HaMMR Digest

Stay current with economic and mortgage market trends.

July 13, 2026

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Boomerang

- **Key Takeaway:** Reignition of geopolitical tensions add to upside inflation pressures emanating from activity data that is transpiring better than feared.
- **Macro Implications:** Hawkish Fed minutes from June point to a Fed increasingly leaning toward tighter policy, limiting any potential rally in rates.
- **Housing Implications:** Limited inventory continues to support home price growth even as affordability keeps a lid on sales momentum.

Macro: Path Forward Gets Murky (Again)

- Mixed messages from U.S., Iran not instilling confidence in ceasefire durability.
- Despite the headline noise, activity measures holding at solid pace.
- Retail sales out this week get World Cup bump partially offset by lower gas spend.

Rates: One and the Same

- 10y UST yields rose 8bps to ~4.5% amid steady activity data and rise in oil prices.
- Front-end yields rose by similar amount aided by hawkish Fed meeting minutes.
- Markets back to pricing a ~50% chance of two 25bps rate hikes by Dec.

Housing Market: No Longer the Business Cycle

- Mideast re-conflagration to have minimal impact on activity unless oil prices spike.
- New listings continue to grind lower, offset by levelling in days on market.
- Pending sales steady at above-last year's pace, enough to keep upside on prices.

Jobs Report: Back to Reality

- Private payrolls in June rose just 49k, the third sequential step down.
- Unemployment rate down 11bps to 4.19%, lowest in over a year.
- Breadth of job gains narrowed and participation continued to plunge.

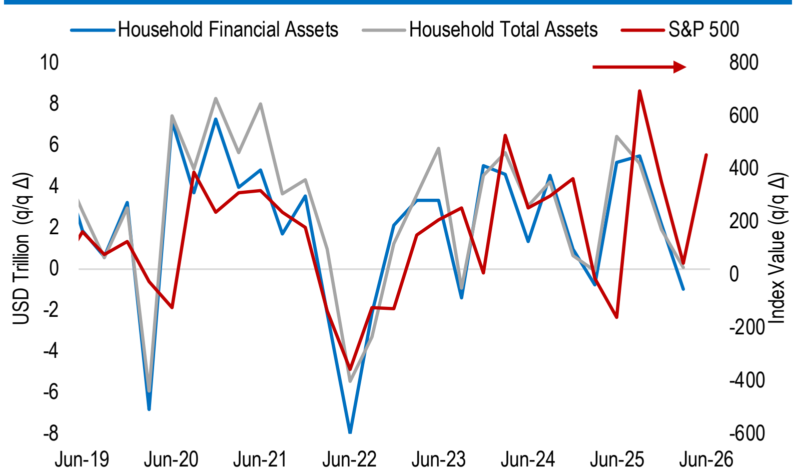
ISM PMI: The Cyclical Music Plays On

- All-industry activity maintains firm pace with new orders near cycle highs.
- More inputs "up in price" or "in short supply," hinting at cost pressures.
- Employment measures improved, supporting a positive hiring outlook.

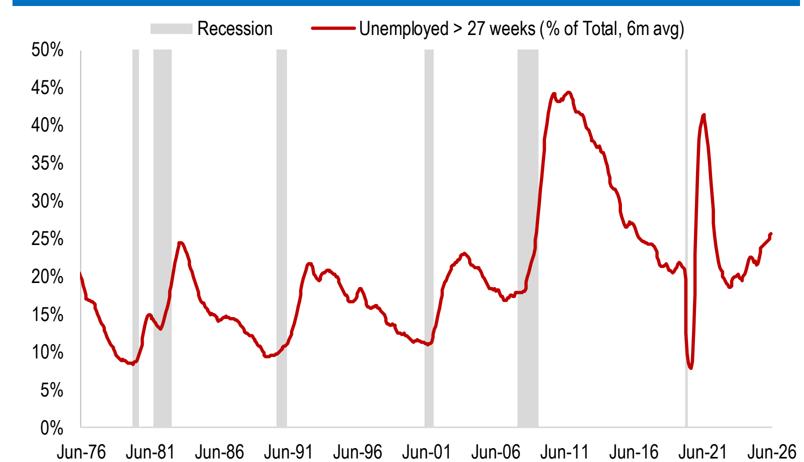
Existing Home Sales: Still Treading Water

- Existing home sales had a quiet 2Q, rising just 5% SAAR and 3% over last year.
- Inventory pulled back -4% SAAR in 2Q to the lowest level since Nov. '25.
- Single-family months' supply declined again, back to Jan. level of 4.22.

Net Wealth Effect Got a Boost in the Second Quarter from Equity Rebound, Supporting Overall Consumption

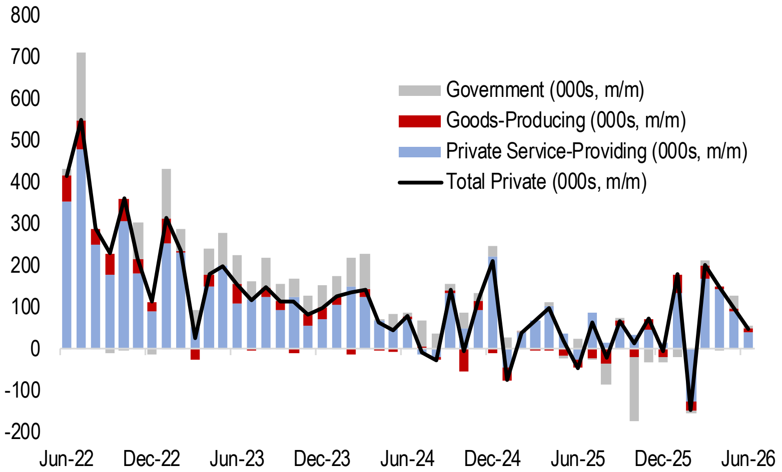


Long-Term Unemployment Increasingly Common Even as Headline Unemployment Edges Lower

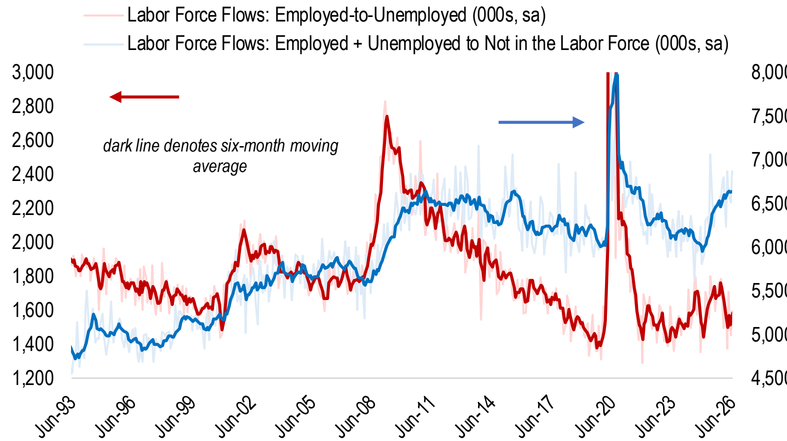


Sources: Census Bureau, Bloomberg, Arch Global Economics

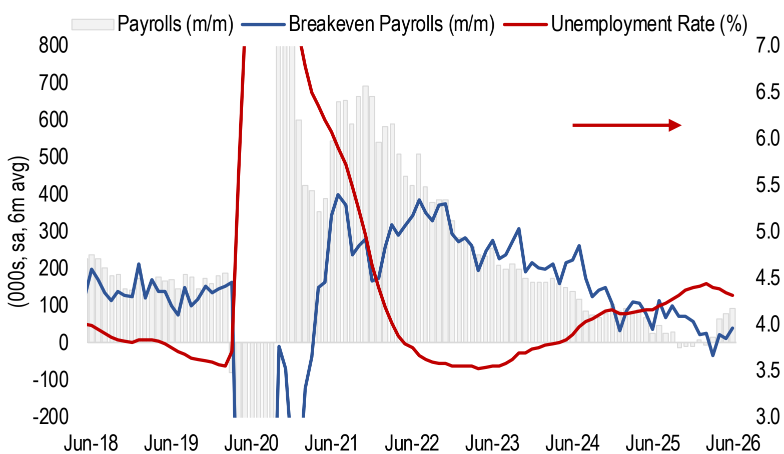
Private Job Growth Decelerated as Rebounding Service Sectors Remain Dragged Down by Finance and Tech



