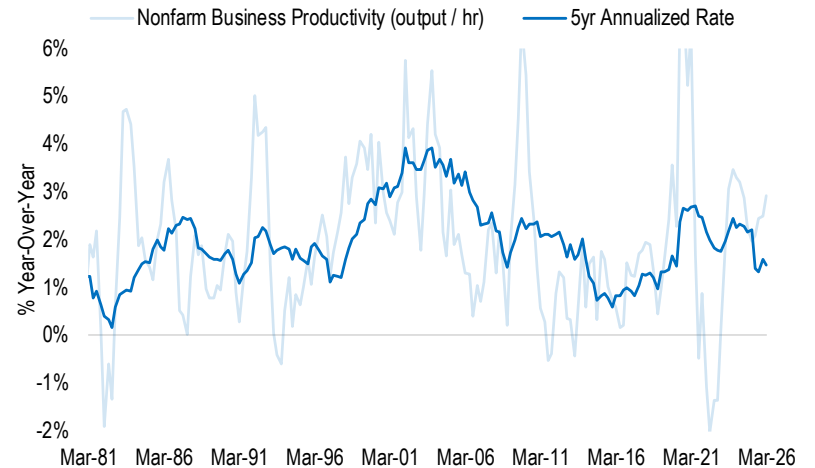


Above-Trend Productivity Driven by Capex-Heavy, Low-Labor Investment

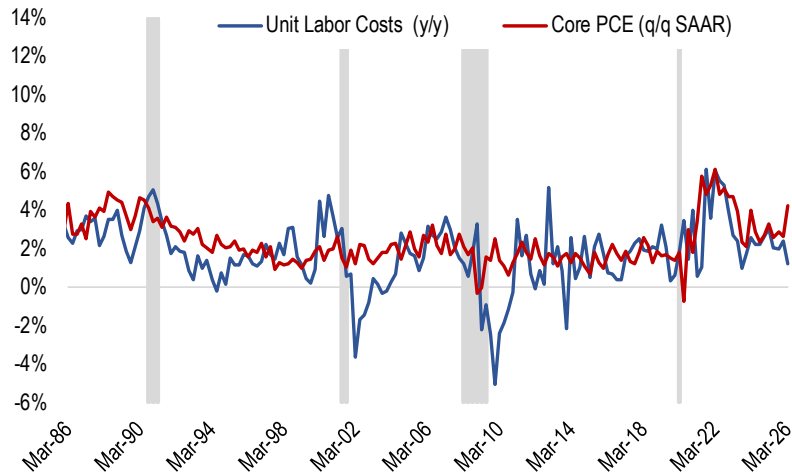
Business Productivity (1995 Trend Anchor Year)



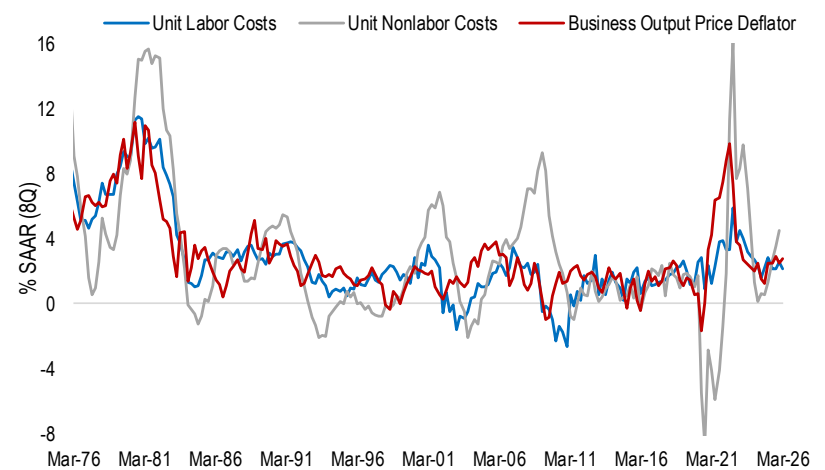
Capex Has Been Geared Toward Buildout of AI Data Centers as the Economy Is Still in Early Adoption Phase



