HaMMR Digest

Stay current with economic and mortgage market trends.

July 20, 2026

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Get Real

- **Key Takeaway:** Disinflation in June got a big energy assist that will reverse next month, but even underlying cost pressures were tamer than expected.
- **Macro Implications:** Declines in select core CPI items will not convince the Fed "all is clear" with firm activity data maintaining the committee's hawkish tilt.
- **Housing Implications:** Reigniting Mideast conflict and mortgage rates making multi-month highs likely to push more sellers and buyers to the sidelines.

Macro: Here We Go Again

- Rise in oil prices capped by a 5-week high in net long investor positions in crude.
- Fed's account of businesses through July points to broad-based pickup in activity.
- Small business optimism rose in June; fewer firms listed "poor sales" a top problem.

Rates: Rally Towels Premature

- 10y UST yields fell ~10bps from last week's peak despite rising Mideast tensions.
- Front-end yields sink on better headline inflation news as curve bear steepens.
- Markets pare Fed rate hike bets from ~45bps to ~30bps by year end.

Housing Market: The Price Is Not Right

- Pivot higher in energy prices will further raise the affordable hurdle on home sales.
- So far, most of the impact on transactions is through slower new listings growth.
- Steady economic growth and inventory drag add upside risk to prices into year end.

Consumer Inflation: Good June, Bad July to Follow

- June CPI inflation fell -0.42% m/m but rose 6.1% SAAR in 2Q26.
- Energy's impulse slide to partially reverse next month on higher oil prices.
- Firm underlying producer costs will filter to consumer prices in due time.

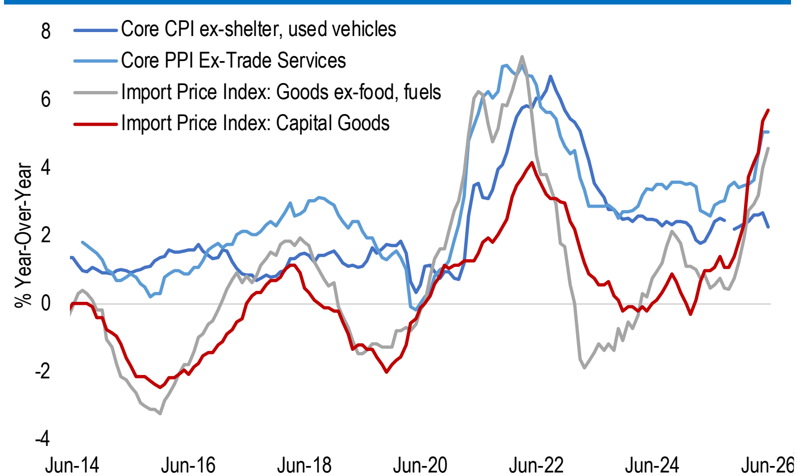
Retail Sales: Throwing Caution to the Wind

- Real retail sales jump 5.7% SAAR in 2Q26, lifted by pullback in energy prices.
- Underlying sales showed narrow strength, driven primarily by online outlays.
- Weakest monthly restaurant sales since pre-2020 (NSA) a cautionary signal.

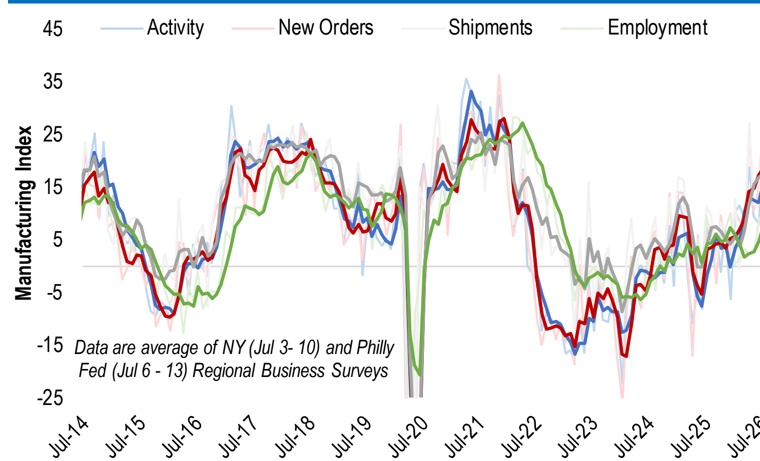
Home Construction: Sidewinder

- Single-family housing starts fell in June and are down -17% SAAR in 2Q26.
- Permitting activity has been flat for a year despite 2Q26 decline (-8% SAAR).
- Completions rose to the highest pace since Dec. but still low historically.

One Month of Good CPI Inflation News Is Nothing to Write Home about as Broader Cost Pressures Persist



Early Signals from Regional Manufacturing Surveys Show No Ill Effects from War Reescalation

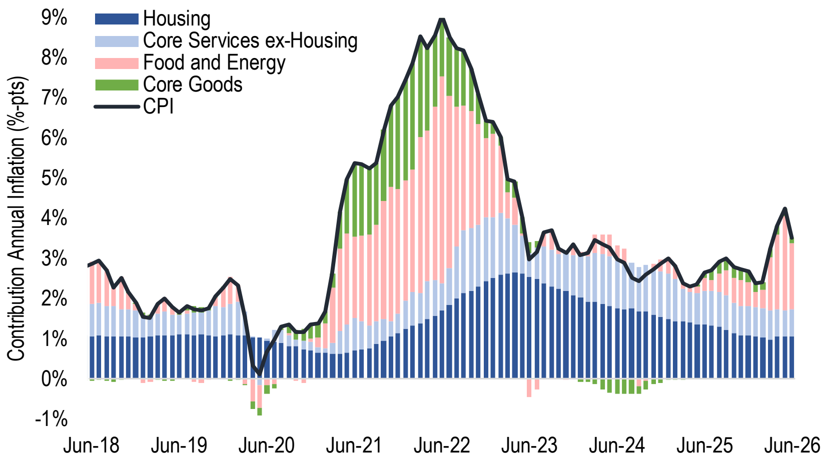


Sources: Census Bureau, Bloomberg, Arch Global Economics

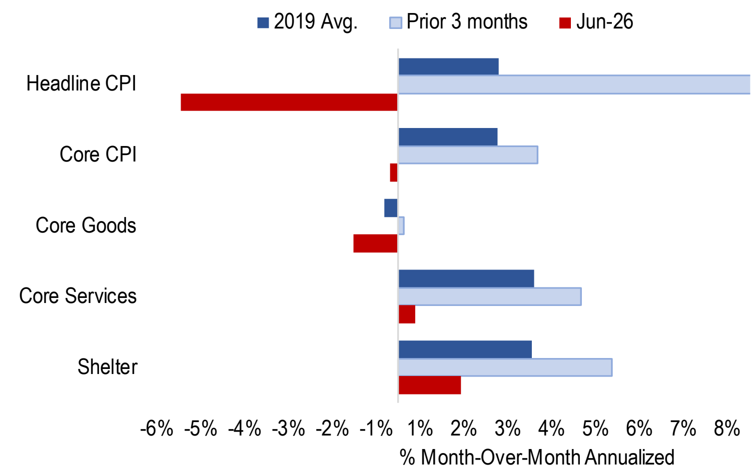
Last Week's Data in Charts

Consumer Price Inflation

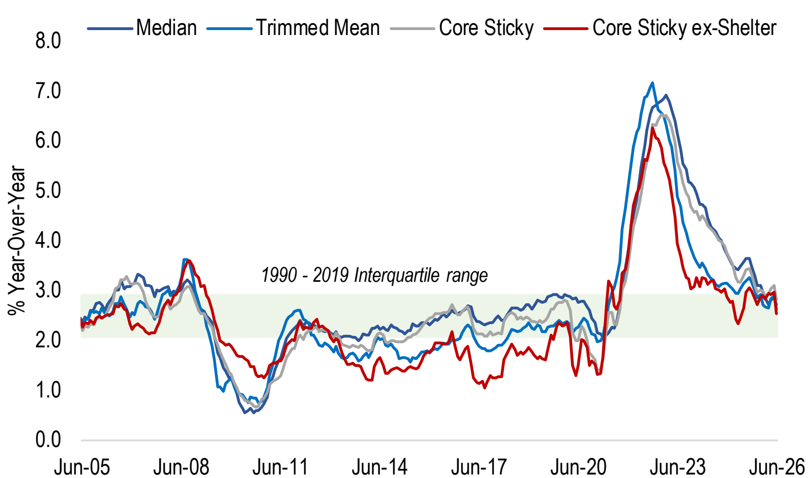
Annual Consumer Inflation Cooled to 3.5% in June with an Odd Decline in Lodging Despite the World Cup