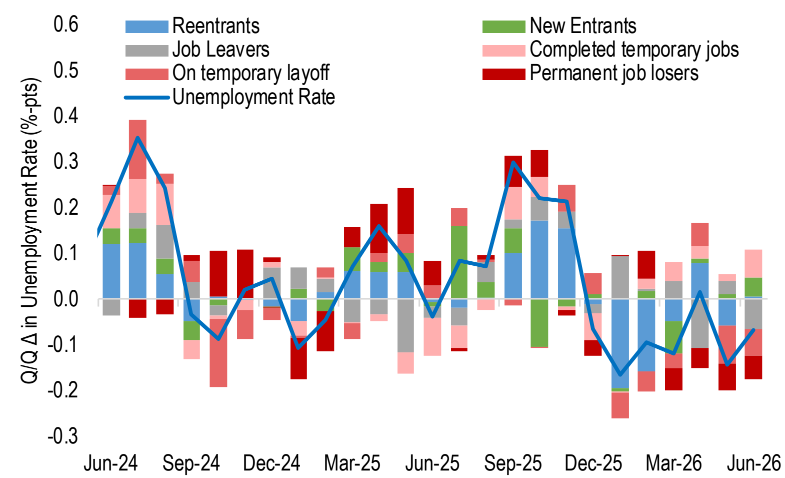
Modest Job Growth Hasn't Stopped Labor Force Exits, Though Layoffs Remain Low



Low Hurdle for Job Growth as Participation Declines, Flattering the Unemployment Rate

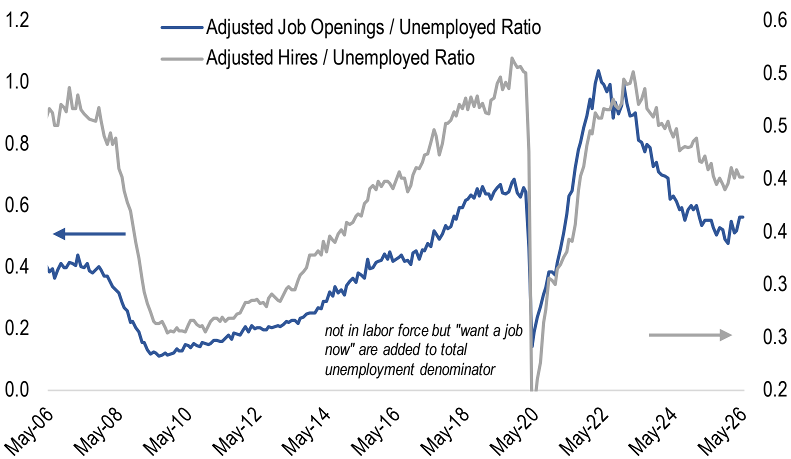


Unemployment Rate Continues on Encouraging Path in Part Due to Fewer Job Seekers Entering the Labor Force

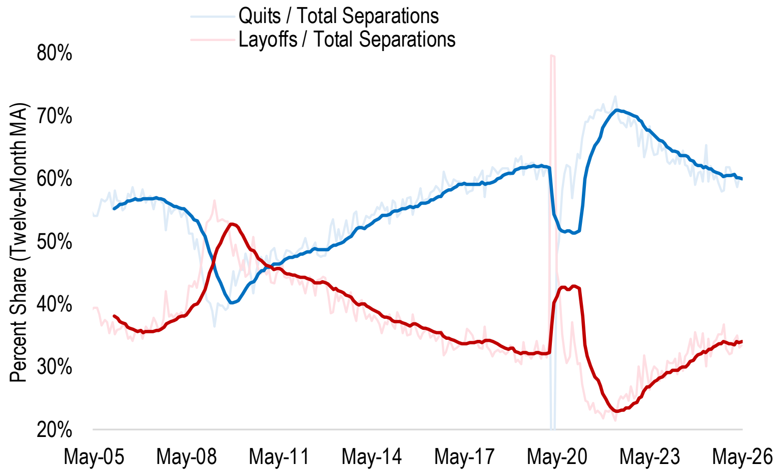


Sources: U.S. Bureau of Labor Statistics, Arch Global Economics

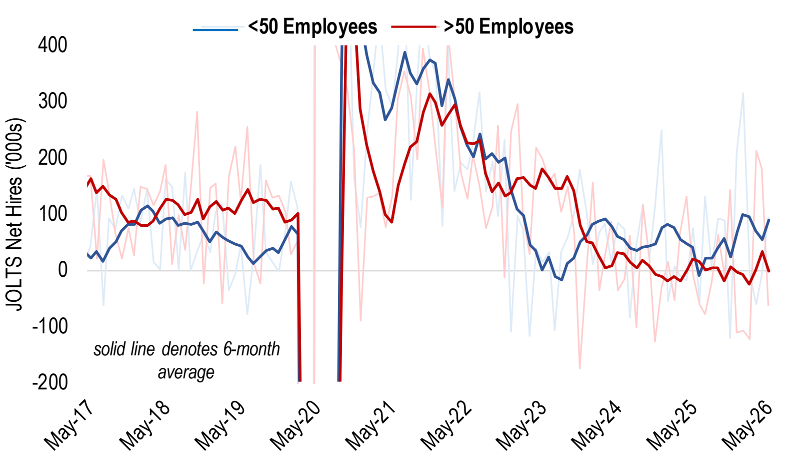
Latest JOLTS Data Showed a Modest Pickup in Openings Driven by Wholesale Trade and Leisure



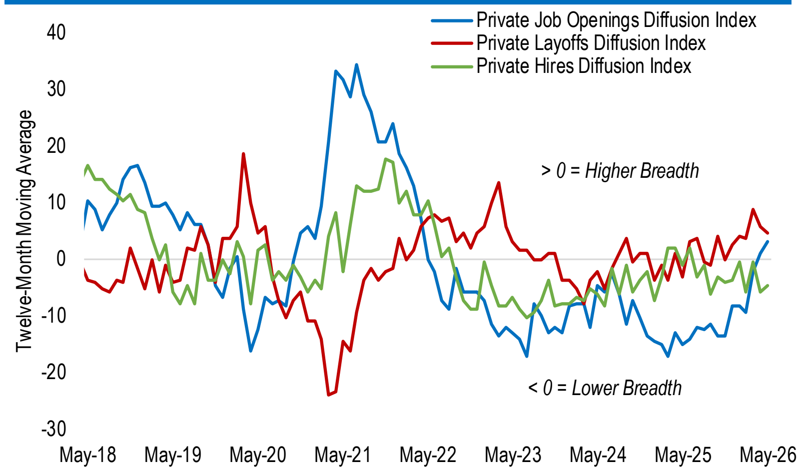
Quits and Layoffs Remain Effectively in a Standstill