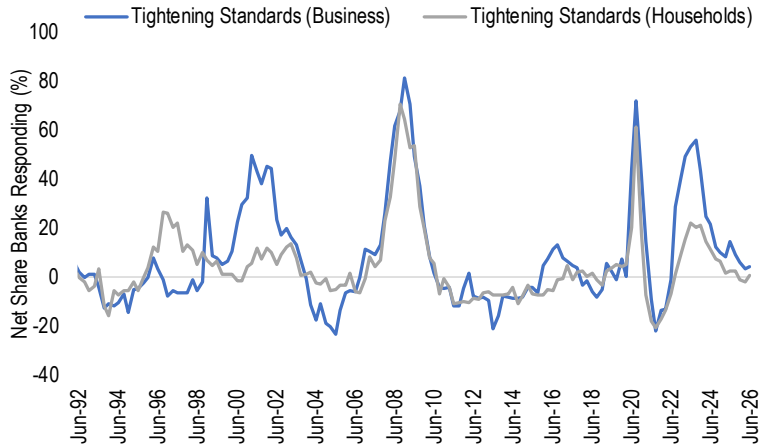
Core PCE Inflation Running on Hotter Side Despite Labor Cost Growth Cooling



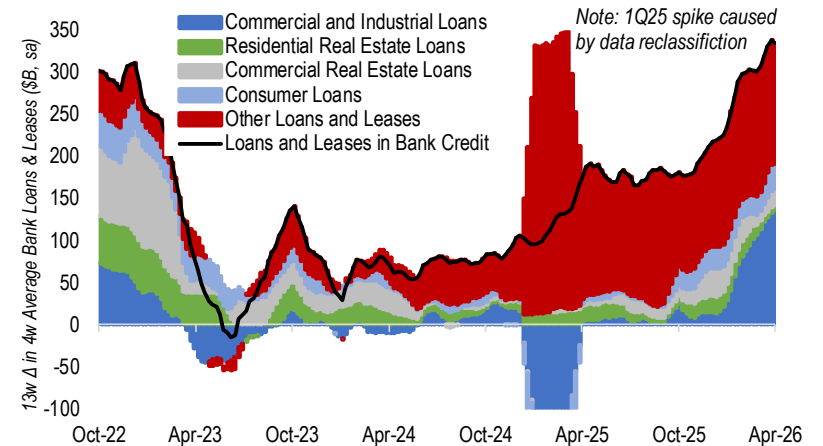
Nonlabor Costs Up Mostly Due to Tariffs with Business Output Price Gains Running above Historical Norm



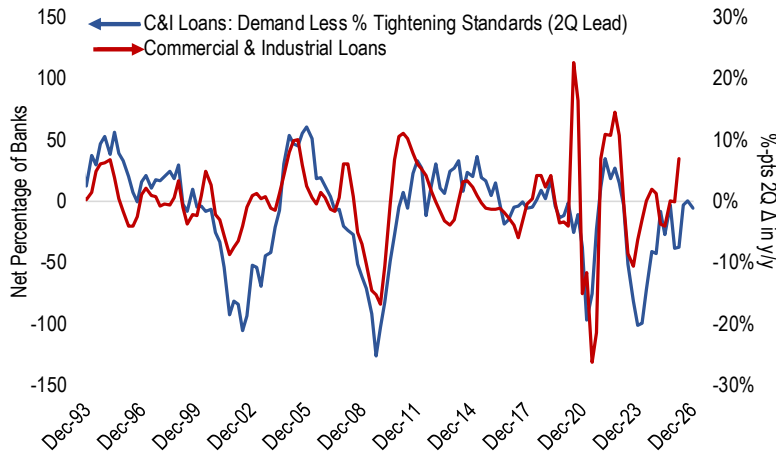
“Risk Aversion” Is the Top Reason Banks Cite for Keeping Credit Standards Tight