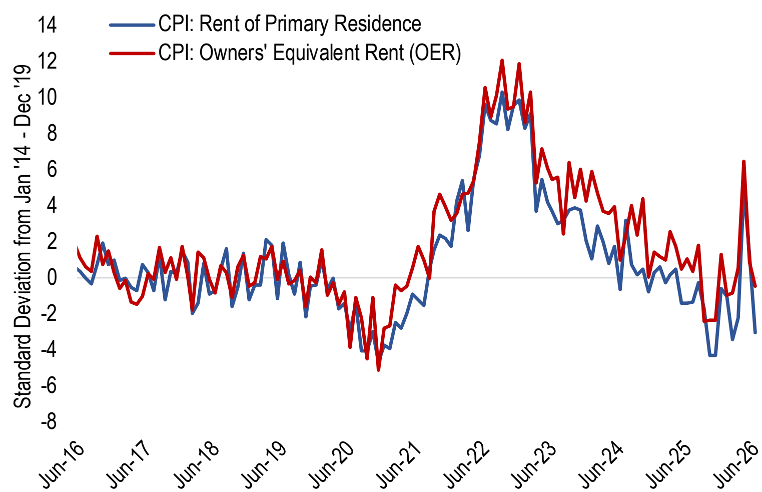
Deflation in Core Goods Remained for Second Straight Month Amid Weak Vehicle, Apparel and Medical Goods



Underlying Inflation Measures Look to Be Pivoting Lower Once Again



Shelter Inflation (~40% of CPI) Eased, Continuing to Unwind April's Technical-Driven Surge

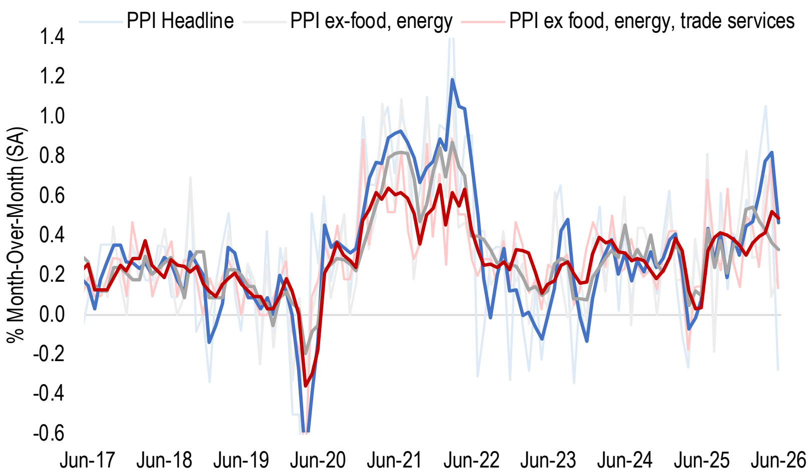


Sources: Bureau of Labor Statistics, Federal Reserve Bank of Atlanta, Arch Global Economics

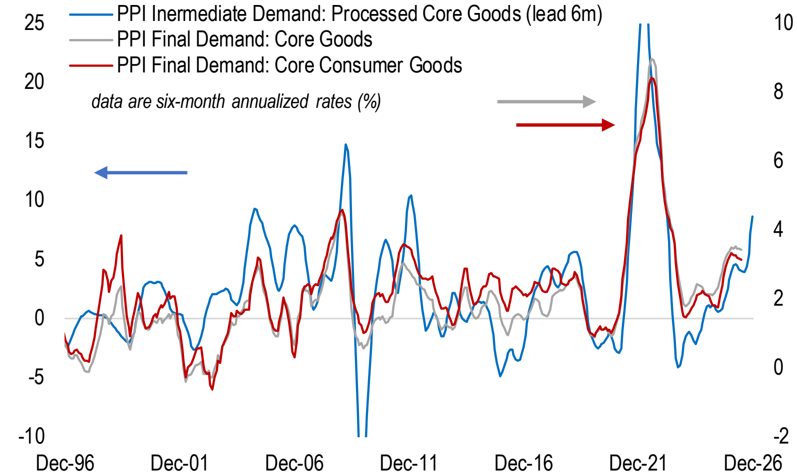
Last Week’s Data in Charts

Producer Price Inflation

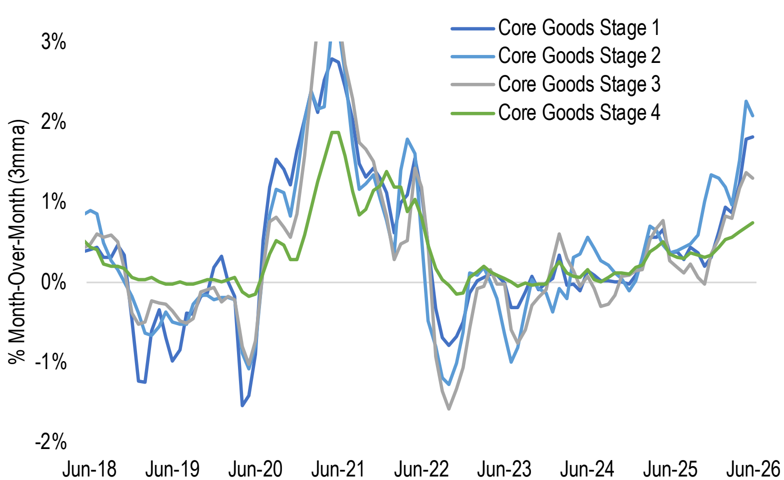
Energy Prices Sunk Headline Producer Prices as Underlying Cost Pressures Remained Firm



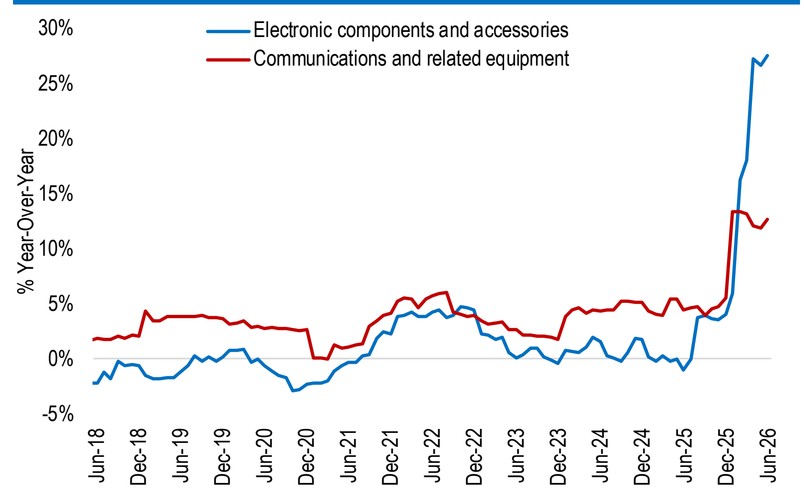
Goods Prices Unlikely to Ease Near Term as Firms Face Higher Energy Costs and Tighter Supply Chains



The Escalating Cost Gradient Across Intermediate Demand Stages Partially Reversed in June



AI Capex Has Led to Rising Upstream Costs That Have Eased Slightly but Remain Elevated