Net Hiring Still Shows a Tilt Towards Small Businesses with Slight Improvement at Larger Firms

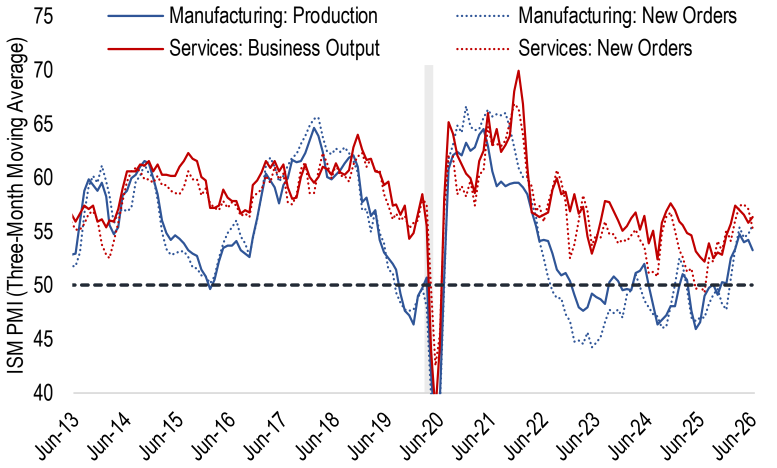


Turnover Breadth Pulled Step Back with Accommodation and Food Services Driving Openings

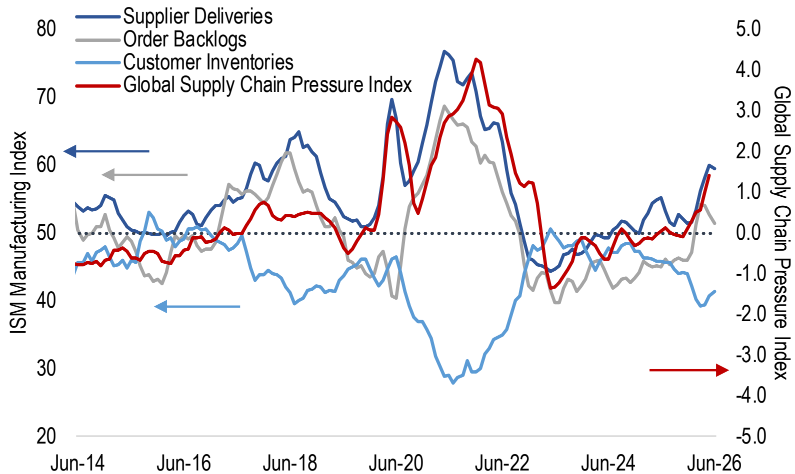


Sources: U.S. Bureau of Labor Statistics, Arch Global Economics

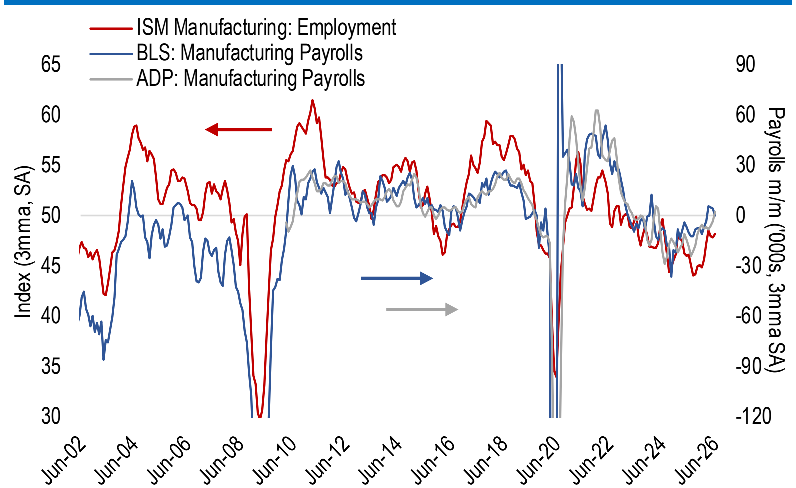
Solid Economy-Wide Activity Partly Due to Businesses Front-Loading Purchases to Save Energy Costs



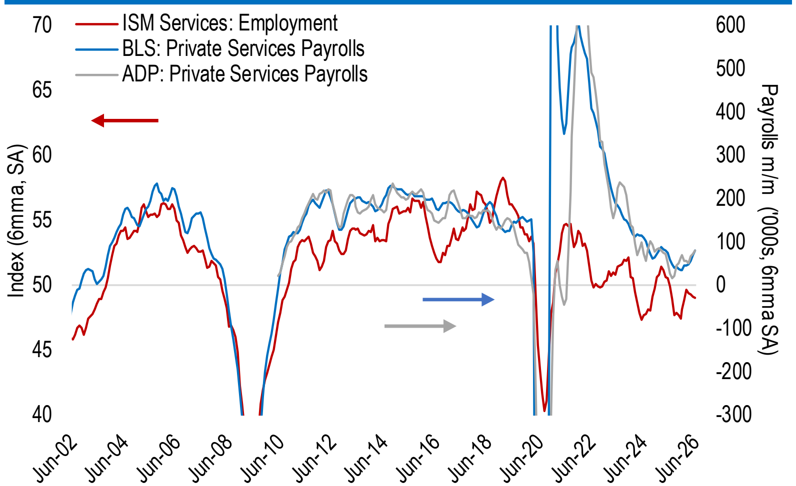
Manufacturing Supply Chains Getting Stretched, Incrementally Adding to Input Price Pressures



Multiple Measures of Manufacturing Employment Trending in Same Positive Direction



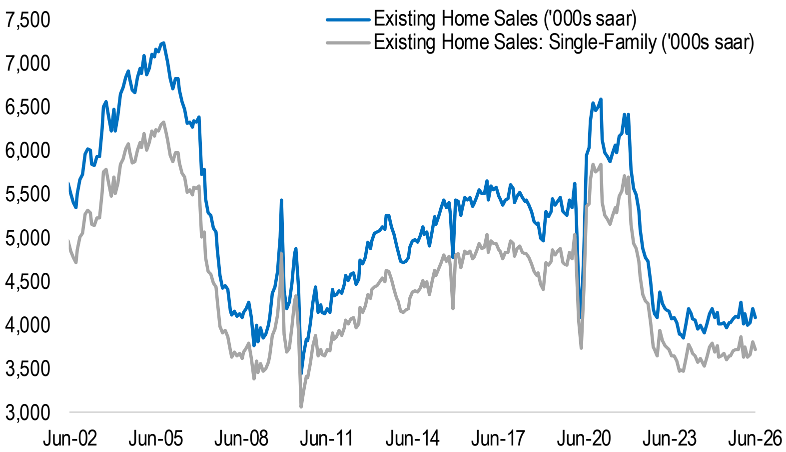
ISM Services Employment Index Weaker Than Payrolls, Likely Reflecting Concern over Demand Sustainability