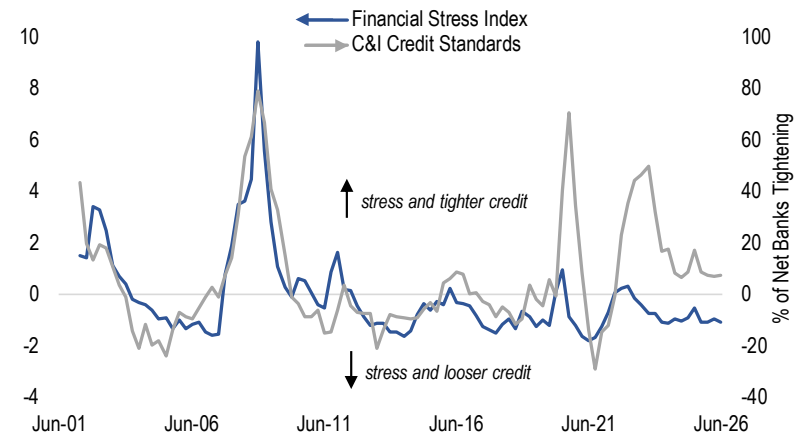
Bank Credit Impulse Has Rebounded Strongly and Broadly, apart from Mortgages



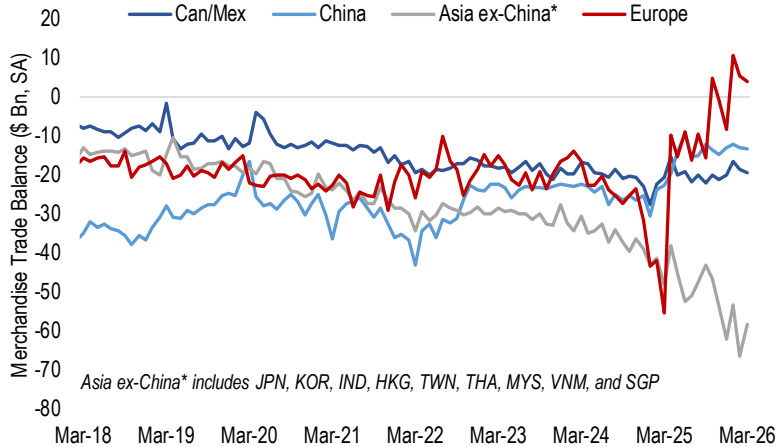
Tighter Credit and Weaker Demand Have Yet to Stymie Business Loan Growth



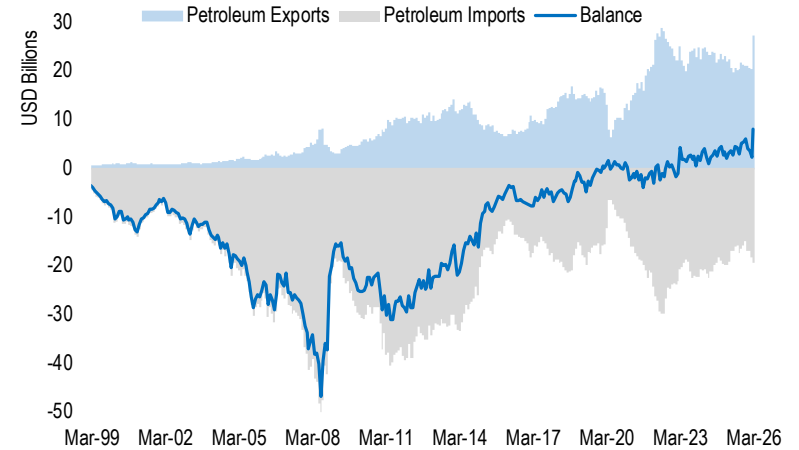
Tighter Bank Credit Has Yet to Translate into Financial Stress