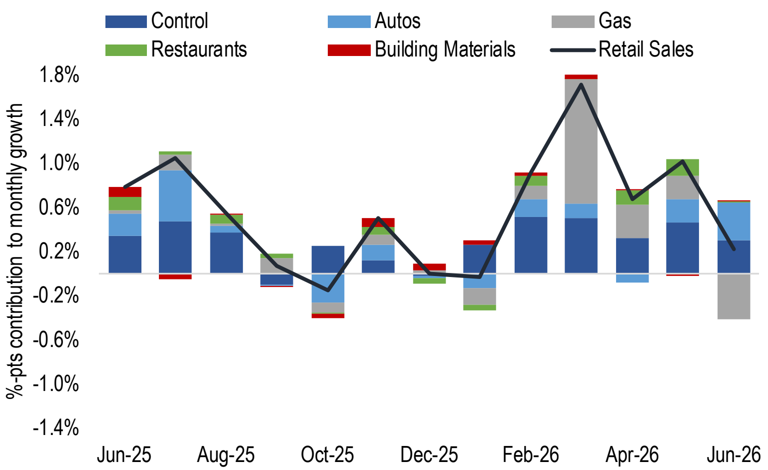


Sources: Bureau of Labor Statistics, Arch Global Economics

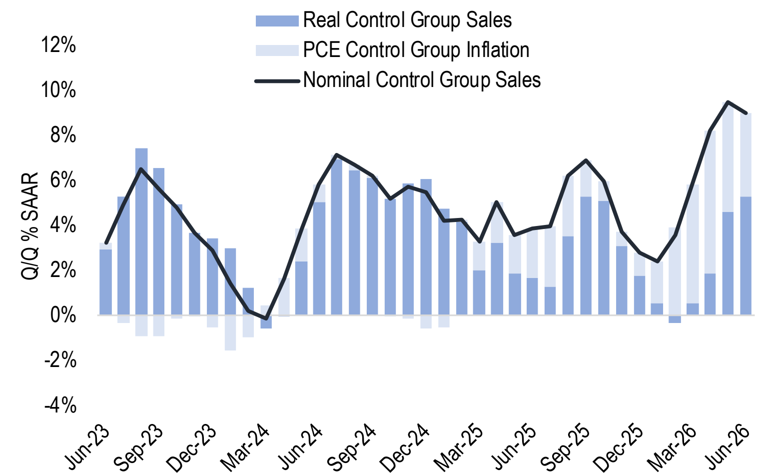
Last Week's Data in Charts

Retail Sales

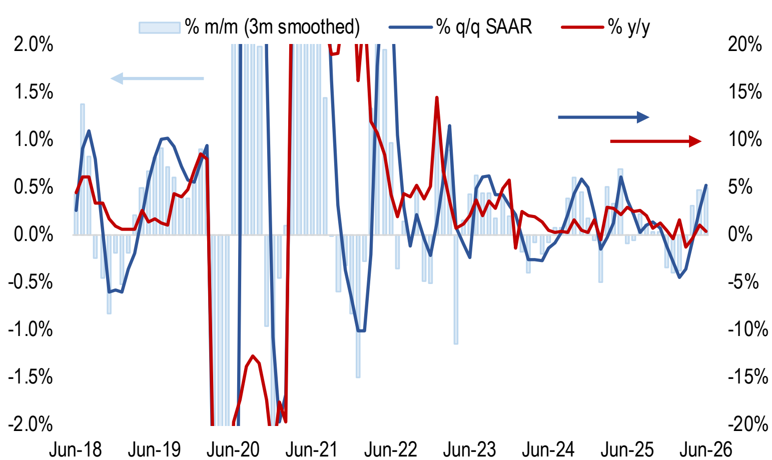
June Retail Sales Got a Big Lift from Autos and Nonstore, Latter Due to Amazon Prime Day



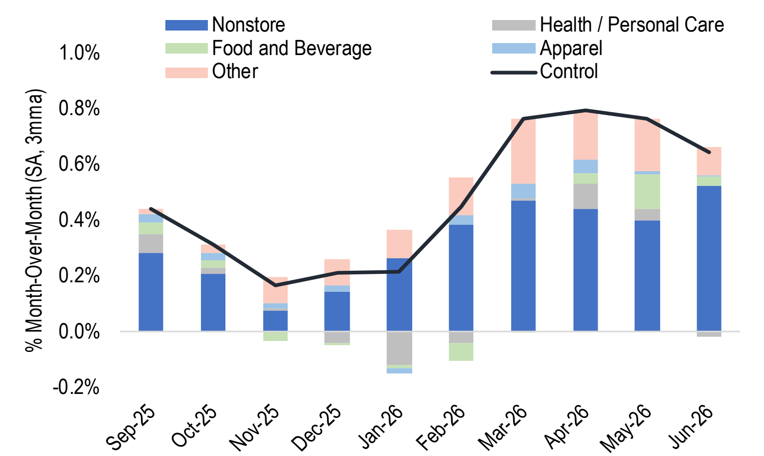
Real (Inflation-Adjusted) Control Group Sales Showing Solid Handoff into the Third Quarter



Restaurant Sales Firmed but Similar Mid-Year Bump as Prior Years Suggests Potential Seasonal Adjustment Issue



Nominal Sales Breadth Narrowed in June, with Online (Nonstore) Carrying the Load

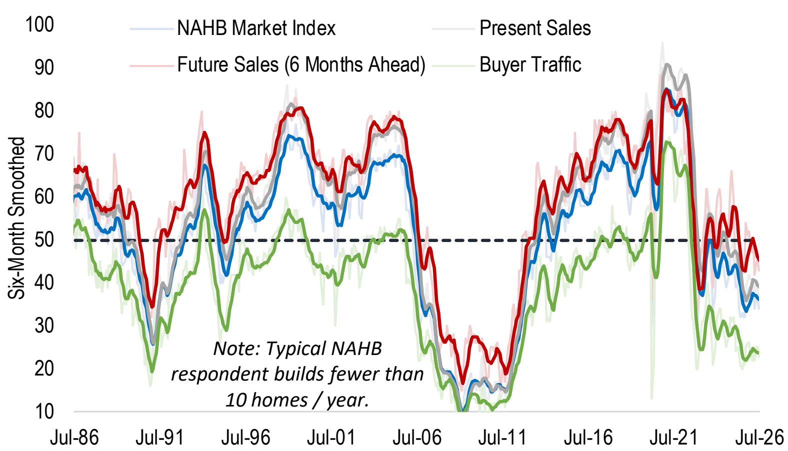


"Control Group" = Retail sales excludes autos, gas, building materials and restaurants.

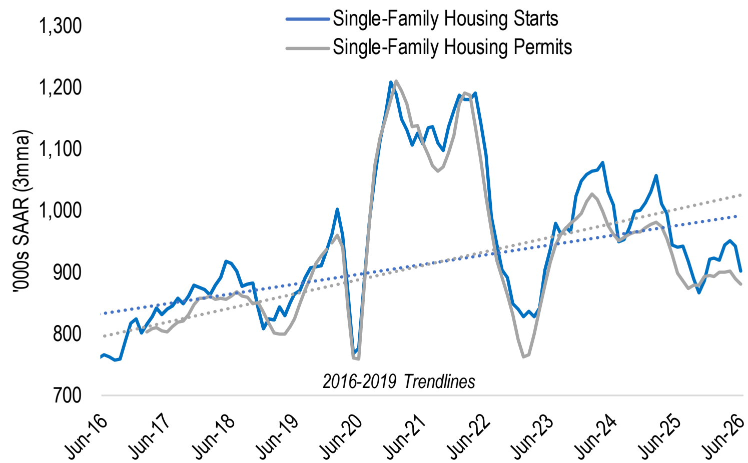
Note: SA = Seasonally Adjusted

Sources: U.S. Census Bureau, U.S. Bureau of Labor Statistics (BLS), Arch Global Economics