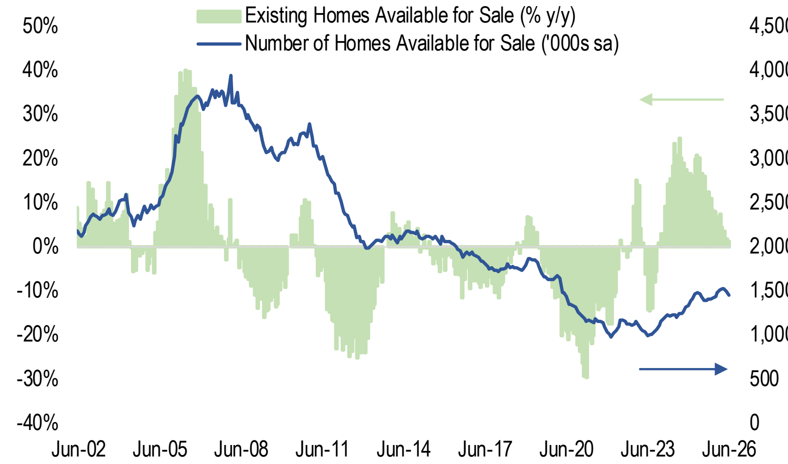
Sources: ISM, FRB, Census Bureau, BLS, Arch Global Economics

Note: Private Services Payrolls Includes Construction & Mining to Match ISM Definition

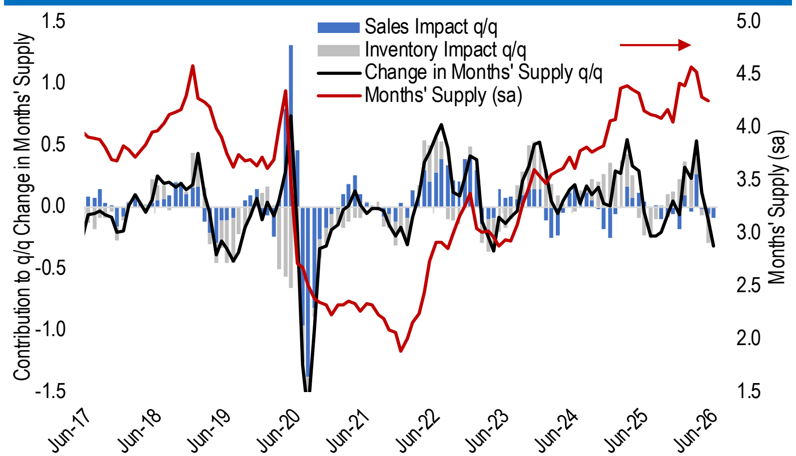
Home Sales Remain Stuck near a Multi-Year Low after -2.4% Decline in June



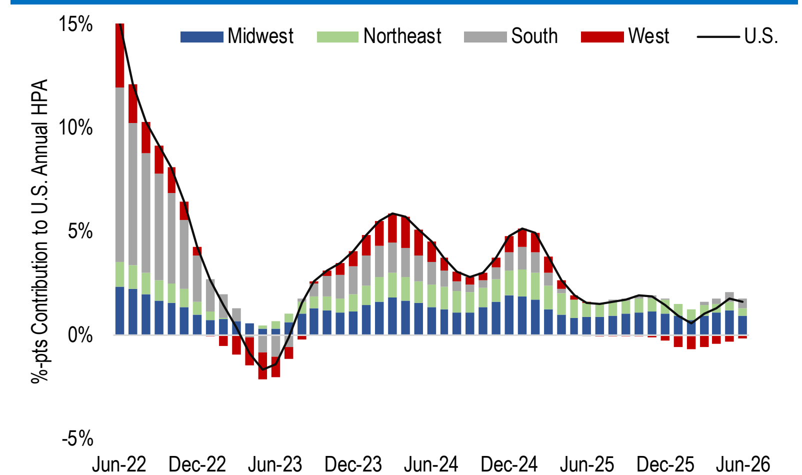
Annual Inventory Growth Has Slowed Significantly, with Absolute Level Trending Roughly Sideways



Months' Supply Took a Step Down in Q2 Aided Mostly by a Pullback in Inventory



Weak Overall Turnover Is Being Offset by a Relatively Tight Market, Supporting Modest Price Growth

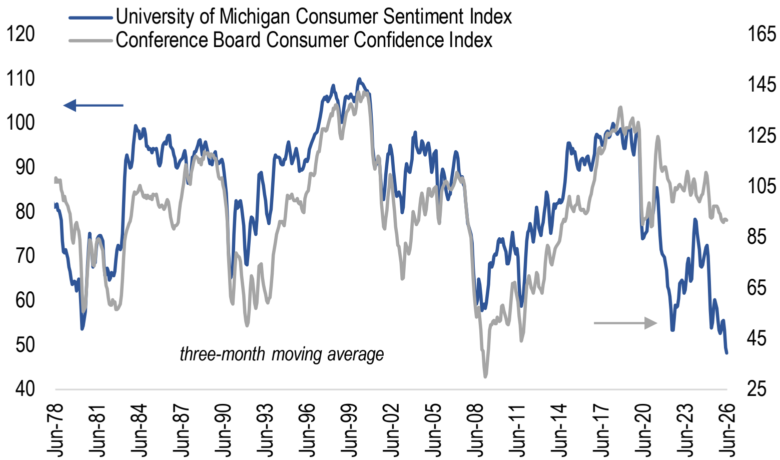


Sources: National Association of REALTORS® (NAR), Arch Global Economics

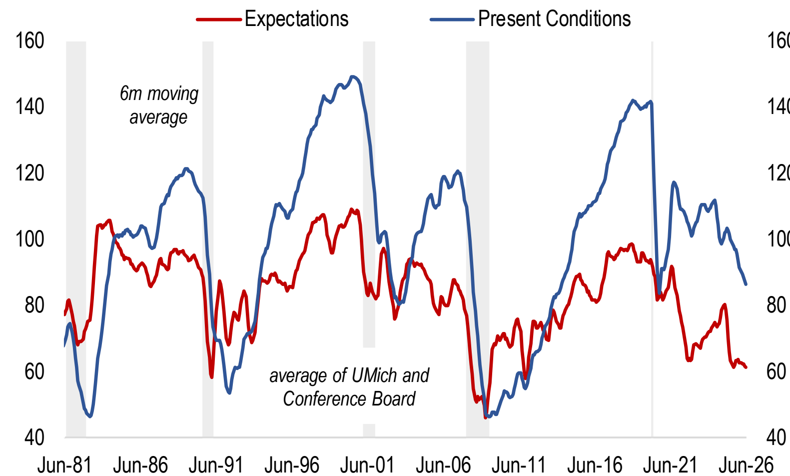
Last Week's Data in Charts

Consumer Sentiment & Confidence

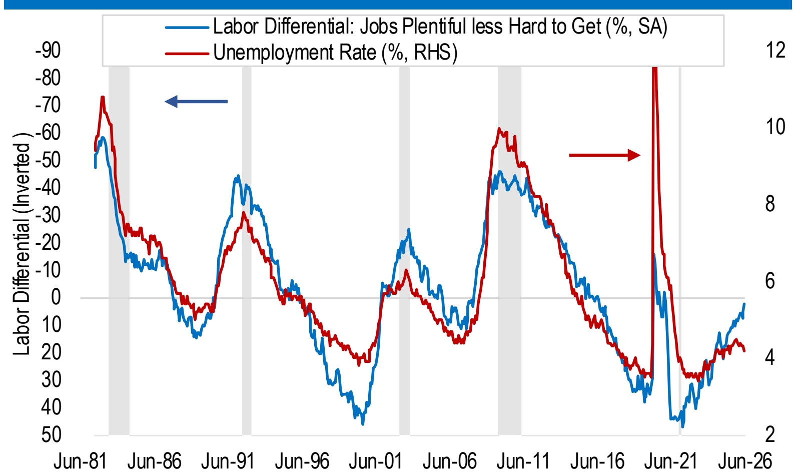
Consumer Sentiment Measures Continue to Trend Lower toward Historically Low Readings …