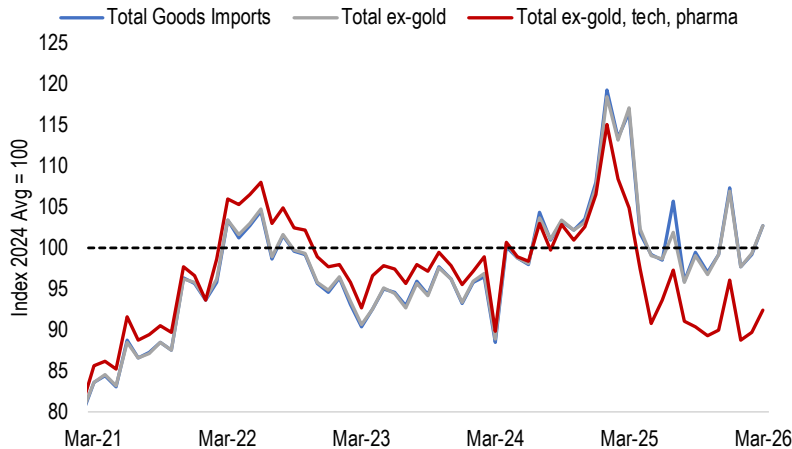
Trade Policy Whipsaw Looks to be Normalizing with Notable Pivot in U.S. Trade Balance toward Europe ...



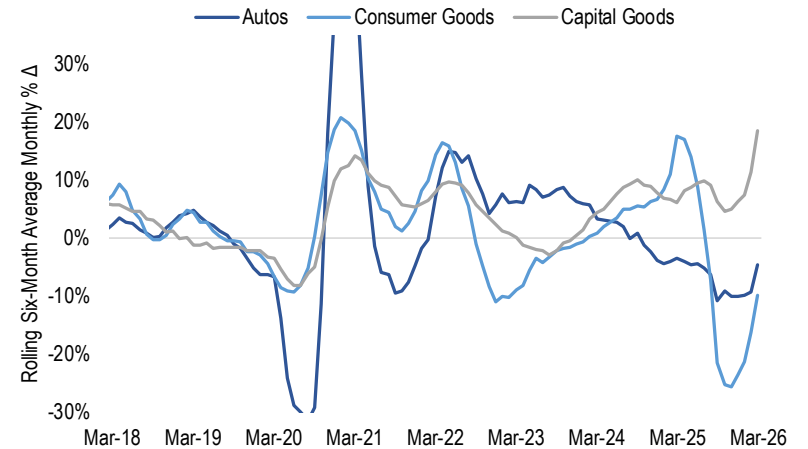
... Driven Recently by the Surge in Energy Exports to Europe from the U.S.



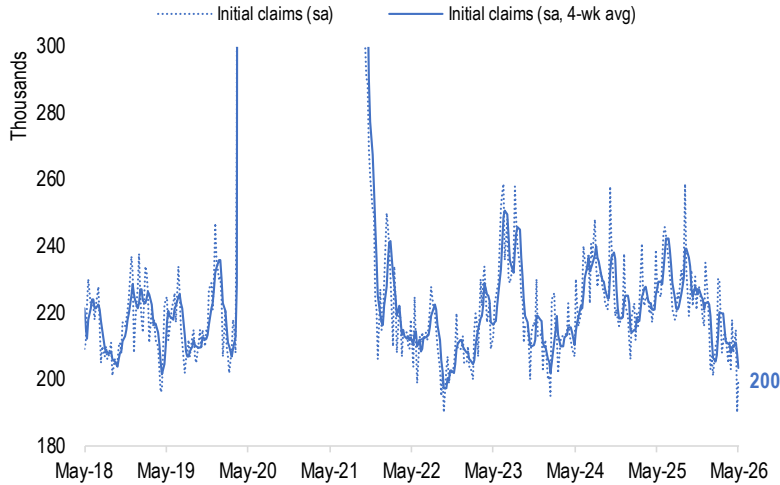
Headline U.S. Imports above the '24 Norm but Well Below Once Gold, Tech and Pharma Are Stripped Out



