HaMMR Digest

Stay current with economic and mortgage market trends.

August 10, 2026

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Another Dipsy Do

- **Key Takeaway:** Downside miss on job growth, plus downward revisions to prior months, push back on the notion the labor market is reaccelerating.
- **Macro Implications:** Despite lower unemployment, weak job growth removes Fed urgency to hike, granting more time for inflation data to normalize.
- **Housing Implications:** Don’t fret the disappointing jobs report — the labor market remains resilient — but affordability remains key housing constraint.

Macro: Look in Totality

- Confluence of labor data remains stable, implying low risk of a near-term break.
- Labor market tightening risks tied to staff shortages eased with soft wage growth.
- Construction sector activity remains sluggish with data centers the lone bright spot.

Rates: A Little Bit Lower Now

- 10y UST down -9bps w/w alongside lower oil prices and weak payrolls.
- Curve steepening intact amid policy restrictiveness, lingering inflation concerns.
- Markets pared rate hike bets by ~50%-pts for ’26 & ’27 on weaker growth outlook.

Housing Market: Nothing Changes but Time

- Mortgage rates not going to ease unless Treasury yields come down.
- Pending sales continue to tread water, only to be met by fewer new listings.
- Balance between sales and inventory to keep annual home price growth modest.

Jobs Report: As Good as It Gets?

- July private payrolls rose just 30k, below the prior 3- and 6-month avg.
- Unemployment down -10bps to 4.09%, the lowest in over a year.
- Rising exits from the labor force driven by younger and older workers.

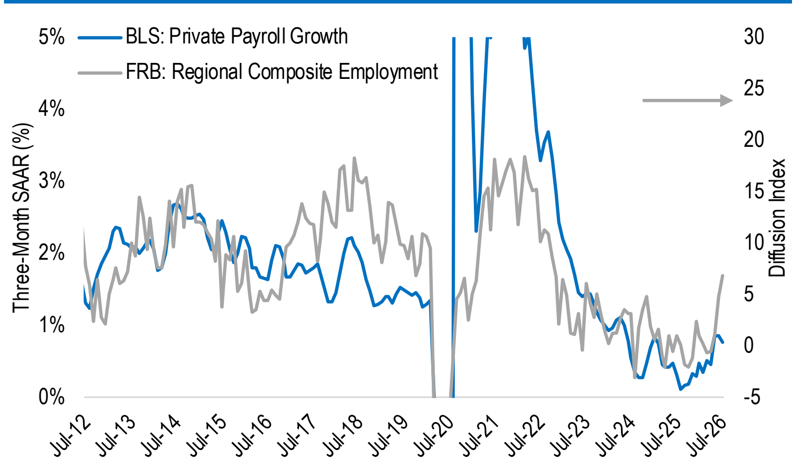
ISM PMI: Cyclical Momentum Keeps on Building

- Manufacturing activity broadening beyond tech, despite rising input costs.
- Employment in goods-producing sectors poised to flip from drag to boon.
- Services businesses noted a pickup in new activity and firming demand.

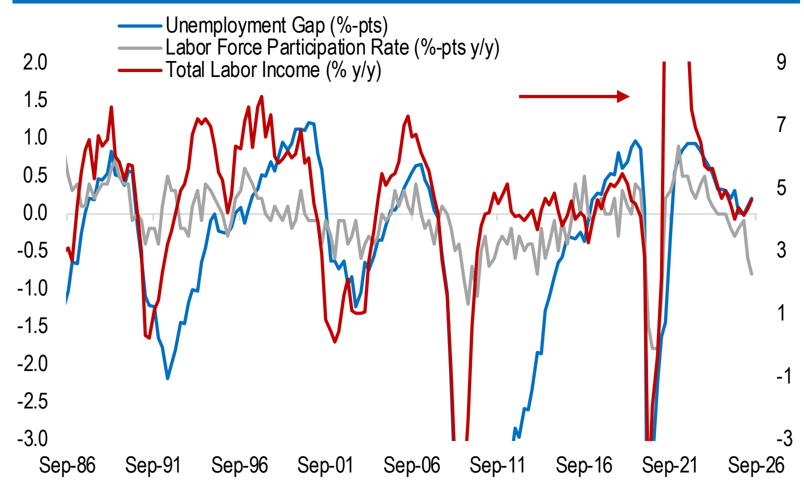
Consumer Credit: Tapping Lines

- Consumer credit rose 3.3% SAAR in 2Q26, accelerating from 2.3% in 1Q26.
- Revolving credit rose 5.5% SAAR in 2Q26, its strongest quarter since ‘24.
- Consumers have offset temporary weak real income growth with credit.

