HaMMR Digest

Stay current with economic and mortgage market trends.

July 27, 2026

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Out of the Oven, Into the Fire

- **Key Takeaway:** Sparse data flow put focus on the Middle East, energy prices, outlook for inflation and central bank policy, producing a global rates selloff.
- **Macro Implications:** Markets have turned more hawkish, opening the door to a Fed rate hike this week, which we do not expect Warsh to deliver.
- **Housing Implications:** In a rare occurrence, mortgage spreads underperformed corporate credit amid rising rate volatility and intermediate Treasury yields.

Macro: Pain at the Pump, Again

- New tariffs do not alter overall level from ~10% unless retaliatory cycle ensues.
- Gasoline prices are rising north of $4/gal, creating downside risk to consumption.
- Jobless claims hitting the lowest level since 1969 overstates the case of low layoffs.

Rates: Markets Dare the New Fed Chairman

- 10y UST yields rose 13bps w/w to ~4.68%, the highest level since January 2025.
- Yield curve bear flattens with most of the gains made at the 5yr and lower tenor.
- Markets go from ~12% to ~30% odds Fed hikes this week; watch for Fed dissents.

Housing Market: Keep on Dreaming …

- Mortgage rates make near 12-month high, and the path of least resistance is up.
- Pending sales took a noticeable step down over recent week as the cost pinch hits.
- Listings are still too low nationally for weak demand to put a negative tilt on prices.

New Home Sales: Moribund Trend Remains

- Total sales up 1.6% m/m and 6% SAAR in 2Q due to non-completed units.
- Ready-to-occupy unit sales down -16% SAAR in 2Q and -13% to date.
- Months' supply of completed homes at upper end of 2017–2019 range.

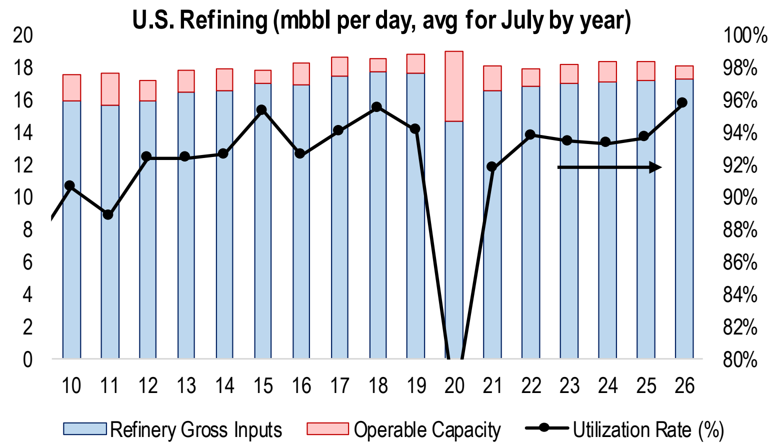
Regional Business Surveys: Can't Get Enough

- Current activity measures through July remain firm with pickup in services.
- Employment measures improving while capex intentions strengthened.
- Cost pressures remain elevated and will likely head higher in the near term.

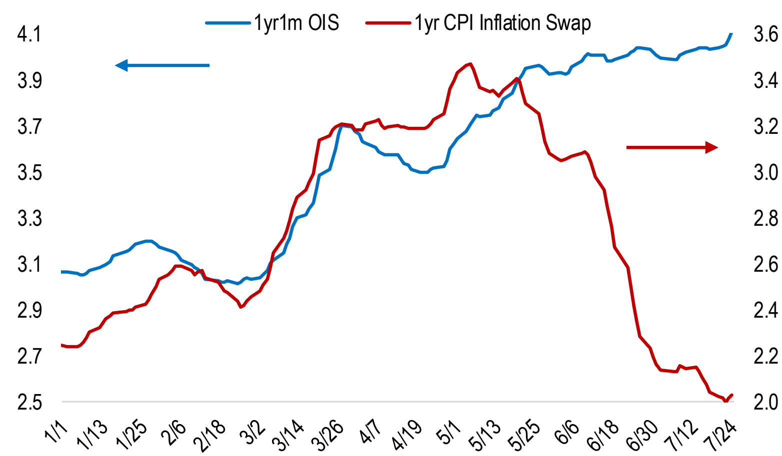
State Jobs Report: Cyclical Bounce Sticking Through Midyear

- Private payroll growth strengthened in absolute and breadth terms YTD to June.
- Hiring momentum in part driving the fall in unemployment across 41 states.
- Labor force utilization rising in only a few states, led by PA, SC, AR and LA.

Refining Utilization Close to Limit, Leaving Little Room for Further Supply Disruption and Tilting Prices Higher

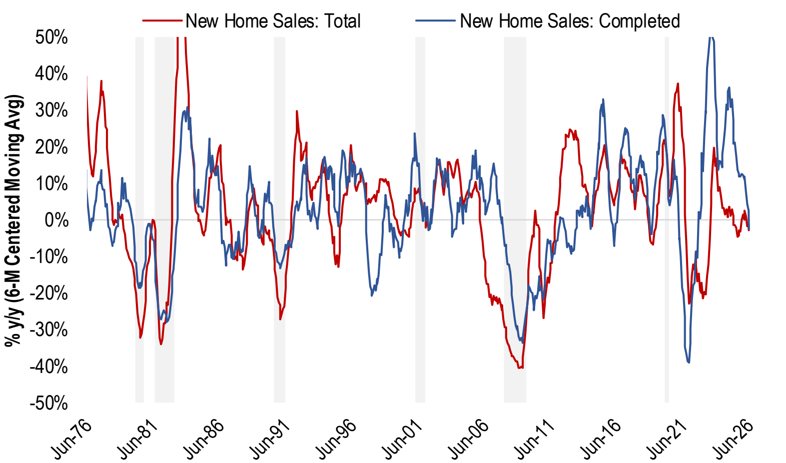


Market Pricing for the Fed's Policy Rate and Twelve Month Ahead Annual Inflation Has Diverged