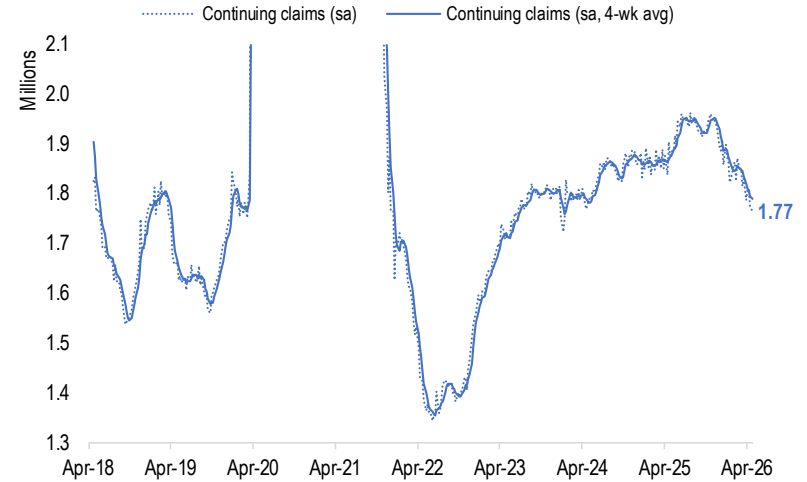
Consumer Goods Drove the Underlying Weakness, Though Signs of a Reversal Are Emerging



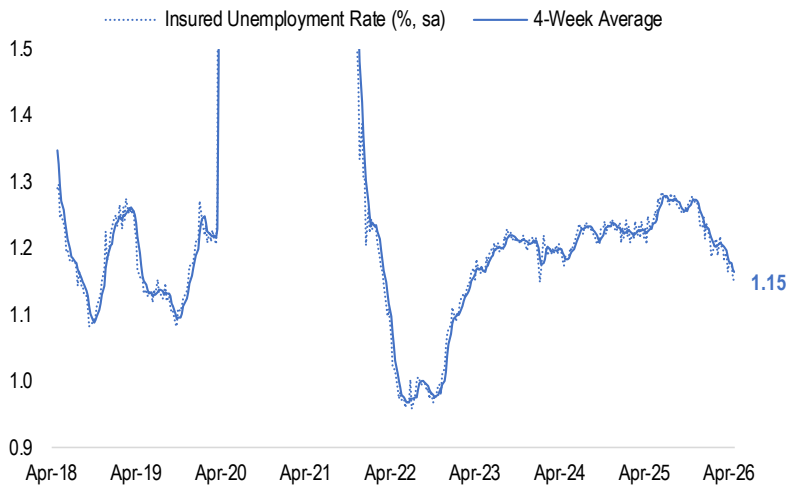
Initial Claims Rebounded to 200k (SA) in Week Ending May 2 after Briefly Touching Lowest Since 1969



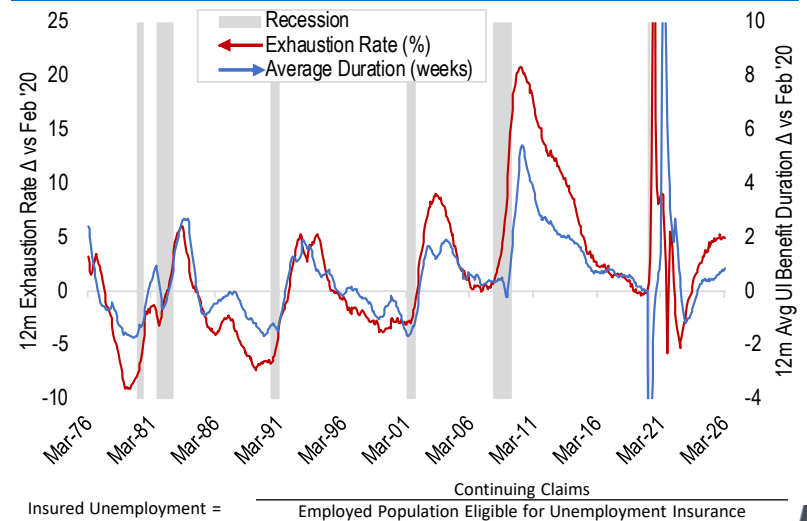
Continuing Claims Declined to 1,766k (SA) in Week Ending April 25, Just Above Lowest in over 2 Years