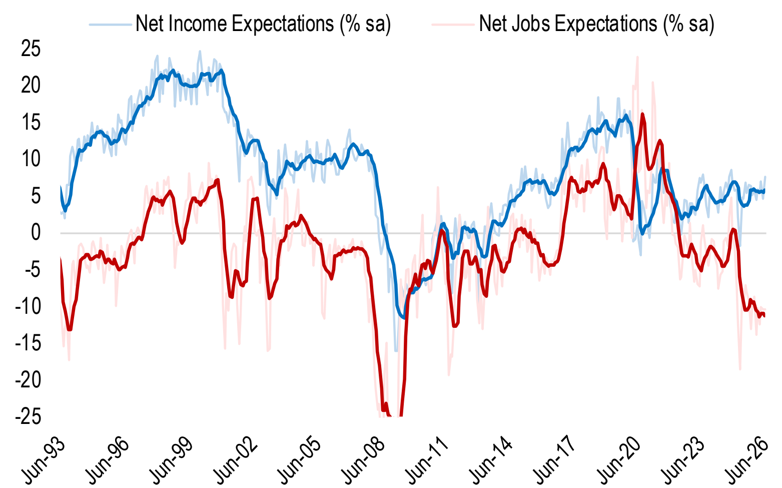
… Driven Primarily by Pessimism over Near-Term Expectations on Labor Market and Inflation



Consumer Labor Market Perceptions Have Diverged Sharply from the Improving Unemployment Rate

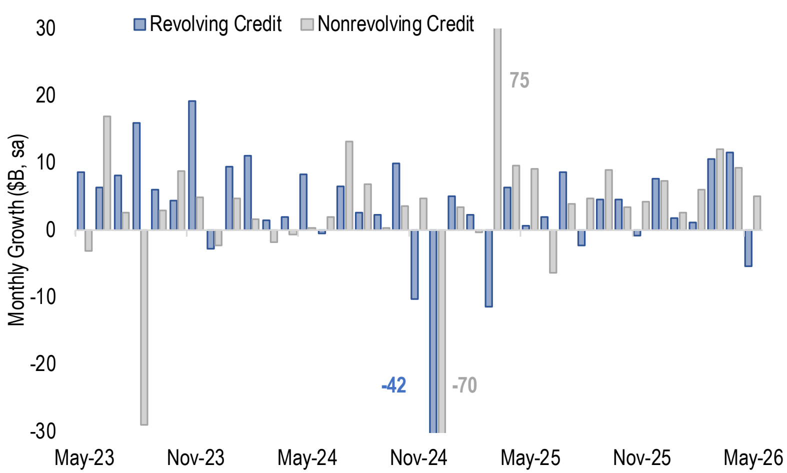


Despite Widespread Pessimism, Consumer Income Expectations Have Remained Resilient

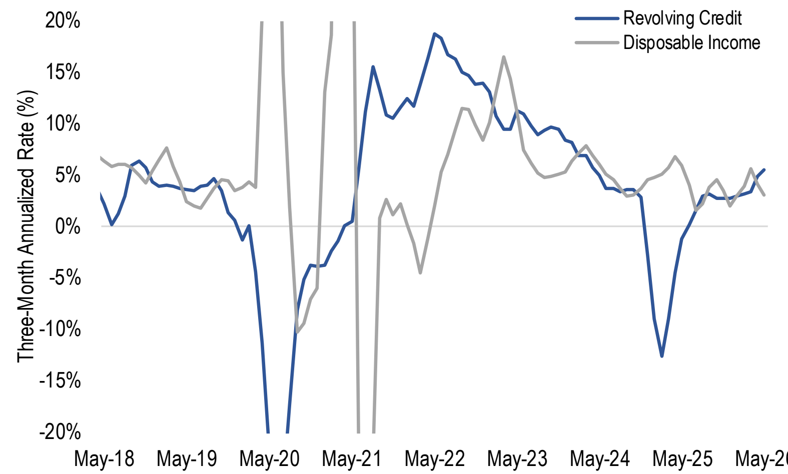


Sources: University of Michigan (UMICH), Conference Board, Federal Reserve Bank of New York (FRBNY), Arch Global Economics

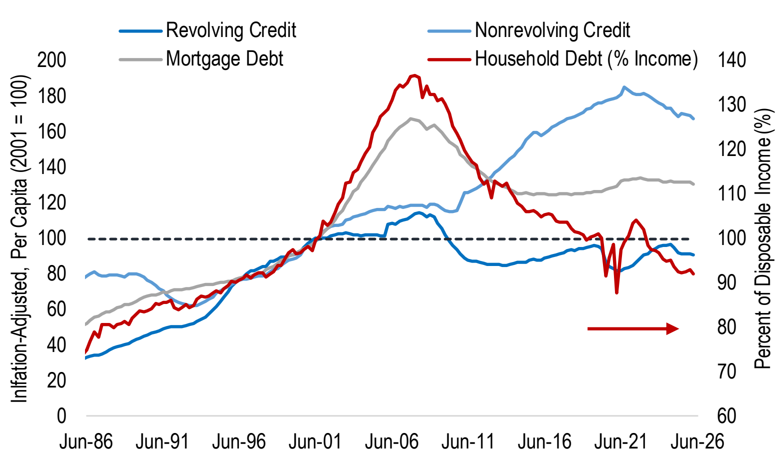
Consumer Credit Growth Rebound Faded in May, Led Lower by Revolving Credit



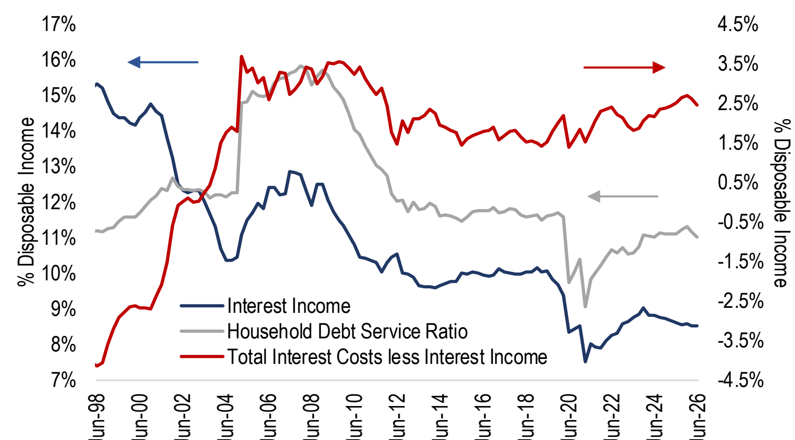
Households Have Leaned on Credit Recently, but Borrowing Remains Modest Relative to Income