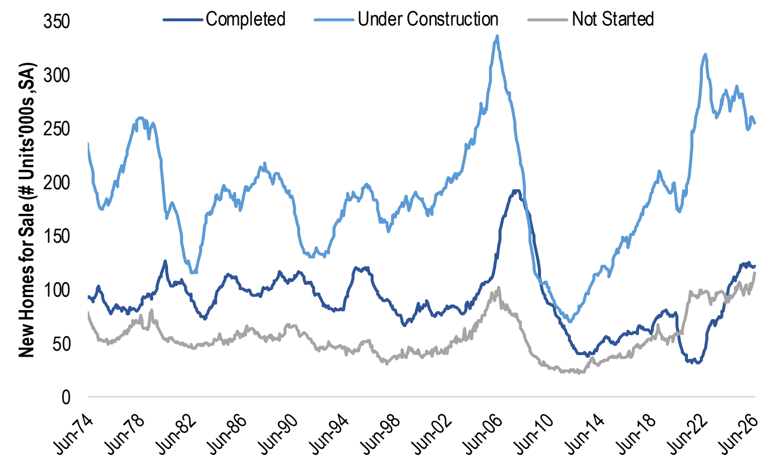


Sources: EIA, Bloomberg, Arch Global Economics

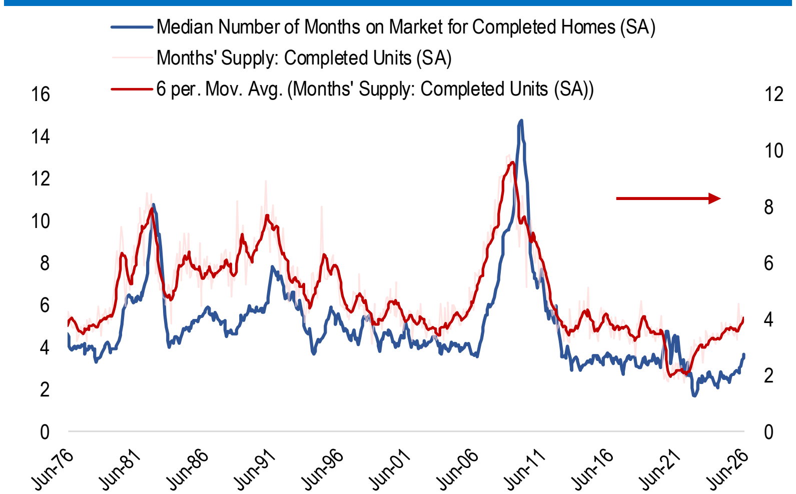
June New Home Sales Popped, but the Underlying Trend Does Not Change



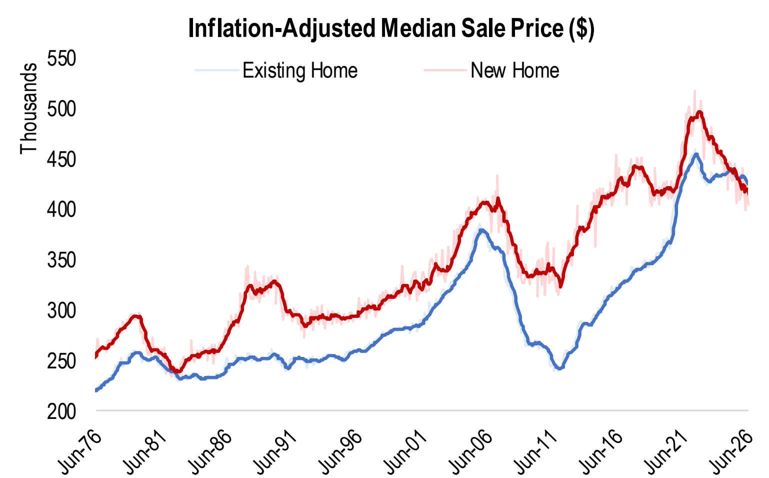
New Homes for Sale Have Largely Trended Sideways at Historically Elevated Levels despite Weak Sales Pace



Even with Incentives, Transactions Are Not Keeping up with Inventory, Leading to Rising Months' Supply

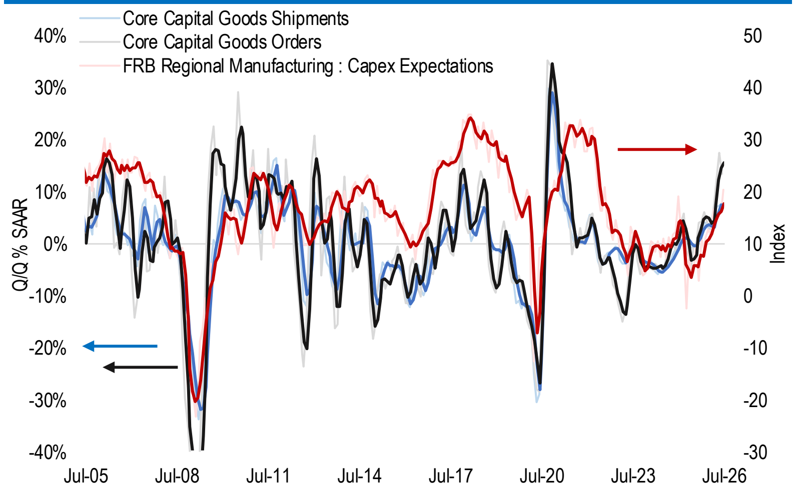


On an Inflation-Adjusted Basis, New Home Prices Are the Cheapest Relative to Existing Homes on Record