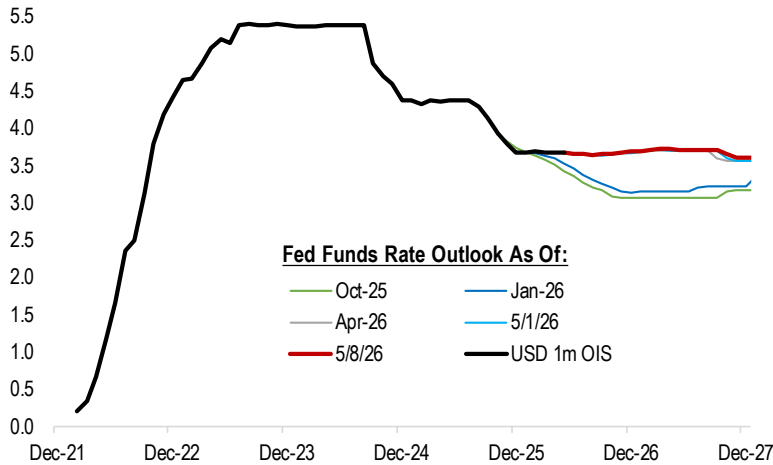
Insured Unemployment Rate down to 1.15% in Week Ending April 25, Lowest Since Early-2024



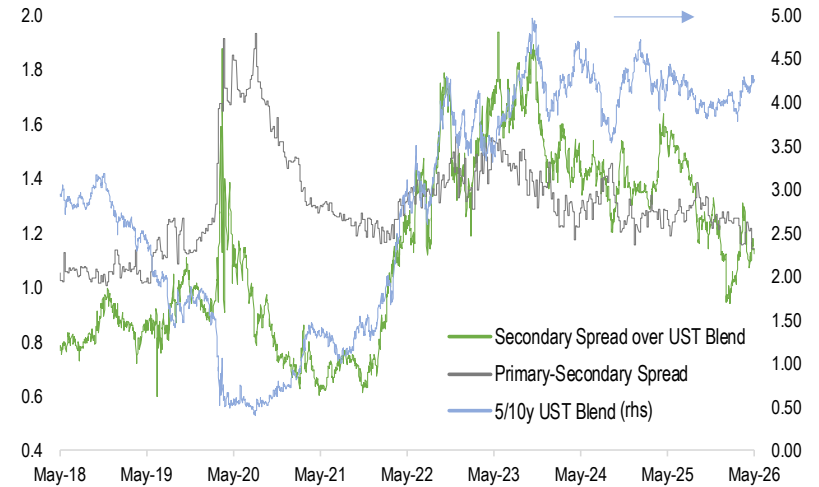
Exhaustion Rate and Duration of Unemployment at Multi-Year Highs despite Seemingly Upbeat Claims Data



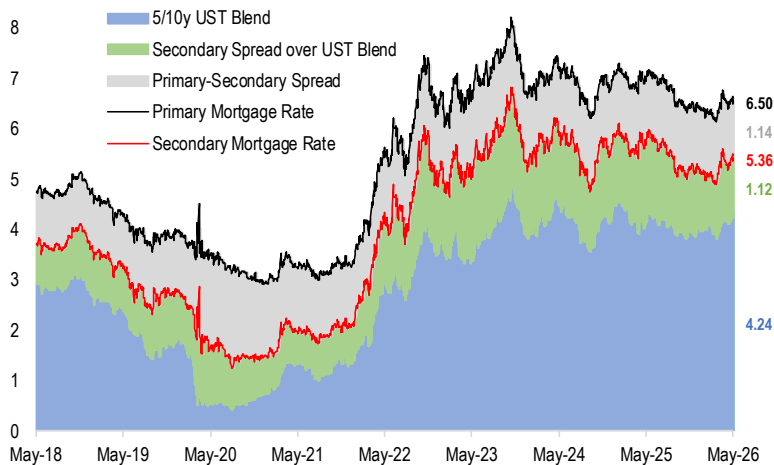
Markets Pared 2026 Rate Cut Odds Further and Now Reflect a Small Probability of a 2027 Hike