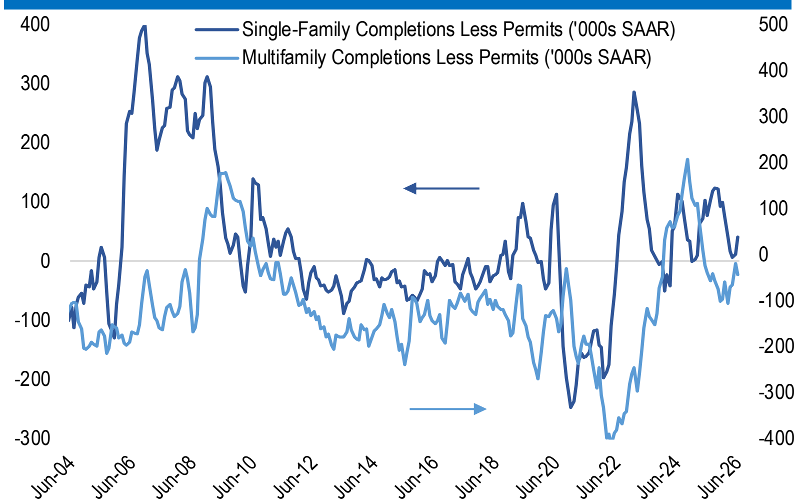
Builder Optimism Fell in July, with Buyer Traffic Sentiment the Lowest Since 2011



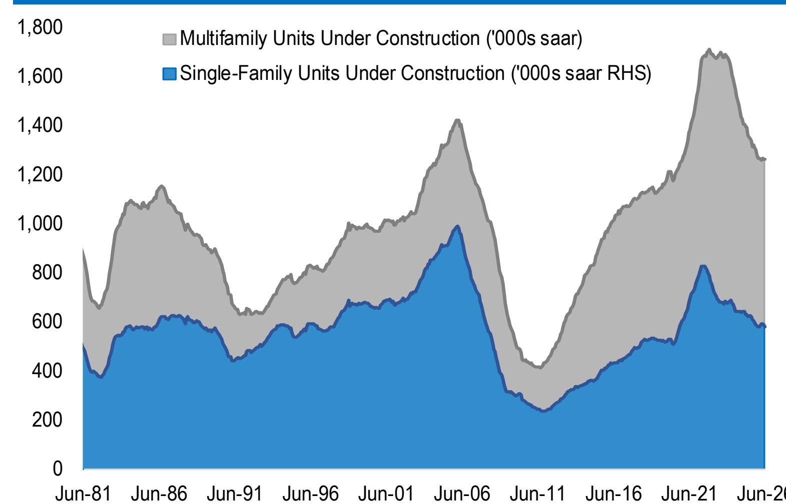
Single-Family Starts and Permits Both Trending Lower as Housing Market Stuck in Deep Freeze



Single-Family Completions Also Softening with Most Construction Pivoting Towards Multifamily

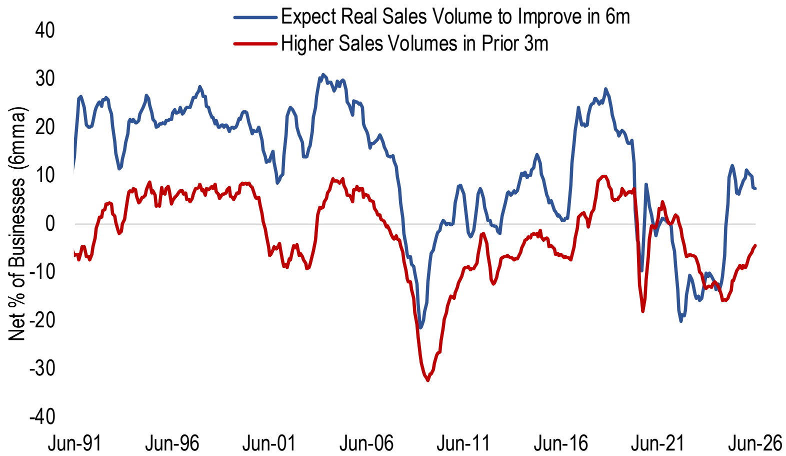


Under Construction Units Have Bottomed with Builders Not Rushing to Add Completed Units to Market

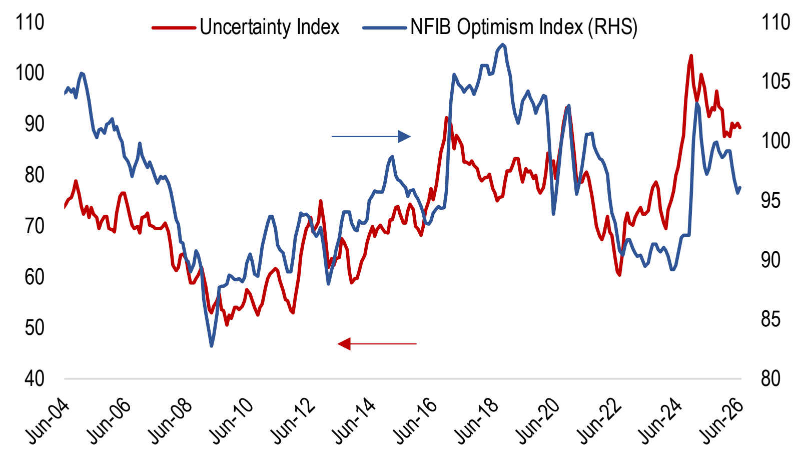


Sources: U.S. Census Bureau, National Association of Home Builders (NAHB), Arch Global Economics

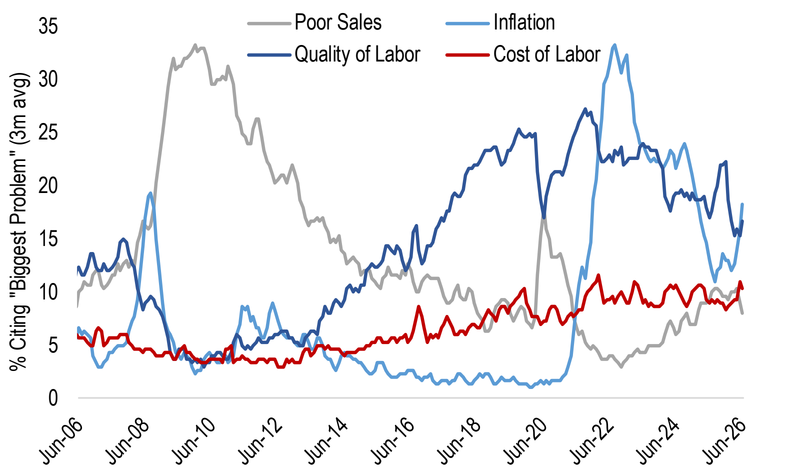
Small Businesses Pivoted Higher with Trailing Revenue Improving Amidst a Cautious Outlook



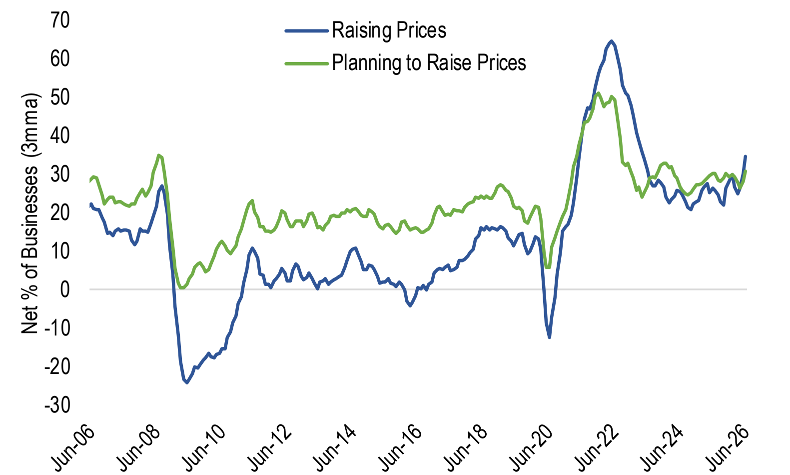
Uncertainty Top of Mind but It Stemmed Its Recent Rise, Which Will Likely Prove Short Lived