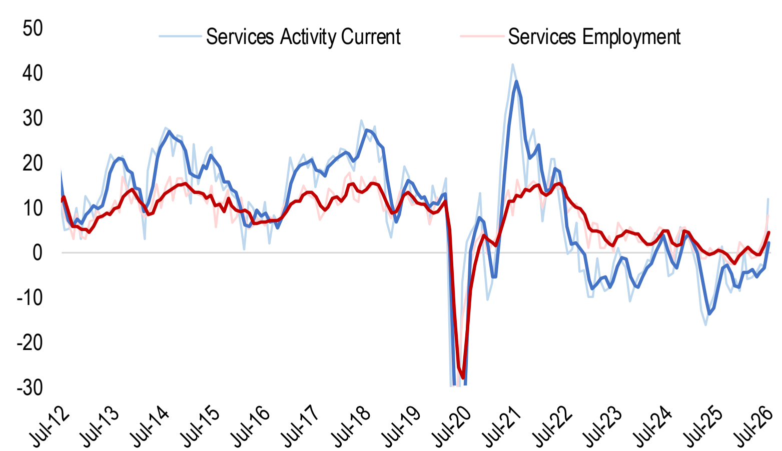


Sources: Census Bureau, National Association of REALTORS®, Arch Global Economics

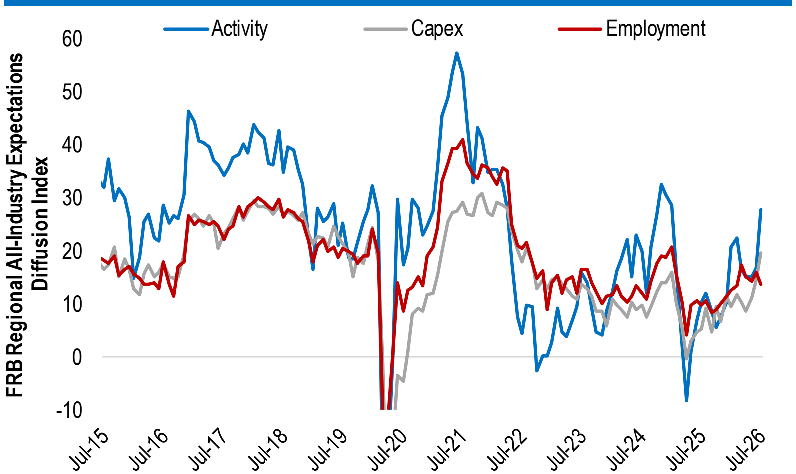
Goods Production Remains Firm, Driven by Tech, Electrical Components, Defense and Aerospace



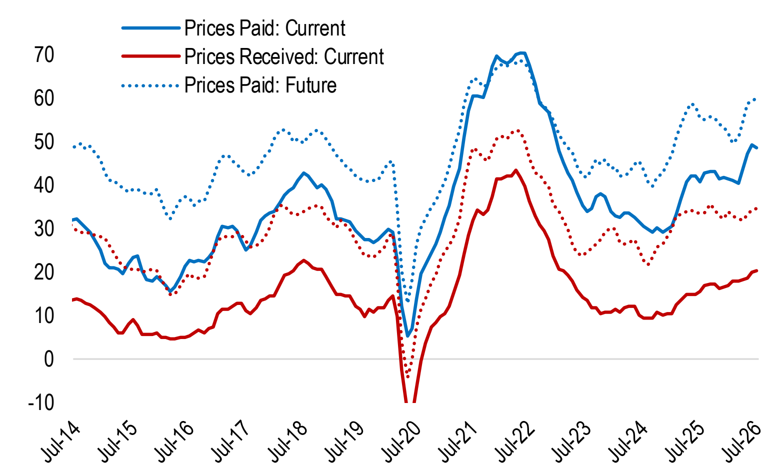
Services Industry Weakness Is Abating, but Renewed Pressure on Consumers from Rising Gas Prices Is a Risk



Bumper Business Expectations Have, So Far, Looked Through Recent Geopolitical and Tariff Tensions

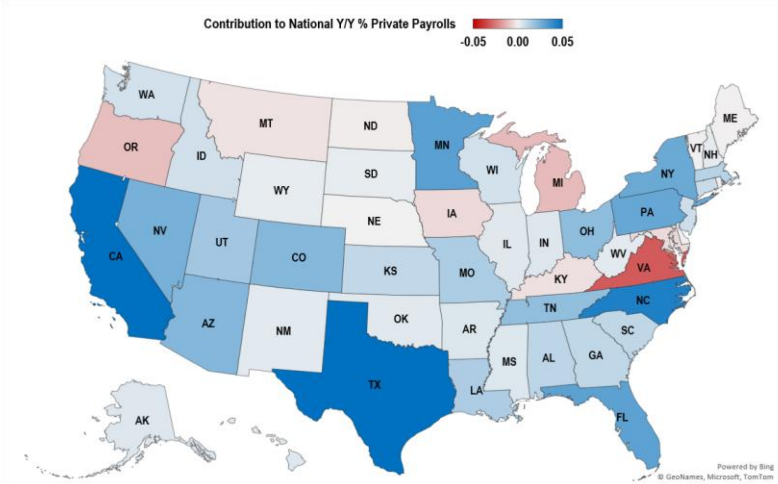


All-Industry Pricing Impulse Remains Elevated; Energy Driving Goods Side and Healthcare, Utilities for Services