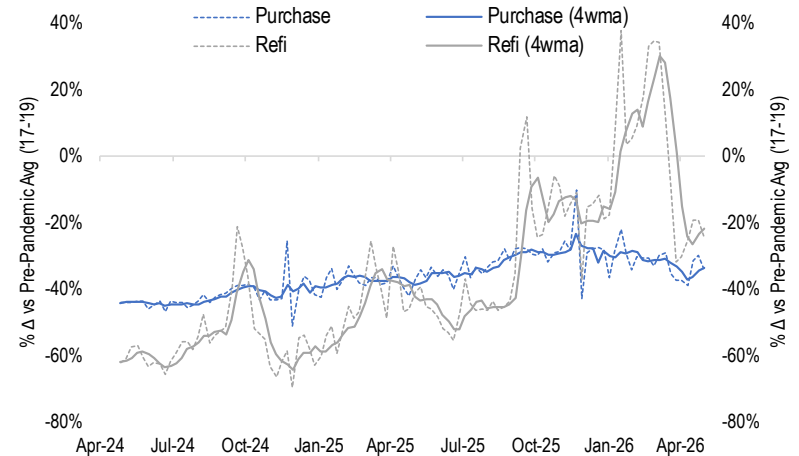
Mortgage Spreads Narrowed -3bps on the Week Alongside Slightly Lower Treasury Yields (-1bps) ...