Inflation Cited as "Biggest Problem" While Poor Sales Was Overtaken by Cost of Labor



Firms Raising Prices with Intentions to Continue in the Months Ahead

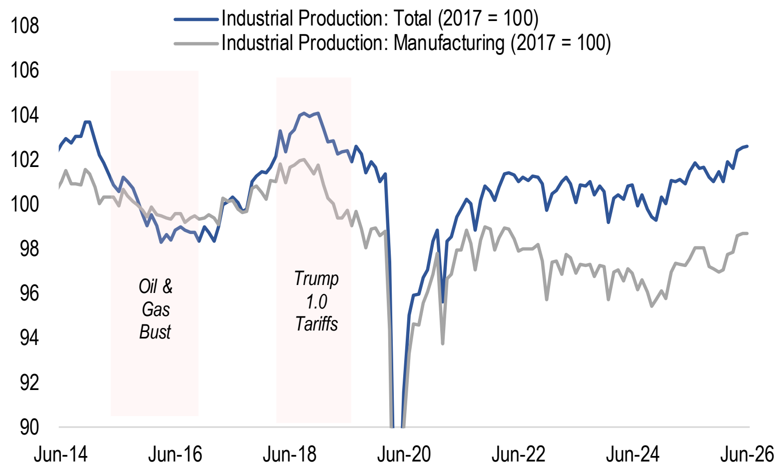


Sources: NFIB, Arch Global Economics

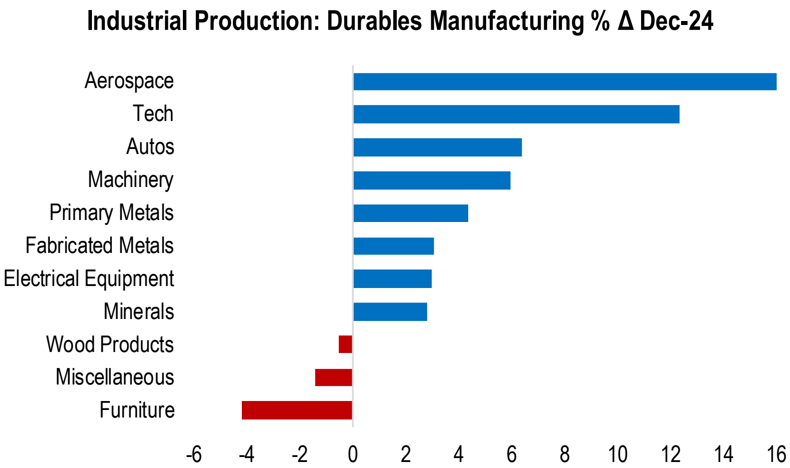
Last Week's Data in Charts

Industrial Production

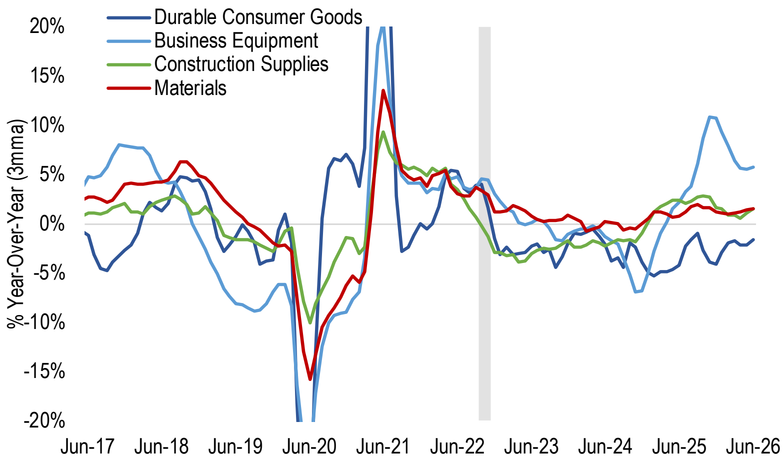
Industrial Production Expanded in May on Top of Upward Revisions to Prior Month



Tech and Aerospace Are Not the Only Categories That Have Shown Output Gains over Prior 18 Months

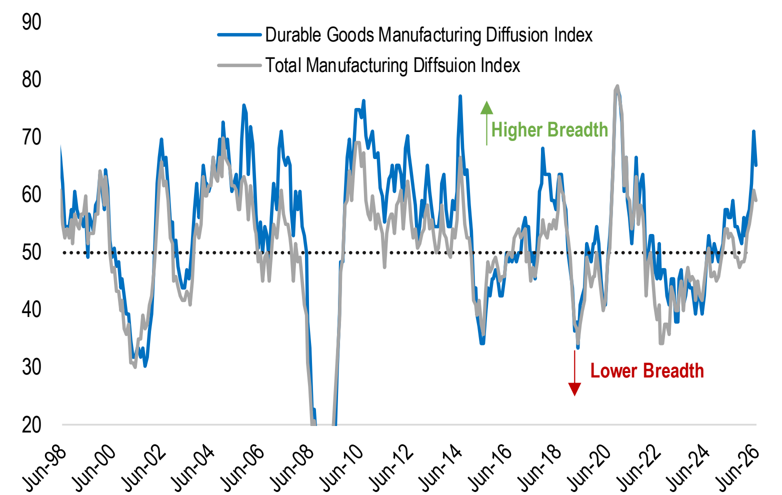


Durable Goods Production Still Strong, Carried by Robust Business Equipment Output



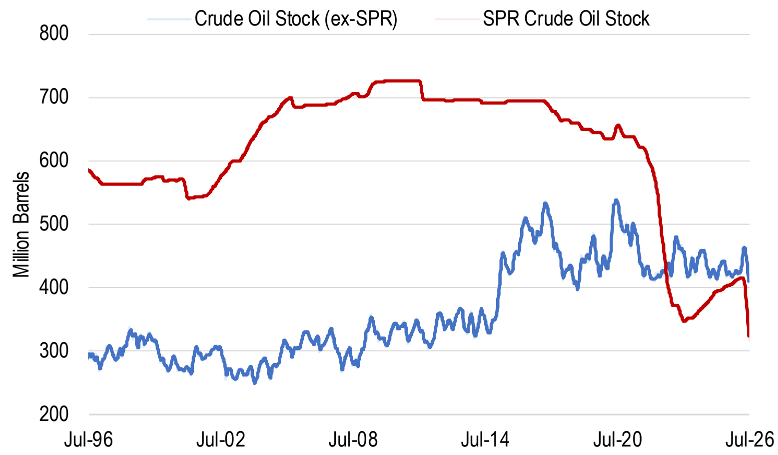
Durable goods are products that can be inventoried and have an average life of at least 3 years

Durable Goods Breadth Rose to a Multi-Year High with Strong Gains in Mineral Production and Autos