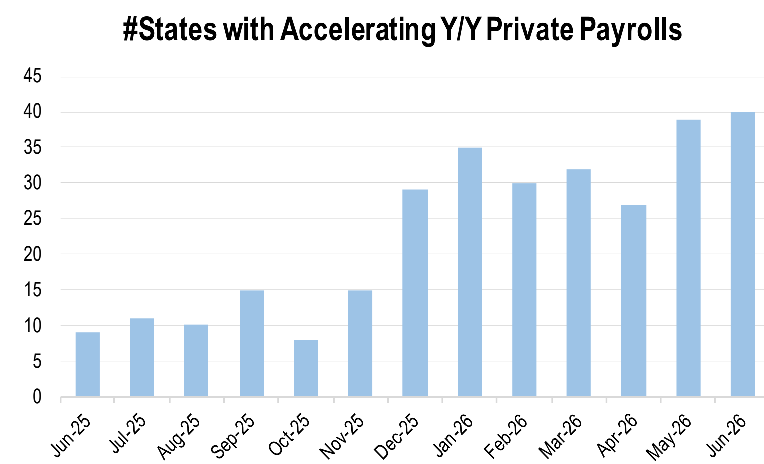


Sources: Federal Reserve Board, Regional Federal Reserve Banks, Arch Global Economics

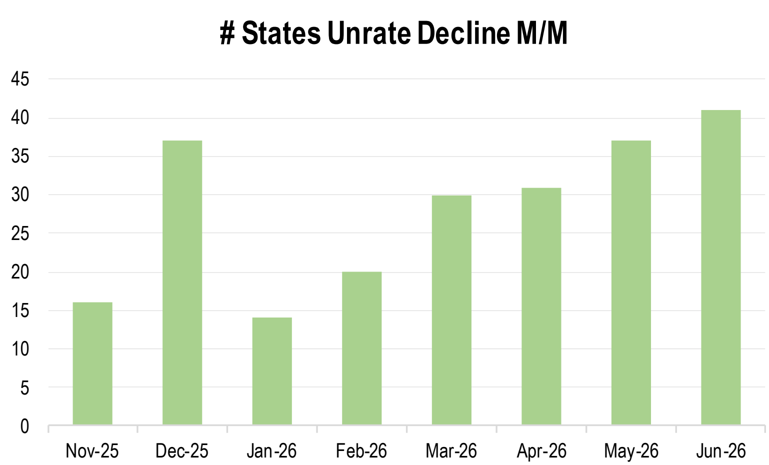
Annual Growth in National Payrolls Driven by More Than Just Larger States



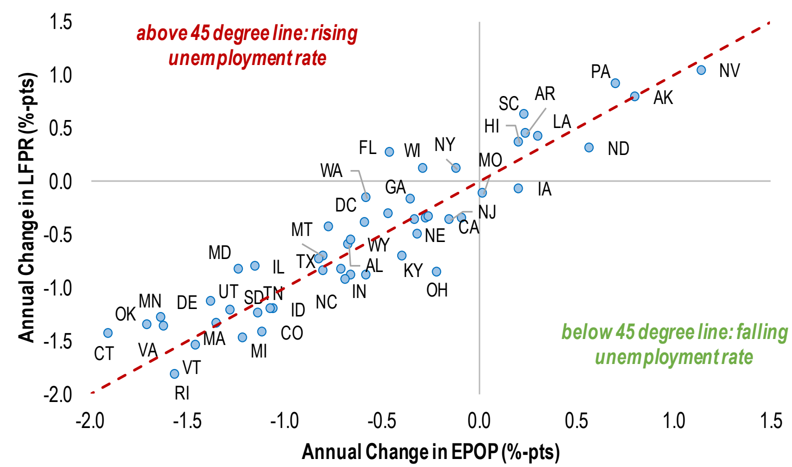
And It Is Not Just One Month as the Number of States with Accelerating Growth Is Up Year to Date



The Cyclical Improvement in Job Gains Has in Part Driven the Trend Decline in State Unemployment Rates



With Lower Labor Force Utilization Flattering, the Unemployment Declines



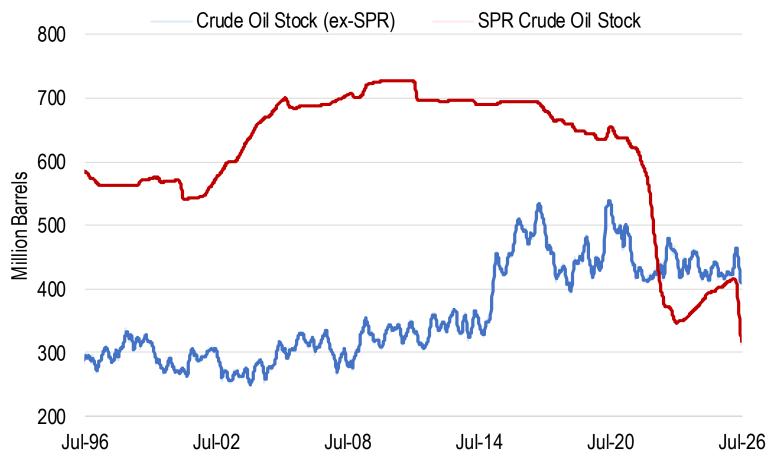
LFPR = labor force participation rate
EPOP = employment-to-population ratio