Overall, Aggregate Household Credit Profile Remains Very Healthy Historically

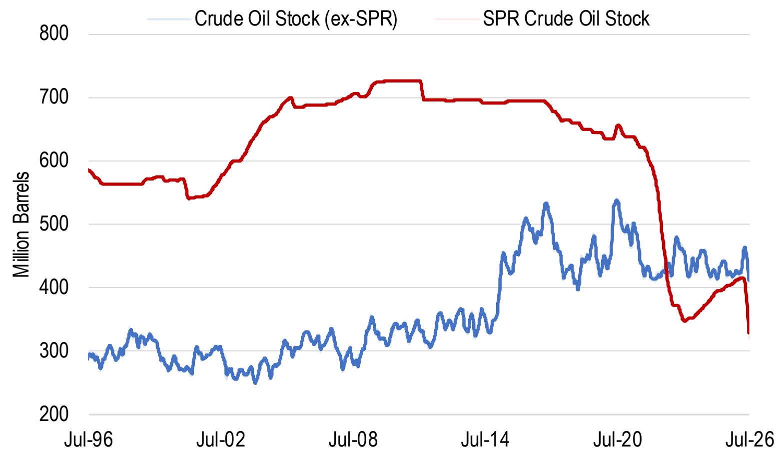


Positive Trend in Household Interest Costs Likely to Turn with Higher-for-Longer Rates

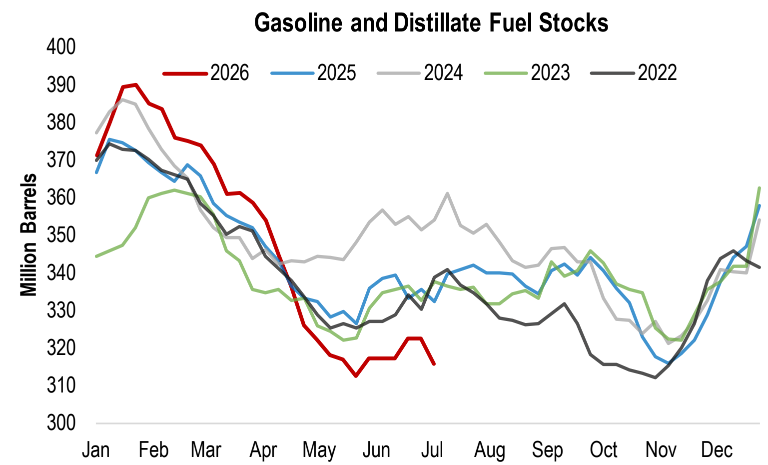


Sources: Federal Reserve Board, BEA, Arch Global Economics

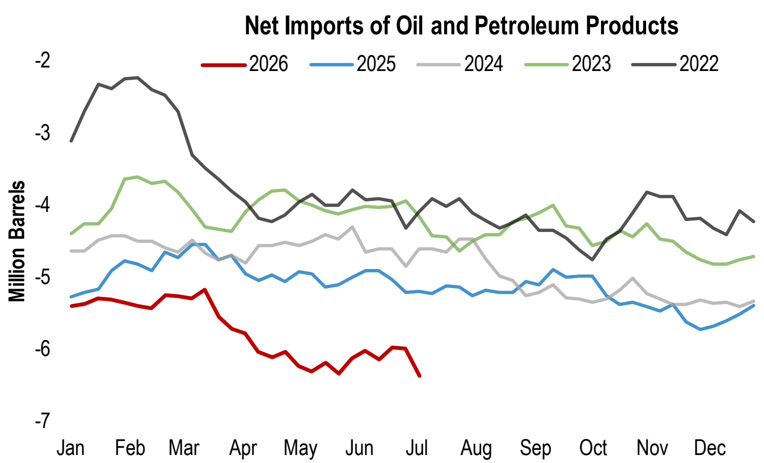
Energy Stocks Rose for the First Time in 11 Weeks despite Trend Still Pointing to Weakness, Mostly in SPR



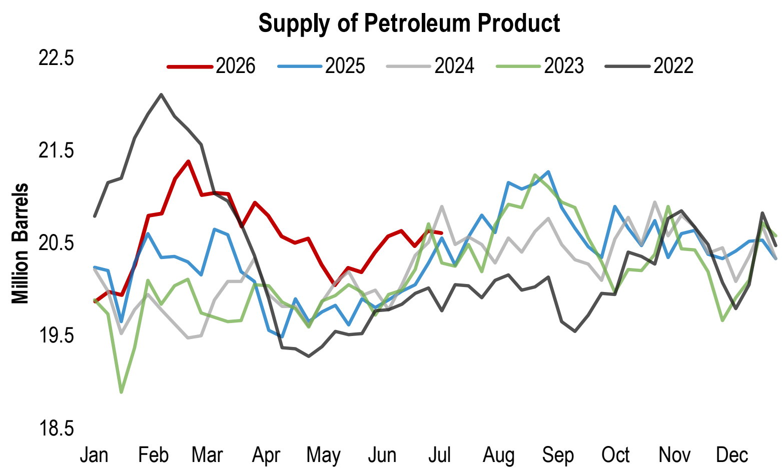
Gasoline and Distillate Stocks Took Another Step Down with Combined Inventory Down -21% from Recent Peak



Oil Product Net Imports Rose Largely as Surge in Refined Products Exports Offset Decline in Crude Outflows



Supply of Petroleum Product, Proxy for End Demand, Holding Steady and Supported by Strength in Exports



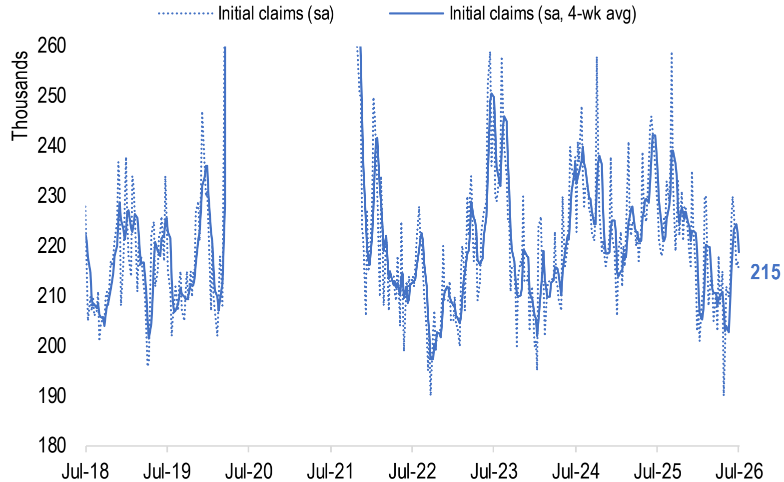
Sources: Energy Information Administration, Arch Global Economics