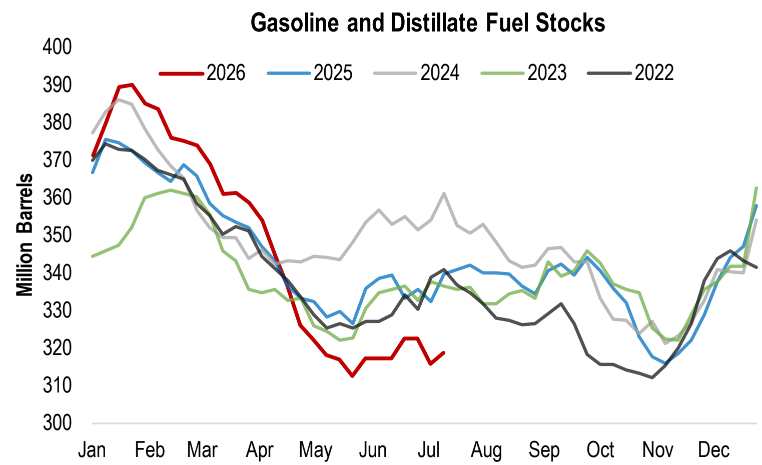


Sources: Federal Reserve Board (FRB), Arch Global Economics

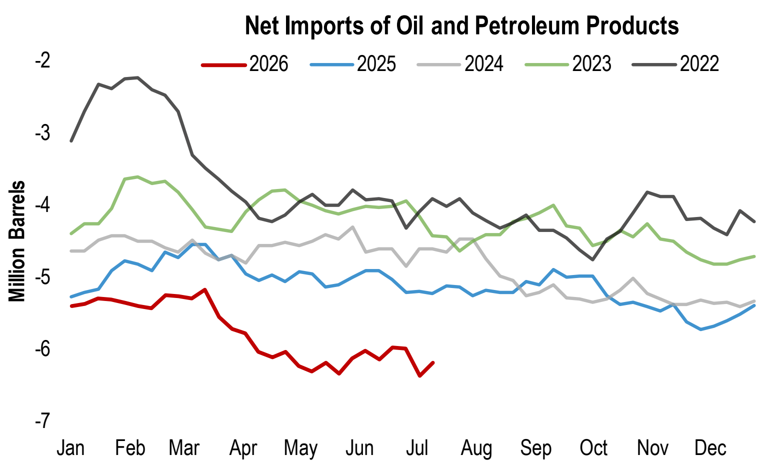
Energy Stocks More Than Reversed Last Week's Rise as Draws on Inventory and SPR Totaled 4.7M Barrels



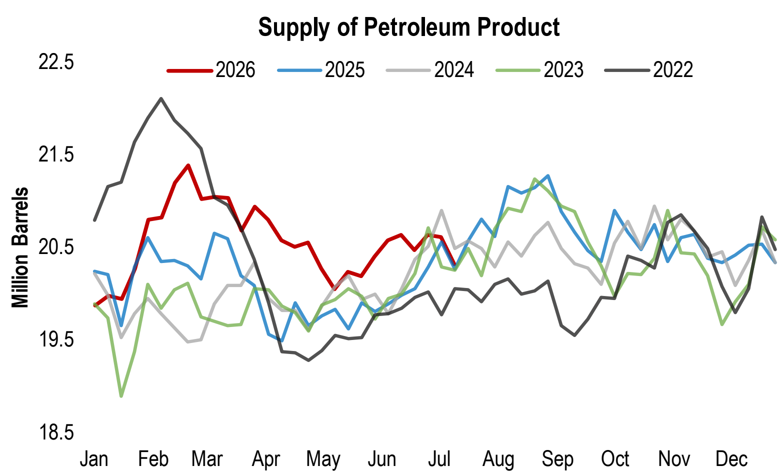
Gasoline and Distillate Remain at Seasonally Depressed Levels and down ~21% from Recent Peaks



Oil Product Net Imports Eased as Pickup in Oil Exports Coupled with a Slight Pullback in Refined Products



Supply of Petroleum Product, Proxy for End Demand, Cooled as Exports Moderated



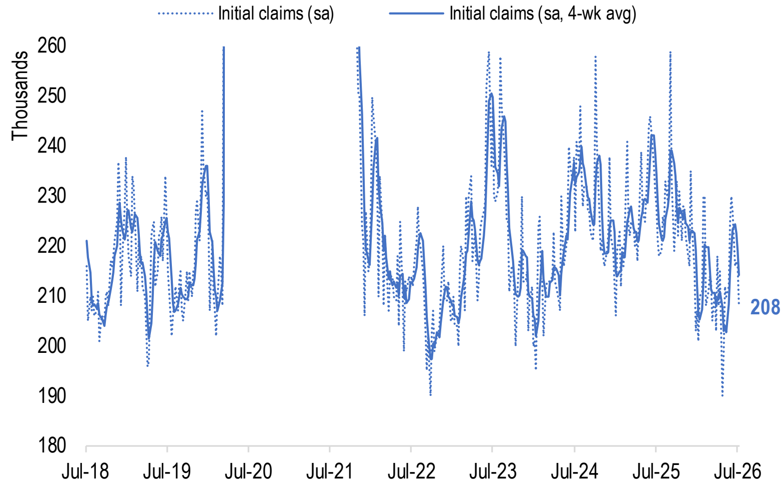
Sources: Energy Information Administration, Arch Global Economics

SPR = Strategic Petroleum Reserve

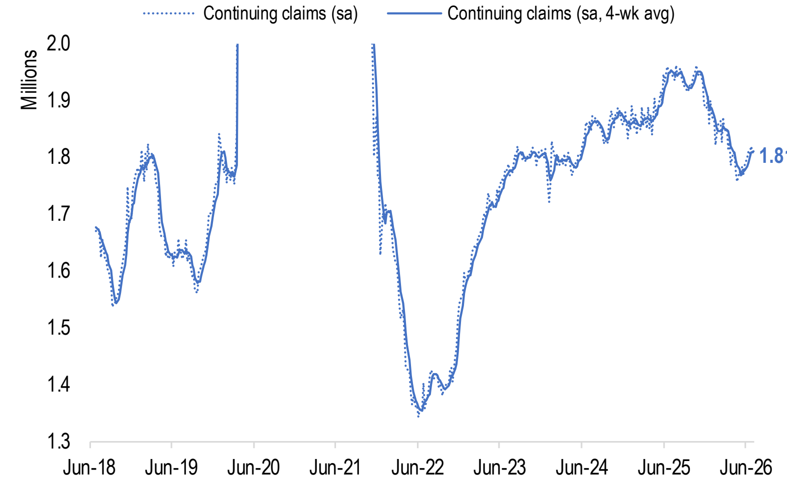
Last Week's Data in Charts

Jobless Claims

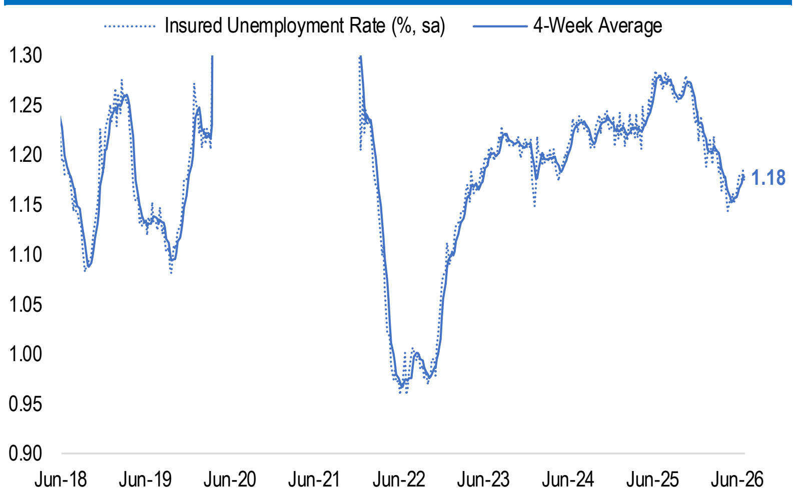
Initial Claims down to 208k (SA) in Week Ending July 11, Back In Line with Recent Post-Pandemic Norm



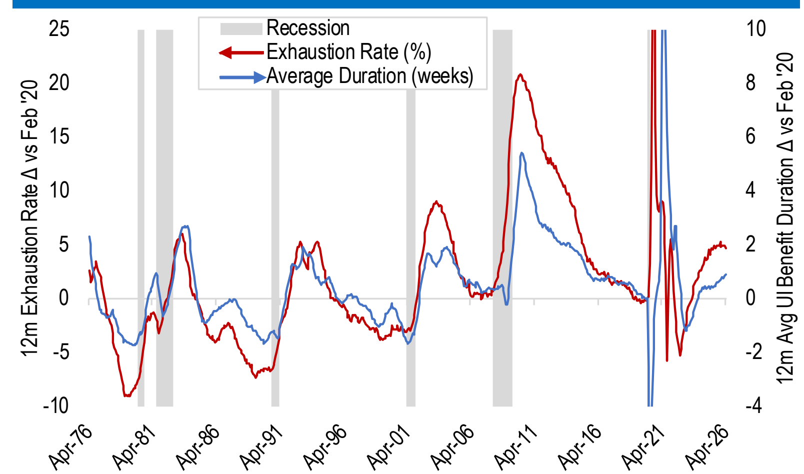
Continuing Claims down to 1,805k (SA) in Week Ending July 4, Providing Relief from Prior Multi-Month Uptrend