Sources: Bureau of Labor Statistics, Arch Global Economics

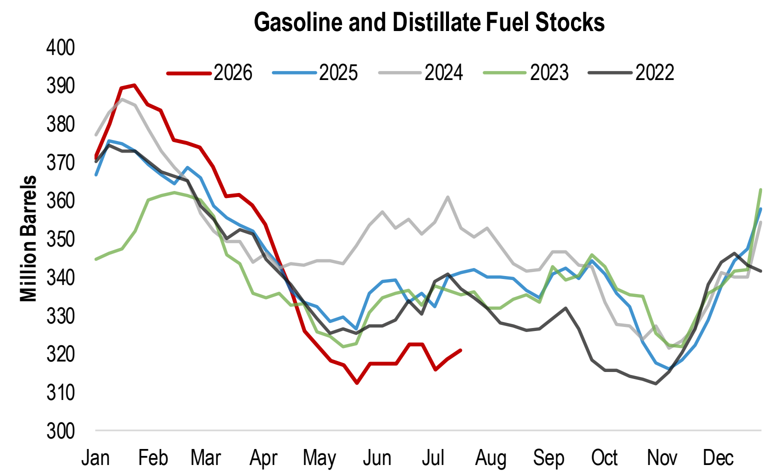
Last Week's Data in Charts

Energy Product Dynamics

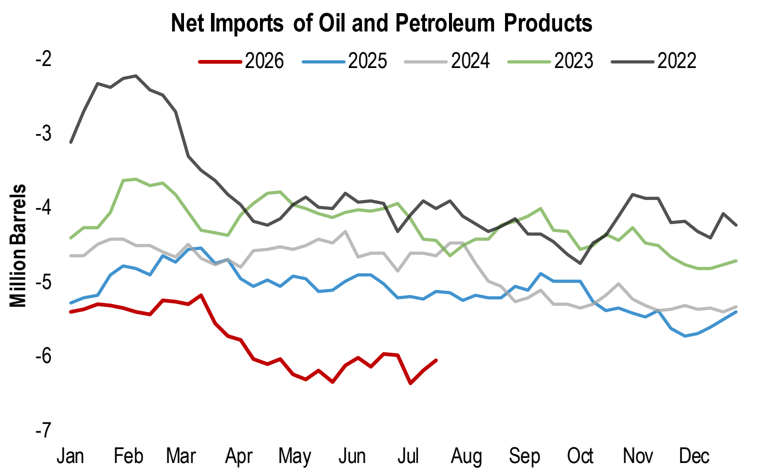
Energy Stocks Tumbled in the Week Ending July 17 with a Significant 5.1M Barrel SPR Draw



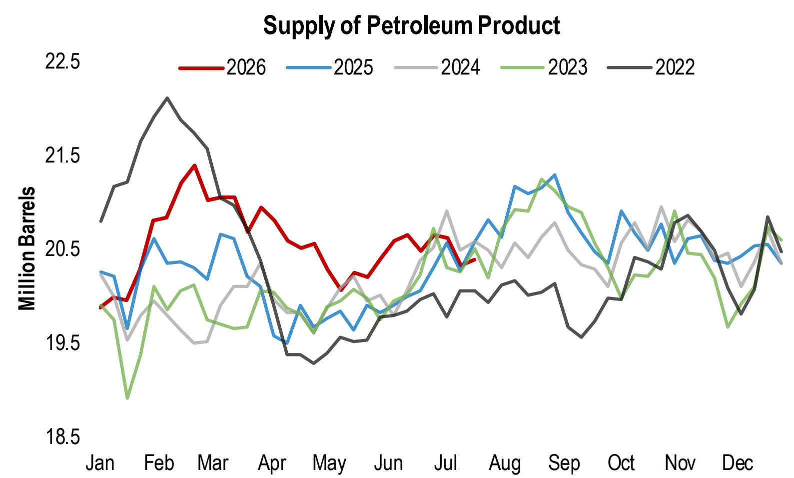
Gasoline and Distillate Remain at Seasonally Depressed Levels and Down ~19% from Recent Peaks



Oil Product Net Imports Rose Again as Net Imports of Crude Hit Highest Level Since March 27



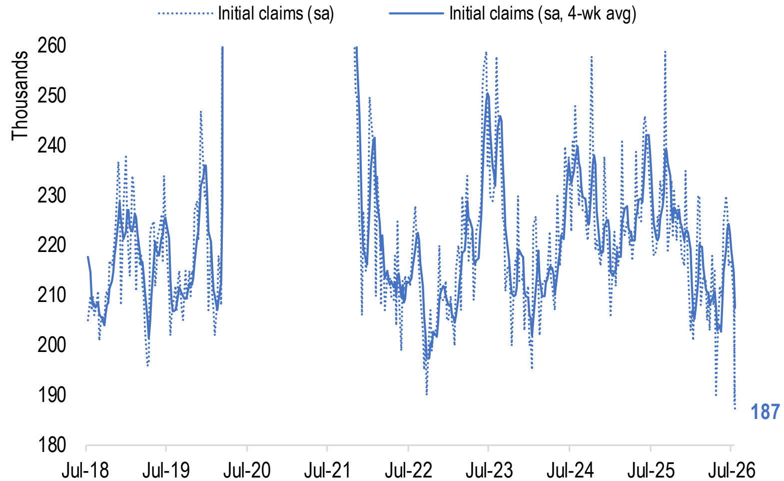
Supply of Petroleum Product, Proxy for End Demand, Picked Up Slightly Due to Rise in Distillates



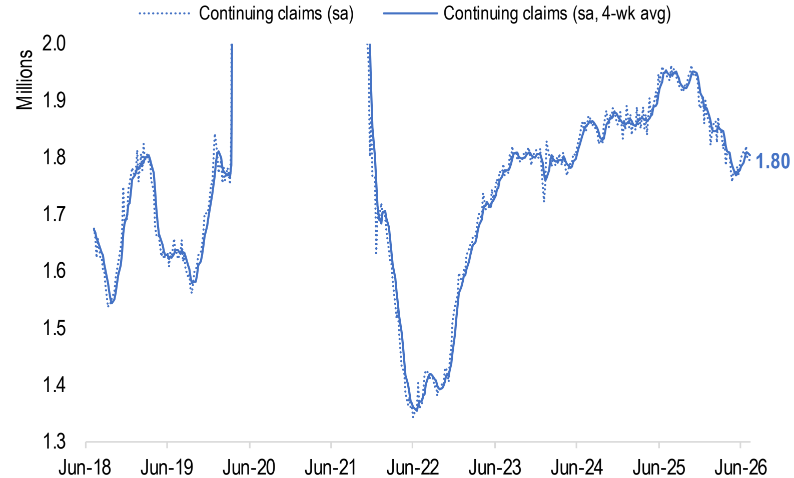
Sources: Energy Information Administration, Arch Global Economics