... Holding Mortgage Rates in the ~mid-6% Range, Just Above the 2026 Average



Mortgage Purchase and Refi Applications Both Faded during Week Ending May 1



Upcoming Data Releases

Key economic and housing data releases for the coming week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
5/11/26	10:00 AM	Existing Home Sales	Apr	4.0	4.1	--	4.0	m, saar
5/11/26	10:00 AM	Existing Home Sales m/m	Apr	0.2	2.0	--	-3.6	%, sa
5/12/26	6:00 AM	NFIB Small Business Optimism	Apr	--	96.1	--	95.8	index, sa
5/12/26	8:30 AM	CPI m/m	Apr	--	0.6	--	0.9	%, sa
5/12/26	8:30 AM	CPI Core (ex Food and Energy) m/m	Apr	--	0.3	--	0.2	%, sa
5/12/26	8:30 AM	CPI y/y	Apr	--	3.7	--	3.3	%, nsa
5/12/26	8:30 AM	CPI Core (ex Food and Energy) y/y	Apr	--	2.7	--	2.6	%, nsa
5/13/26	7:00 AM	MBA Mortgage Applications w/w	May 8	--	--	--	-4.4	%, sa
5/13/26	8:30 AM	PPI Final Demand m/m	Apr	--	0.5	--	0.5	%, sa
5/13/26	8:30 AM	PPI Core (ex Food and Energy) m/m	Apr	--	0.3	--	0.1	%, sa
5/13/26	8:30 AM	PPI Final Demand y/y	Apr	--	4.8	--	4.0	%, nsa
5/13/26	8:30 AM	PPI Core (ex Food and Energy) y/y	Apr	--	4.3	--	3.8	%, nsa
5/14/26	8:30 AM	Import Price Index m/m	Apr	--	1.0	--	0.8	%, nsa
5/14/26	8:30 AM	Import Price Index y/y	Apr	--	2.9	--	2.1	%, nsa
5/14/26	8:30 AM	Initial Jobless Claims	May 9	--	205	--	200	k, sa
5/14/26	8:30 AM	Continuing Claims	May 2	--	1,780	--	1,766	k, sa
5/14/26	8:30 AM	Advance Retail Sales m/m	Apr	--	0.5	--	1.7	%, sa
5/14/26	8:30 AM	Retail Sales Control Group m/m	Apr	--	0.4	--	0.7	%, sa
5/14/26	10:00 AM	Business Inventories m/m	Mar	--	0.9	--	0.4	%, sa
5/15/26	8:30 AM	Empire Manufacturing	May	--	7.0	--	11.0	index, sa
5/15/26	9:15 AM	Industrial Production m/m	Apr	--	0.3	--	-0.5	%, sa
5/15/26	9:15 AM	Capacity Utilization	Apr	--	75.8	--	75.7	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
5/4/26	10:00 AM	Durable Goods Orders m/m	Mar F	0.8	0.8	--	0.8	%, sa
5/4/26	10:00 AM	Cap Goods Orders Nondef Ex Air m/m	Mar F	3.4	3.3	--	3.3	%, sa
5/4/26	10:00 AM	Cap Goods Ship Nondef Ex Air m/m	Mar F	1.2	1.2	--	1.2	%, sa
5/5/26	8:29 AM	Building Permits	Mar F	1,363	--	--	1,372	k, saar
5/5/26	8:29 AM	Building Permits m/m	Mar F	-11.4	--	--	-10.8	%, sa
5/5/26	9:45 AM	S&P Global US Services PMI	Apr F	51.0	51.3	--	51.3	index, sa
5/5/26	9:45 AM	S&P Global US Composite PMI	Apr F	51.7	52.1	--	52.0	index, sa
5/5/26	10:00 AM	New Home Sales	Feb	635	636	583	587	k, saar
5/5/26	10:00 AM	New Home Sales m/m	Feb	8.9	7.9	-19.9	-17.6	%, sa
5/5/26	10:00 AM	ISM Services Index	Apr	53.6	53.7	--	54.0	index, nsa
5/5/26	10:00 AM	JOLTS Job Openings	Mar	6,866	6,850	6,922	6,882	k, sa
5/5/26	10:00 AM	JOLTS Quits Rate	Mar	2.0	1.9	--	1.9	%, sa
5/5/26	10:00 AM	JOLTS Layoffs Rate	Mar	1.2	1.1	--	1.1	%, sa
5/5/26	10:00 AM	New Home Sales	Mar	682	652	--	635	k, saar
5/5/26	10:00 AM	New Home Sales m/m	Mar	7.4	3.0	--	8.9	%, sa
5/6/26	7:00 AM	MBA Mortgage Applications w/w	May 1	-4.4	--	--	-1.6	%, sa
5/6/26	8:15 AM	ADP Employment m/m	Apr	109	120	61	62	k, sa
5/7/26	8:30 AM	Nonfarm Productivity q/q	1Q P	0.8	0.6	1.6	1.8	%, saar
5/7/26	8:30 AM	Unit Labor Costs q/q	1Q P	2.3	2.5	4.6	4.4	%, saar
5/7/26	8:30 AM	Initial Jobless Claims	May 2	200	205	190	189	k, sa
5/7/26	8:30 AM	Continuing Claims	Apr 25	1,766	1,800	1,776	1,785	k, sa
5/7/26	11:00 AM	NY Fed 1-Yr Inflation Expectations	Apr	3.6	3.5	--	3.4	%
5/7/26	3:00 PM	Consumer Credit m/m	Mar	24.9	13.7	8.8	9.5	\$B, sa
5/8/26	8:30 AM	Nonfarm Payrolls m/m	Apr	115	65	185	178	k, sa
5/8/26	8:30 AM	Private Payrolls m/m	Apr	123	75	190	186	k, sa
5/8/26	8:30 AM	Average Hourly Earnings m/m	Apr	0.2	0.3	--	0.2	%, sa
5/8/26	8:30 AM	Average Hourly Earnings y/y	Apr	3.6	3.8	3.4	3.5	%, nsa
5/8/26	8:30 AM	Average Weekly Hours All Employees	Apr	34.3	34.2	--	34.2	sa
5/8/26	8:30 AM	Unemployment Rate	Apr	4.3	4.3	--	4.3	%, sa
5/8/26	8:30 AM	Labor Force Participation Rate	Apr	61.8	61.9	--	61.9	%, sa
5/8/26	10:00 AM	U. of Mich. Sentiment	May P	48.2	49.5	--	49.8	index, nsa
5/8/26	10:00 AM	U. of Mich. 1 Yr Inflation	May P	4.5	4.8	--	4.7	nsa
5/8/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	May P	3.4	3.5	--	3.5	nsa
5/8/26	10:00 AM	Wholesale Inventories m/m	Mar F	1.3	1.4	--	1.4	%, sa

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