Insured Unemployment Rate Ticked Down to 1.18% in Week Ending July 4, Near Pre-Pandemic Norm



Share of Unemployed Workers Exhausting Benefits Appears Poised to Ease

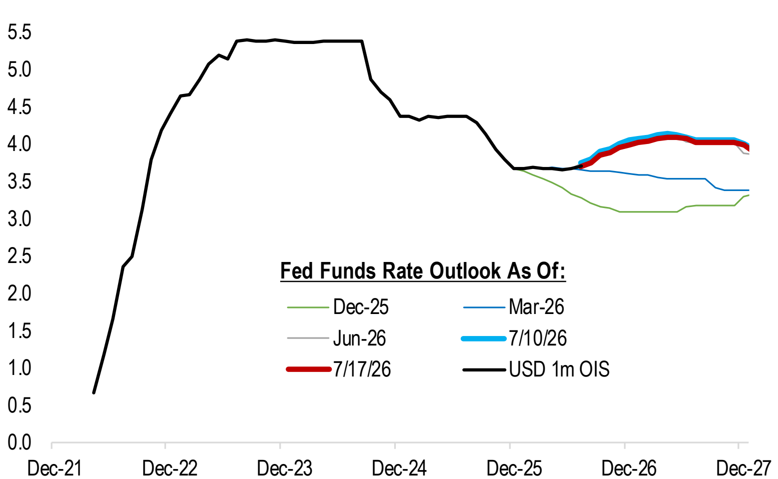


$$\text{Insured Unemployment} = \frac{\text{Continuing Claims}}{\text{Employed Population Eligible for Unemployment Insurance}}$$

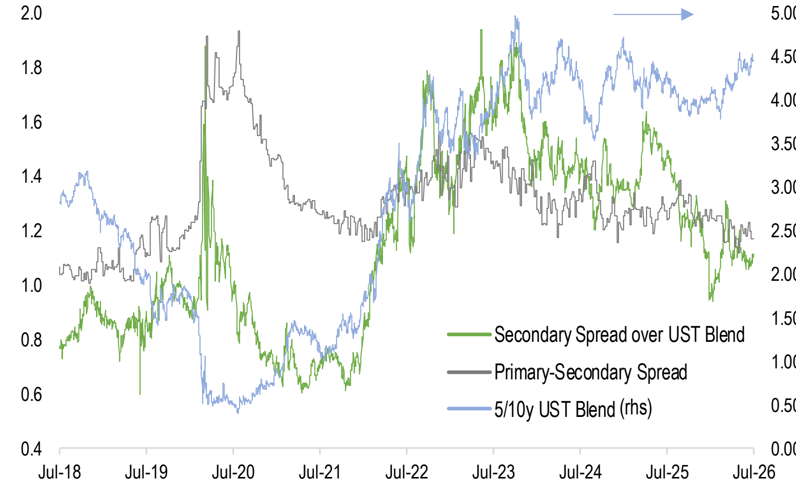
Sources: U.S. Department of Labor, Arch Global Economics

SA = Seasonally Adjusted

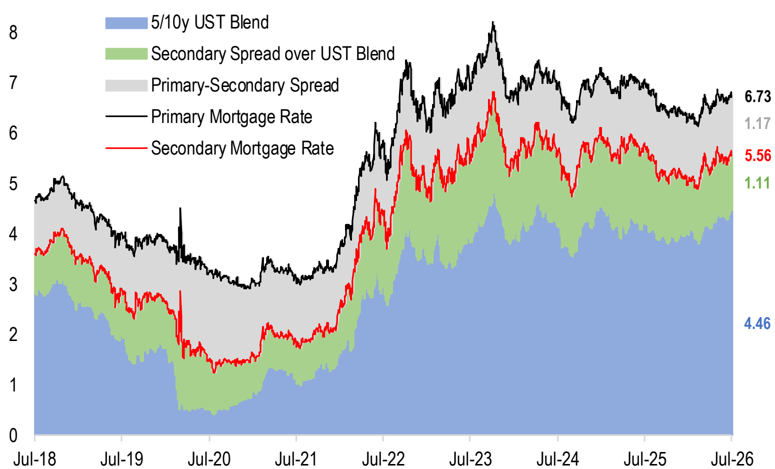
Market Pulled Back from Two Rate Hikes by Year End after Pricing as a Toss-Up Last Week



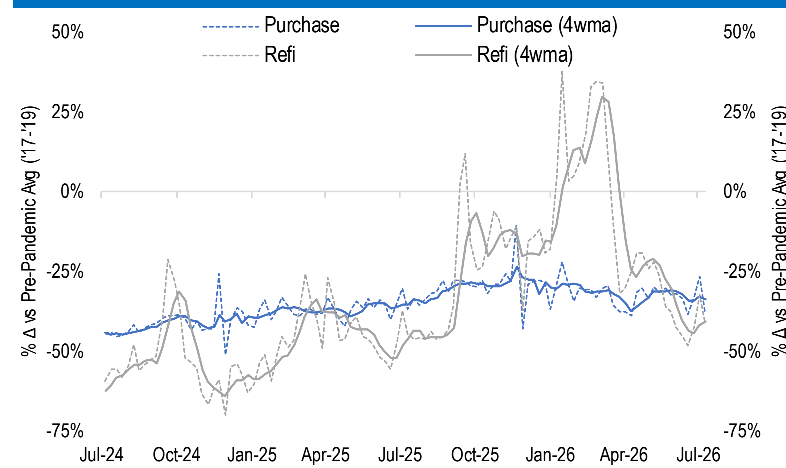
Mortgage Spreads and 5/10y US Treasury Yields Roughly Unchanged on the Week Despite Volatility …



… Keeping Mortgage Rates in the High / Mid-6% Range



Mortgage Refi Applications Still Trending Higher Despite Last Week's Slowdown



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

Location Matters: Some Markets Remain Tight With Solid HPA, While Others Have Softened and Lost Value