SPR = Strategic Petroleum Reserve

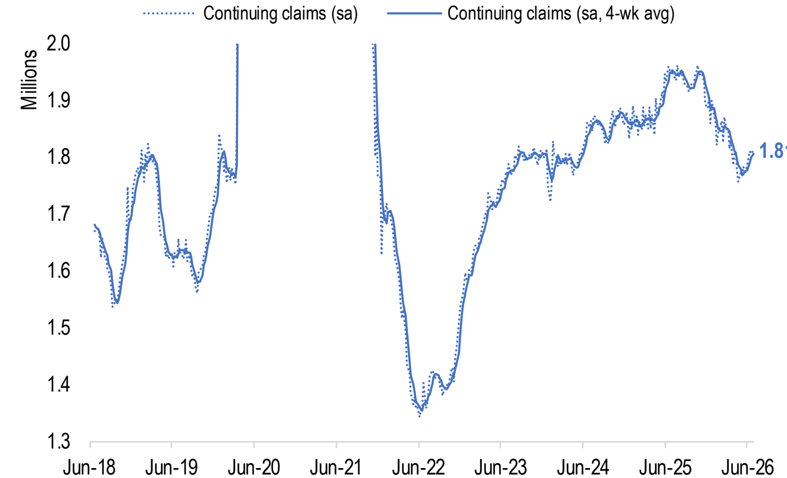
Last Week's Data in Charts

Jobless Claims

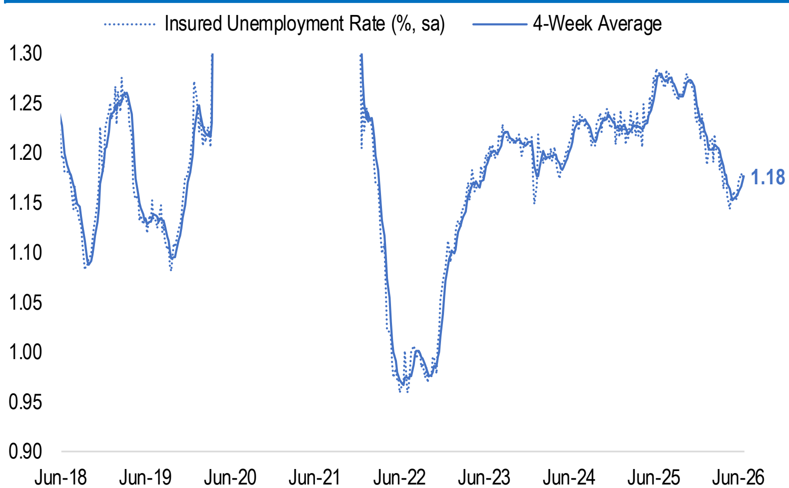
Initial Claims Down to 215k (SA) in Week Ending July 4, Back In Line with Recent Post-Pandemic Norm



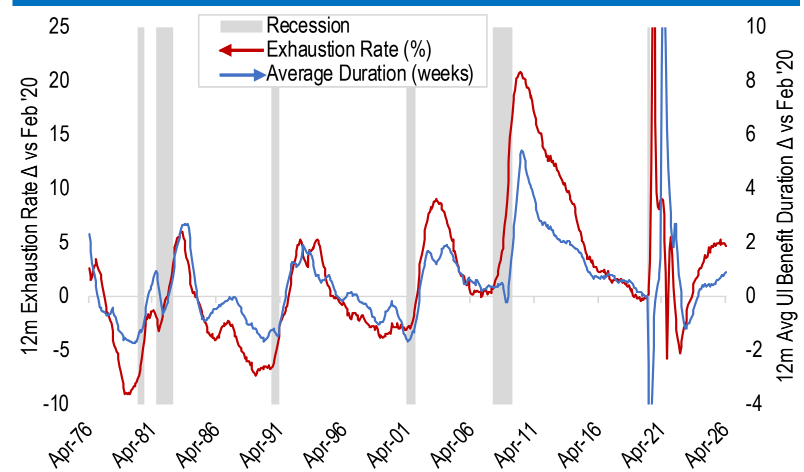
Continuing Claims Up to 1,814k (SA) in Week Ending June 27, But Up Only Modestly from Multi-Year Low



Insured Unemployment Rate Ticked Up to 1.18% in Week Ending June 27, Still Near Record Lows



Share of Unemployed Workers Exhausting Benefits Appears Poised to Ease



$$\text{Insured Unemployment} = \frac{\text{Continuing Claims}}{\text{Employed Population Eligible for Unemployment Insurance}}$$

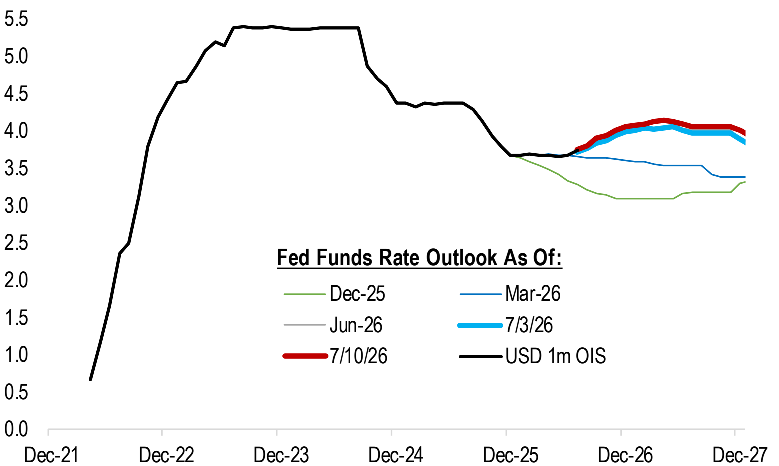
Sources: U.S. Department of Labor, Arch Global Economics

SA = Seasonally Adjusted

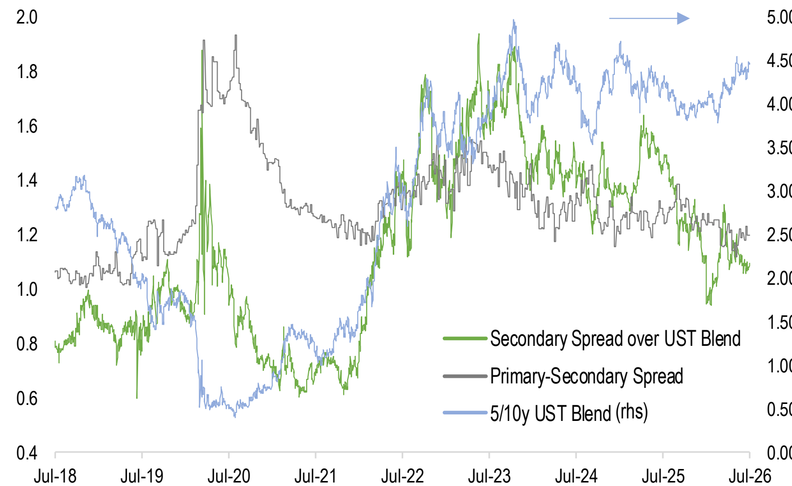
Last Week's Data in Charts

Interest Rates and Mortgage Market

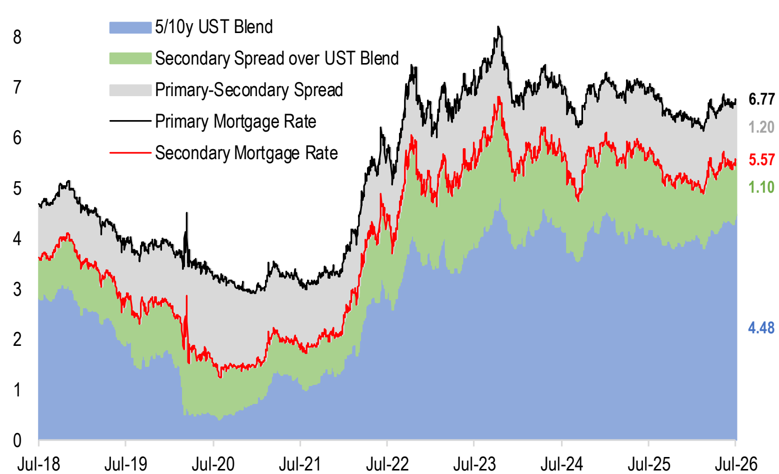
Market Increasingly Pricing Two Hikes by Year-End as a Toss-Up, Up from Negligible Odds Last Week