SPR = Strategic Petroleum Reserve

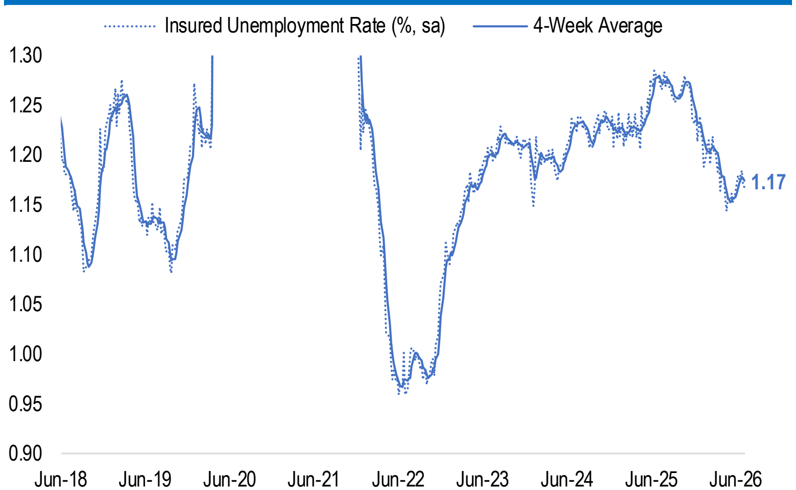
Initial Claims Plunged to 187k (SA) in Week Ending July 18, Lowest Since 1969



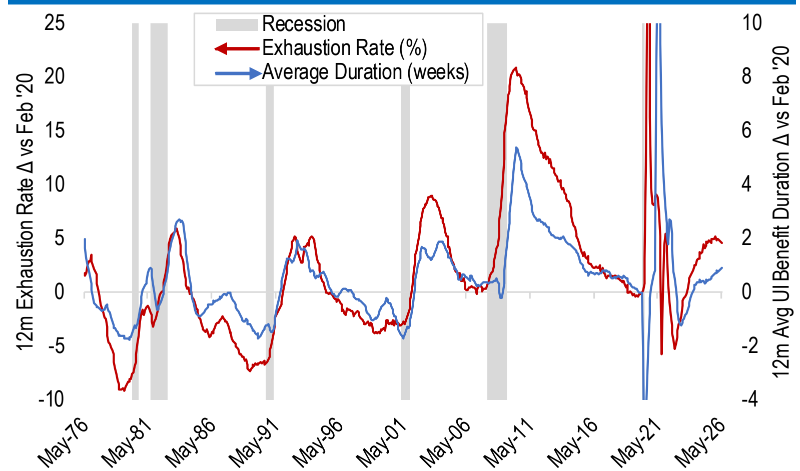
Continuing Claims Down to 1,796k (SA) in Week Ending July 11, Reversing Prior Multi-Month Uptrend



Insured Unemployment Rate Ticked Down to 1.17% in Week Ending July 4, Just Above Multi-Year Low



Share of Unemployed Workers Exhausting Benefits Continued to Ease through May

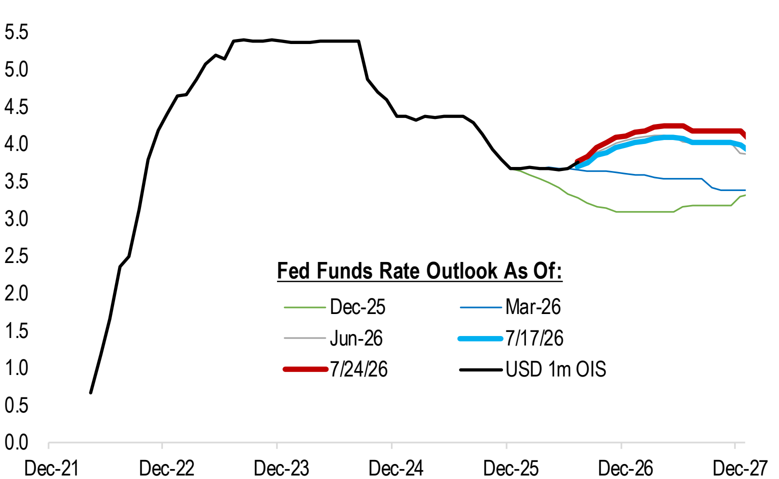


$$\text{Insured Unemployment} = \frac{\text{Continuing Claims}}{\text{Employed Population Eligible for Unemployment Insurance}}$$

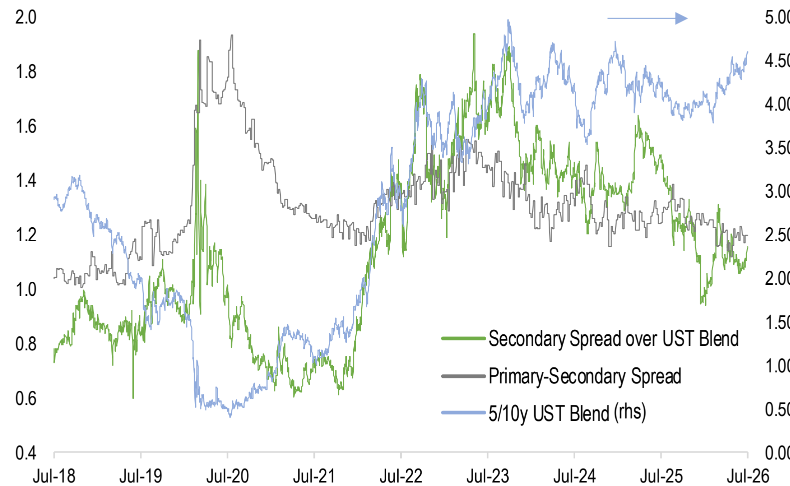
Sources: U.S. Department of Labor, Arch Global Economics