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	**1.8%**	**1.3%**	**2.3%**	**2.2%**	**19.7%**	**-1.1%**	**99.1%**	**0.0%**	**-5.0**	**-6.0**	**1%**	**12%**	**17%**
Atlanta	*-1.2%*	0.9%	1.4%	1.1%	21.9%	-1.4%	*98.3%*	0.0%	*21.8*	*19.8*	4%	44%	48%
Austin	**-2.2%**	**3.6%**	**-1.7%**	0.8%	**26.1%**	**-3.2%**	*97.5%*	*0.3%*	**41.8**	**41.5**	-2%	**143%**	**163%**
Baltimore	*0.9%*	0.2%	*-0.4%*	**-2.0%**	19.2%	*-0.3%*	**100.9%**	0.1%	0.5	*-3.8*	**12%**	**-3%**	**-15%**
Boston	*0.6%*	0.6%	**3.1%**	0.7%	*17.5%*	*-0.1%*	**101.8%**	**-0.4%**	11.0	9.5	**15%**	*12%*	**-2%**
Chicago	**4.9%**	*0.0%*	**5.9%**	**2.6%**	**10.5%**	-1.1%	**101.3%**	**0.7%**	*-9.0*	*-7.8*	0%	**-28%**	**-27%**
Dallas	**-2.8%**	0.6%	0.1%	*-0.1%*	**26.4%**	-1.4%	*97.6%*	*-0.1%*	12.3	10.8	*-5%*	44%	52%
Denver	*1.4%*	**-2.1%**	*2.3%*	0.5%	**28.8%**	-1.8%	99.1%	0.1%	11.3	11.3	*-5%*	**97%**	**104%**
Houston	**-2.0%**	0.8%	*-0.4%*	0.5%	*24.2%*	*-2.7%*	**97.1%**	0.1%	*17.3*	12.0	-1%	37%	41%
Los Angeles	*-0.8%*	*2.0%*	*-0.7%*	0.8%	**14.7%**	-1.2%	*100.0%*	0.1%	-0.5	-1.8	*-4%*	33%	44%
Miami	**2.2%**	*1.7%*	0.5%	**2.6%**	**12.7%**	**-2.7%**	**95.5%**	*0.2%*	**23.8**	**23.5**	**-14%**	19%	51%
Minneapolis	*1.1%*	0.7%	1.2%	*0.2%*	21.1%	**1.0%**	*100.4%*	**-0.3%**	1.8	0.8	**10%**	*11%*	*15%*
Nashville	0.1%	1.2%	0.5%	1.1%	19.1%	-1.9%	*98.2%*	-0.1%	9.3	3.3	**9%**	*60%*	50%
New York	**3.8%**	*-0.1%*	**3.1%**	*-0.2%*	**14.1%**	**0.4%**	**100.9%**	0.1%	**-44.5**	**-45.5**	1%	**-22%**	**-23%**
Phoenix	0.2%	**3.2%**	1.3%	**2.6%**	21.7%	-1.5%	*97.9%*	0.0%	*19.5*	*19.3*	*-4%*	**91%**	**115%**
Portland	-0.5%	1.4%	1.3%	**2.5%**	*23.8%*	-1.9%	*99.9%*	0.1%	4.0	3.0	-2%	36%	56%
Riverside	**-1.8%**	*-0.5%*	*-0.9%*	**-0.6%**	*16.6%*	*-2.2%*	99.0%	*-0.1%*	*-2.8*	0.0	**-11%**	19%	42%
San Diego	**-1.9%**	**-1.2%**	0.2%	0.9%	19.1%	*-2.5%*	99.4%	*0.2%*	3.8	6.5	*-5%*	*16%*	42%
Seattle	**-4.5%**	**-1.3%**	**-1.7%**	0.7%	*23.5%*	**1.5%**	99.5%	**-0.5%**	3.8	0.0	**13%**	*79%*	41%
Tampa	**2.4%**	**2.4%**	*-0.4%*	0.8%	**25.5%**	**-3.6%**	**97.2%**	*0.2%*	6.8	9.3	**-9%**	*68%*	*88%*
Washington DC	*-0.5%*	1.3%	0.3%	0.3%	*16.9%*	-1.1%	*100.0%*	0.0%	12.3	10.8	*8%*	44%	37%

Data as of Jul. 12, 2026, and reflects 4-week averages.

Sources: Redfin, Arch Global Economics

Upcoming Data Releases

Key economic and housing data releases for the coming week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
7/20/26	10:00 AM	Conference Board Leading Index m/m	Jun	-0.2	-0.1	--	0.1	%, sa
7/22/26	7:00 AM	MBA Mortgage Applications w/w	Jul 17	--	--	--	-2.7	%, sa
7/23/26	8:30 AM	Initial Jobless Claims	Jul 18	--	211	--	208	k, sa
7/23/26	8:30 AM	Continuing Claims	Jul 11	--	1,810	--	1,805	k, sa
7/23/26	8:30 AM	Chicago Fed Nat Activity Index	Jun	--	--	--	-0.1	index, nsa
7/23/26	11:00 AM	Kansas City Fed Manf. Activity	Jul	--	13.0	--	11.0	sa, index
7/24/26	-	Building Permits	Jun F	--	--	--	1,367	k, saar
7/24/26	-	Building Permits m/m	Jun F	--	--	--	-3.0	%, sa
7/24/26	9:45 AM	S&P Global US Manufacturing PMI	Jul P	--	54.4	--	53.9	index, sa
7/24/26	9:45 AM	S&P Global US Services PMI	Jul P	--	51.5	--	51.2	index, sa
7/24/26	9:45 AM	S&P Global US Composite PMI	Jul P	--	52.1	--	51.9	index, sa
7/24/26	10:00 AM	New Home Sales	Jun	--	606	--	580	k, saar
7/24/26	10:00 AM	New Home Sales m/m	Jun	--	4.6	--	-7.3	%, sa

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
7/14/26	6:00 AM	NFIB Small Business Optimism	Jun	**97.4**	95.7	--	95.3	index, sa
7/14/26	8:30 AM	CPI m/m	Jun	**-0.4**	-0.1	--	0.5	%, sa
7/14/26	8:30 AM	CPI Core (ex Food and Energy) m/m	Jun	**0.0**	0.2	--	0.2	%, sa
7/14/26	8:30 AM	CPI y/y	Jun	**3.5**	3.8	--	4.2	%, nsa
7/14/26	8:30 AM	CPI Core (ex Food and Energy) y/y	Jun	**2.6**	2.8	--	2.9	%, nsa
7/15/26	7:00 AM	MBA Mortgage Applications w/w	Jul 10	**-2.7**	--	--	-2.2	%, sa
7/15/26	8:30 AM	Empire Manufacturing	Jul	**15.6**	9.2	--	5.7	index, sa
7/15/26	8:30 AM	PPI Final Demand m/m	Jun	**-0.3**	0.0	0.6	1.1	%, sa
7/15/26	8:30 AM	PPI Core (ex Food and Energy) m/m	Jun	**0.2**	0.3	0.1	0.4	%, sa
7/15/26	8:30 AM	PPI Final Demand y/y	Jun	**5.5**	6.2	6.0	6.5	%, nsa
7/15/26	8:30 AM	PPI Core (ex Food and Energy) y/y	Jun	**4.7**	5.1	4.6	4.9	%, nsa
7/16/26	8:30 AM	Philadelphia Fed Business Outlook	Jul	**41.4**	12.5	--	10.3	index, sa
7/16/26	8:30 AM	Advance Retail Sales m/m	Jun	**0.2**	0.2	1.0	0.9	%, sa
7/16/26	8:30 AM	Retail Sales Control Group m/m	Jun	**0.5**	0.5	0.8	0.7	%, sa
7/16/26	8:30 AM	Initial Jobless Claims	Jul 11	**208**	217	216	215	k, sa
7/16/26	8:30 AM	Continuing Claims	Jul 4	**1,805**	1,818	1,821	1,814	k, sa
7/16/26	10:00 AM	NAHB Housing Market Index	Jul	**34.0**	35.0	36.0	35.0	index, sa
7/16/26	10:00 AM	Business Inventories m/m	May	**0.3**	0.3	0.6	0.5	%, sa
7/16/26	10:00 AM	Pending Home Sales m/m	Jun	**-5.4**	-0.5	3.5	3.8	%, sa
7/16/26	10:00 AM	Pending Home Sales y/y	Jun	**2.3**	2.0	1.7	2.1	%, nsa
7/17/26	8:30 AM	Import Price Index m/m	Jun	**0.3**	-0.7	1.7	1.9	%, nsa
7/17/26	8:30 AM	Import Price Index y/y	Jun	**7.1**	6.5	6.6	6.7	%, nsa
7/17/26	8:30 AM	Housing Starts	Jun	**1,427**	1,310	1,199	1,177	k, saar
7/17/26	8:30 AM	Housing Starts m/m	Jun	**19.0**	11.2	-15.2	-15.4	%, sa
7/17/26	8:30 AM	Building Permits	Jun P	**1,367**	1,403	--	1,410	k, saar
7/17/26	8:30 AM	Building Permits m/m	Jun P	**-3.0**	0.1	--	-0.9	%, sa
7/17/26	9:15 AM	Industrial Production m/m	Jun	**0.1**	0.2	--	0.1	%, sa
7/17/26	9:15 AM	Capacity Utilization	Jun	**76.1**	76.2	76.1	76.2	sa
7/17/26	10:00 AM	U. of Mich. Sentiment	Jul P	**54.4**	51.0	--	49.5	index, nsa
7/17/26	10:00 AM	U. of Mich. 1 Yr Inflation	Jul P	**4.2**	4.4	--	4.6	nsa
7/17/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	Jul P	**3.3**	3.3	--	3.3	nsa

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