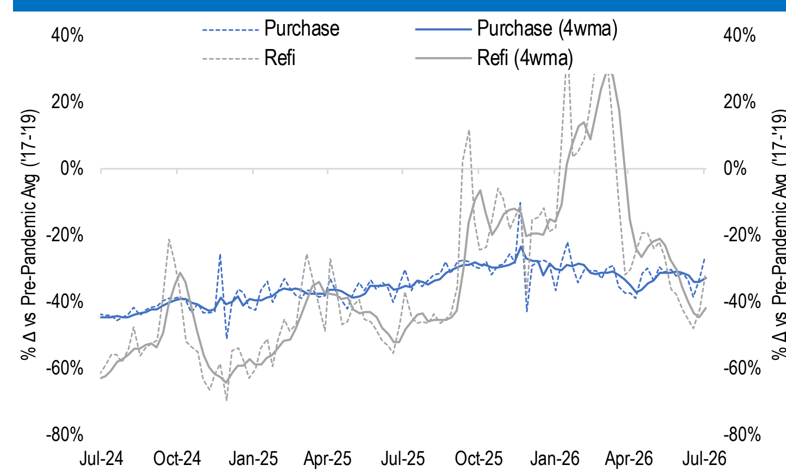
Mortgage Spreads Widened +2bps on the Week alongside Higher 5/10y U.S. Treasury Yields (+8bps) …



… Pushing Mortgage Rates Back above the Mid-6% Range



Mortgage Refi and Purchase Applications Rebounded over Two-Week Period Ending July 3



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

Upcoming Data Releases

Key economic and housing data releases for the coming week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
7/14/26	6:00 AM	NFIB Small Business Optimism	Jun	--	95.7	--	95.3	index, sa
7/14/26	8:30 AM	CPI m/m	Jun	--	-0.1	--	0.5	%, sa
7/14/26	8:30 AM	CPI Core (ex Food and Energy) m/m	Jun	--	0.2	--	0.2	%, sa
7/14/26	8:30 AM	CPI y/y	Jun	--	3.8	--	4.2	%, nsa
7/14/26	8:30 AM	CPI Core (ex Food and Energy) y/y	Jun	--	2.9	--	2.9	%, nsa
7/15/26	7:00 AM	MBA Mortgage Applications w/w	Jul 10	--	--	--	-2.2	%, sa
7/15/26	8:30 AM	Empire Manufacturing	Jul	--	9.3	--	5.7	index, sa
7/15/26	8:30 AM	PPI Final Demand m/m	Jun	--	0.0	--	1.1	%, sa
7/15/26	8:30 AM	PPI Core (ex Food and Energy) m/m	Jun	--	0.3	--	0.4	%, sa
7/15/26	8:30 AM	PPI Final Demand y/y	Jun	--	6.2	--	6.5	%, nsa
7/15/26	8:30 AM	PPI Core (ex Food and Energy) y/y	Jun	--	5.2	--	4.9	%, nsa
7/16/26	8:30 AM	Philadelphia Fed Business Outlook	Jul	--	11.5	--	10.3	index, sa
7/16/26	8:30 AM	Advance Retail Sales m/m	Jun	--	0.3	--	0.9	%, sa
7/16/26	8:30 AM	Initial Jobless Claims	Jul 11	--	217	--	215	k, sa
7/16/26	8:30 AM	Continuing Claims	Jul 4	--	1,815	--	1,814	k, sa
7/16/26	8:30 AM	Retail Sales Control Group m/m	Jun	--	0.5	--	0.7	%, sa
7/16/26	10:00 AM	NAHB Housing Market Index	Jul	--	35.0	--	35.0	index, sa
7/16/26	10:00 AM	Business Inventories m/m	May	--	0.3	--	0.5	%, sa
7/16/26	10:00 AM	Pending Home Sales m/m	Jun	--	-0.2	--	3.8	%, sa
7/16/26	10:00 AM	Pending Home Sales y/y	Jun	--	--	--	2.1	%, nsa
7/17/26	8:30 AM	Import Price Index m/m	Jun	--	-0.6	--	1.9	%, nsa
7/17/26	8:30 AM	Import Price Index y/y	Jun	--	6.7	--	6.7	%, nsa
7/17/26	8:30 AM	Housing Starts	Jun	--	1,315	--	1,177	k, saar
7/17/26	8:30 AM	Housing Starts m/m	Jun	--	12.5	--	-15.4	%, sa
7/17/26	8:30 AM	Building Permits	Jun P	--	1,400	--	1,410	k, saar
7/17/26	8:30 AM	Building Permits m/m	Jun P	--	-0.7	--	-0.9	%, sa
7/17/26	9:15 AM	Industrial Production m/m	Jun	--	0.2	--	0.1	%, sa
7/17/26	9:15 AM	Capacity Utilization	Jun	--	76.2	--	76.2	sa
7/17/26	10:00 AM	U. of Mich. Sentiment	Jul P	--	51.0	--	49.5	index, nsa
7/17/26	10:00 AM	U. of Mich. 1 Yr Inflation	Jul P	--	4.4	--	4.6	nsa
7/17/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	Jul P	--	3.3	--	3.3	nsa

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

Sources: Bloomberg Consensus Survey of Economists, Arch Global Economics

Recent Data Releases

Key economic and housing data releases over the prior week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
7/6/26	9:45 AM	S&P Global US Services PMI	Jun F	**51.2**	51.3	--	51.3	index, sa
7/6/26	9:45 AM	S&P Global US Composite PMI	Jun F	**51.9**	52.2	--	52.2	index, sa
7/6/26	10:00 AM	ISM Services Index	Jun	**54.0**	54.0	--	54.5	index, nsa
7/7/26	11:00 AM	NY Fed 1-Yr Inflation Expectations	Jun	**3.7**	--	--	3.5	%
7/8/26	7:00 AM	MBA Mortgage Applications w/w	Jul 3	**-2.2**	--	--	0.0	%, sa
7/8/26	10:00 AM	Wholesale Inventories m/m	May F	**0.1**	0.3	--	0.3	%, sa
7/8/26	10:00 AM	Wholesale Trade Sales m/m	May	**3.4**	0.8	2.2	2.0	%, sa
7/8/26	2:00 PM	FOMC Meeting Minutes	Jun 17	**--**	--	--	--	
7/8/26	3:00 PM	Consumer Credit m/m	May	**-0.2**	17.5	20.8	20.7	$B, sa
7/9/26	8:30 AM	Initial Jobless Claims	Jul 4	**215**	217	217	215	k, sa
7/9/26	8:30 AM	Continuing Claims	Jun 27	**1,814**	1,814	1,806	1,814	k, sa
7/9/26	10:00 AM	Existing Home Sales	Jun	**4.1**	4.2	4.2	4.2	m, saar
7/9/26	10:00 AM	Existing Home Sales m/m	Jun	**-2.4**	1.0	3.7	3.2	%, sa

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

Sources: Bloomberg Consensus Survey of Economists, Arch Global Economics