SA = Seasonally Adjusted

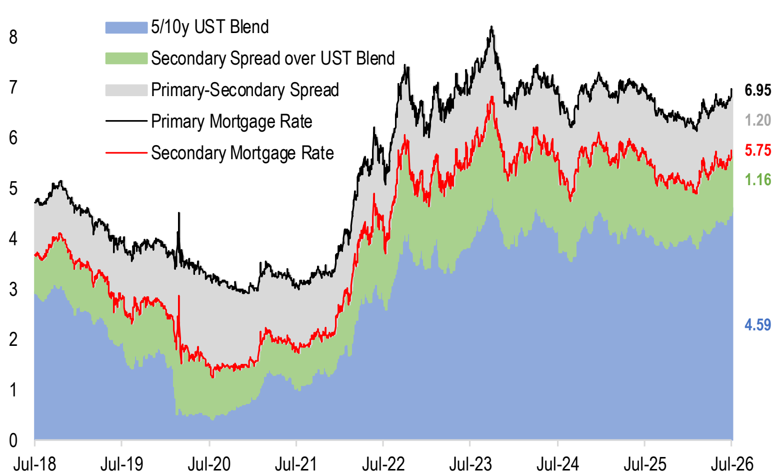
Market Back to Pricing in Two Rate Hikes by Year End as Oil Prices Surged toward $100/bbl



Mortgage Spreads Widened 5bps and 5/10y U.S. Treasury Yields Jumped 14bps on the Week …

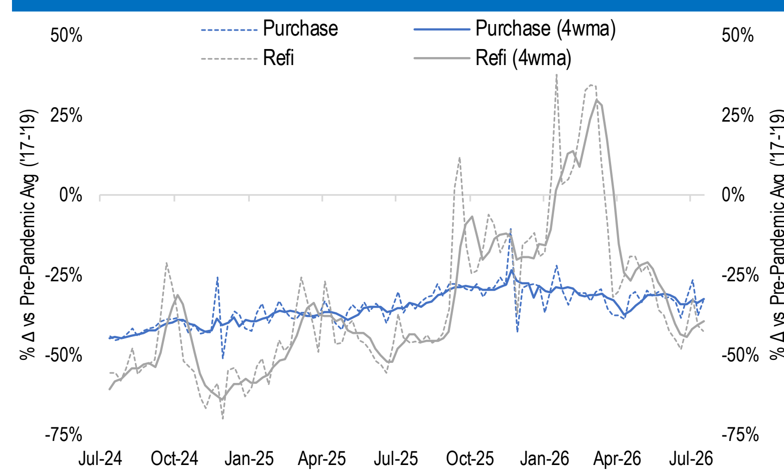


… Lifting Mortgage Rates Toward 7%



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

Mortgage Applications Have Trended Higher in Recent Weeks despite Rising Mortgage Rates



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	**1.9%**	**1.3%**	**2.2%**	**2.1%**	**19.8%**	**-0.9%**	**99.1%**	**0.1%**	**-4.5**	**-5.5**	**1%**	**10%**	**16%**
Atlanta	-1.1%	1.0%	1.7%	1.3%	21.9%	-1.5%	98.2%	0.0%	22.3	20.8	4%	41%	46%
Austin	-2.0%	3.8%	-2.2%	0.7%	26.1%	-3.0%	97.6%	0.4%	42.3	42.5	-2%	141%	169%
Baltimore	0.4%	0.3%	-0.8%	-2.2%	19.4%	-0.1%	100.8%	0.2%	0.0	-4.0	12%	-4%	-14%
Boston	0.5%	0.4%	3.0%	0.7%	17.1%	-0.1%	101.8%	-0.2%	11.3	9.8	15%	5%	-6%
Chicago	4.8%	-0.6%	5.8%	2.2%	10.6%	-1.2%	101.2%	0.7%	-9.0	-8.0	0%	-31%	-29%
Dallas	-2.8%	0.5%	-0.2%	-0.3%	26.5%	-1.2%	97.7%	-0.1%	12.8	11.5	-5%	43%	53%
Denver	1.0%	-2.5%	0.9%	-1.0%	28.8%	-1.8%	99.0%	0.1%	11.5	12.3	-5%	94%	101%
Houston	-2.2%	0.6%	-0.7%	0.0%	24.4%	-2.4%	97.2%	0.2%	18.0	14.0	-2%	35%	43%
Los Angeles	-0.4%	1.6%	-0.2%	1.2%	14.7%	-1.2%	100.0%	0.1%	0.5	-0.5	-3%	32%	43%
Miami	1.5%	0.1%	1.9%	4.2%	12.7%	-2.4%	95.5%	0.3%	26.8	24.8	-14%	14%	49%
Minneapolis	1.2%	1.0%	1.1%	-0.3%	21.3%	0.9%	100.3%	-0.3%	2.0	0.8	9%	10%	14%
Nashville	0.3%	1.4%	0.9%	1.2%	19.1%	-1.6%	98.2%	-0.1%	11.0	4.3	9%	60%	48%
New York	4.6%	0.3%	3.4%	-0.6%	13.9%	0.5%	101.0%	0.1%	-43.3	-43.8	1%	-25%	-24%
Phoenix	0.4%	3.1%	1.4%	3.0%	21.5%	-1.0%	97.9%	0.0%	20.5	20.5	-4%	93%	116%
Portland	-0.5%	1.5%	0.7%	2.0%	24.2%	-1.4%	99.8%	0.1%	5.0	3.3	-2%	35%	54%
Riverside	-1.6%	0.0%	-1.0%	-0.4%	16.7%	-2.1%	99.0%	-0.1%	-2.8	1.0	-11%	17%	40%
San Diego	-1.9%	-1.8%	0.4%	0.6%	19.2%	-2.5%	99.4%	0.4%	4.5	8.5	-5%	15%	44%
Seattle	-4.2%	-0.9%	-1.0%	1.9%	23.7%	1.8%	99.4%	-0.4%	3.8	0.5	13%	80%	39%
Tampa	2.9%	2.7%	-0.5%	1.5%	25.2%	-3.5%	97.3%	0.3%	7.5	10.8	-9%	70%	88%
Washington DC	-0.9%	0.8%	0.2%	0.1%	16.9%	-0.9%	99.9%	0.1%	12.5	10.8	8%	43%	37%

Data as of Jul. 19, 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
7/27/26	8:30 AM	Durable Goods Orders m/m	Jun P	0.3	1.8	--	-4.5	%, sa
7/27/26	8:30 AM	Cap Goods Orders Nondef Ex Air m/m	Jun P	0.9	0.7	--	1.4	%, sa
7/27/26	8:30 AM	Cap Goods Ship Nondef Ex Air m/m	Jun P	1.9	0.6	--	0.1	%, sa
7/28/26	8:30 AM	Retail Inventories m/m	Jun	--	0.4	--	0.6	%, sa
7/28/26	8:30 AM	Wholesale Inventories m/m	Jun P	--	0.4	--	0.1	%, sa
7/28/26	9:00 AM	FHFA House Price Index m/m	May	--	0.1	--	-0.1	%, sa
7/28/26	9:00 AM	S&P CoreLogic CS 20-City m/m SA	May	--	0.0	--	0.0	%, sa
7/28/26	9:00 AM	S&P CoreLogic CS 20-City y/y NSA	May	--	1.3	--	1.1	%, nsa
7/28/26	10:00 AM	Richmond Fed Manufact. Index	Jul	--	6.0	--	4.0	index, sa
7/28/26	10:00 AM	Conf. Board Consumer Confidence	Jul	--	92.4	--	91.2	index, sa
7/29/26	7:00 AM	MBA Mortgage Applications w/w	Jul 24	--	--	--	1.9	%, sa
7/29/26	2:00 PM	FOMC Rate Decision (Upper Bound)	Jul 29	--	3.8	--	3.8	%
7/30/26	8:30 AM	Personal Income m/m	Jun	--	0.3	--	0.7	%, sa
7/30/26	8:30 AM	Personal Spending m/m	Jun	--	0.4	--	0.7	%, sa
7/30/26	8:30 AM	Real Personal Spending m/m	Jun	--	0.4	--	0.3	%, sa
7/30/26	8:30 AM	PCE Inflation m/m	Jun	--	-0.1	--	0.4	%, sa
7/30/26	8:30 AM	PCE Inflation y/y	Jun	--	3.7	--	4.1	%, nsa
7/30/26	8:30 AM	PCE Core Inflation (ex Food and Energy) m/m	Jun	--	0.2	--	0.3	%, sa
7/30/26	8:30 AM	PCE Core Inflation (ex Food and Energy) y/y	Jun	--	3.3	--	3.4	%, nsa
7/30/26	8:30 AM	Initial Jobless Claims	Jul 25	--	200	--	187	k, sa
7/30/26	8:30 AM	Continuing Claims	Jul 18	--	1,795	--	1,796	k, sa
7/30/26	8:30 AM	GDP Annualized q/q	2Q A	--	2.0	--	2.1	%, saar
7/30/26	8:30 AM	Personal Consumption q/q	2Q A	--	2.3	--	0.5	%, saar
7/30/26	8:30 AM	Core PCE Deflator q/q	2Q A	--	3.5	--	4.4	%, saar
7/31/26	8:30 AM	Employment Cost Index q/q	2Q	--	0.8	--	0.9	%, sa
7/31/26	10:00 AM	U. of Mich. Sentiment	Jul F	--	54.0	--	54.4	index, nsa
7/31/26	10:00 AM	U. of Mich. 1 Yr Inflation	Jul F	--	4.3	--	4.2	nsa
7/31/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	Jul F	--	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
7/20/26	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	**1.9**	--	--	-2.7	%, sa
7/23/26	8:30 AM	Initial Jobless Claims	Jul 18	**187**	210	209	208	k, sa
7/23/26	8:30 AM	Continuing Claims	Jul 11	**1,796**	1,809	1,798	1,805	k, sa
7/23/26	8:30 AM	Chicago Fed Nat Activity Index	Jun	**0.0**	0.0	-0.2	-0.1	index, nsa
7/23/26	11:00 AM	Kansas City Fed Manf. Activity	Jul	**9**	12	--	11	sa, index
7/24/26	8:00 AM	Building Permits	Jun F	**1,374**	--	--	1,367	k, saar
7/24/26	8:00 AM	Building Permits m/m	Jun F	**-2.6**	--	--	-3.0	%, sa
7/24/26	9:45 AM	S&P Global US Manufacturing PMI	Jul P	**53.8**	54.4	--	53.9	index, sa
7/24/26	9:45 AM	S&P Global US Services PMI	Jul P	**53.6**	51.5	--	51.2	index, sa
7/24/26	9:45 AM	S&P Global US Composite PMI	Jul P	**53.6**	52.2	--	51.9	index, sa
7/24/26	10:00 AM	New Home Sales	Jun	**628**	607	618	580	k, saar
7/24/26	10:00 AM	New Home Sales m/m	Jun	**1.6**	4.8	-4.3	-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