July Private Job Growth Miss Not the Start of a Rollover Given Trend in Business Employment Intentions



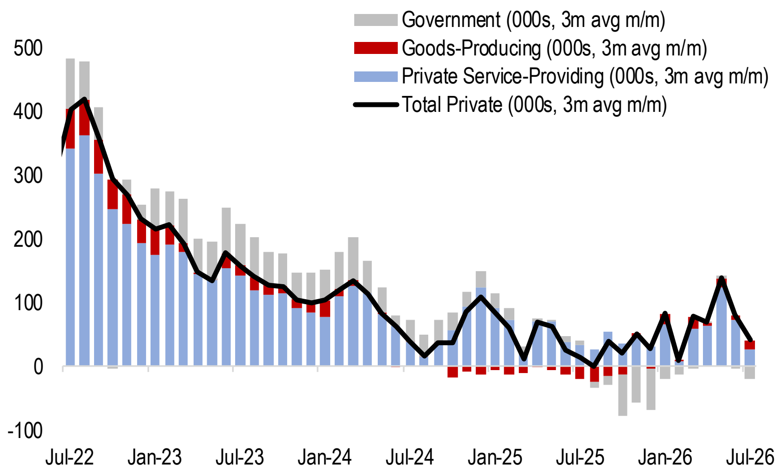
Falling Participation Tends to Accompany an Economic Downturn, This Looks like a Labor Supply Shock



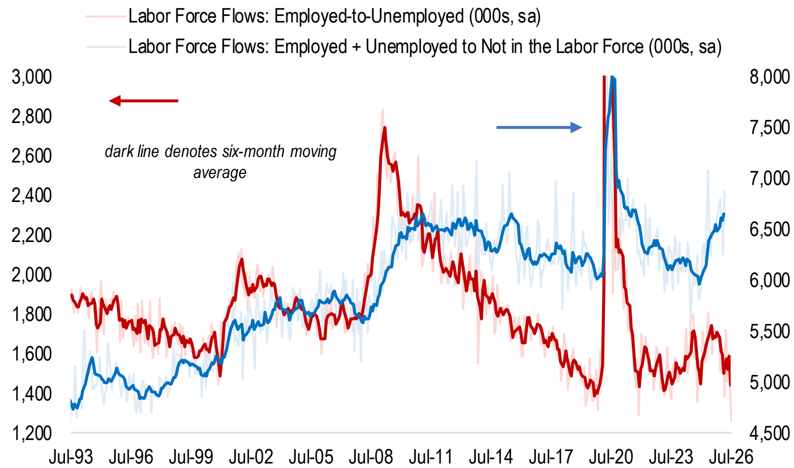
Sources: FRB, BLS, CBO, Arch Global Economics

Unemployment Gap = Non-Accelerating Inflation Rate of Unemployment (NAIRU) – Unemployment Rate

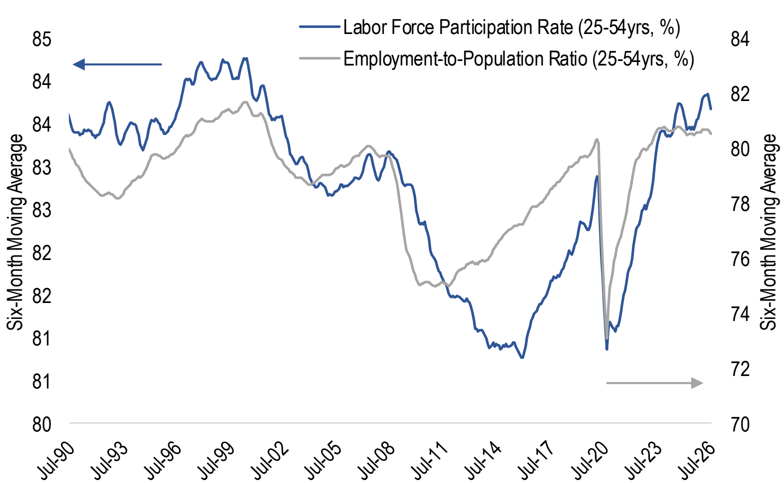
Private Job Growth Slowed Sharply through July, Led by Retail and Leisure Sectors despite World Cup



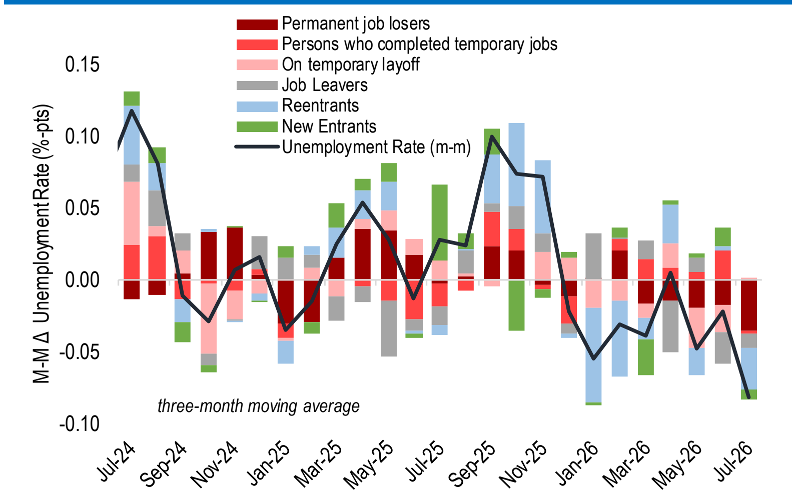
Labor Force Exits Continue to Rise, Led by Bookends of the Age Distribution (≤ 24yrs and 55yrs+)



Prime-Age Participation Rates Improved Slightly in July with the Employment Rate Stable Since 2023

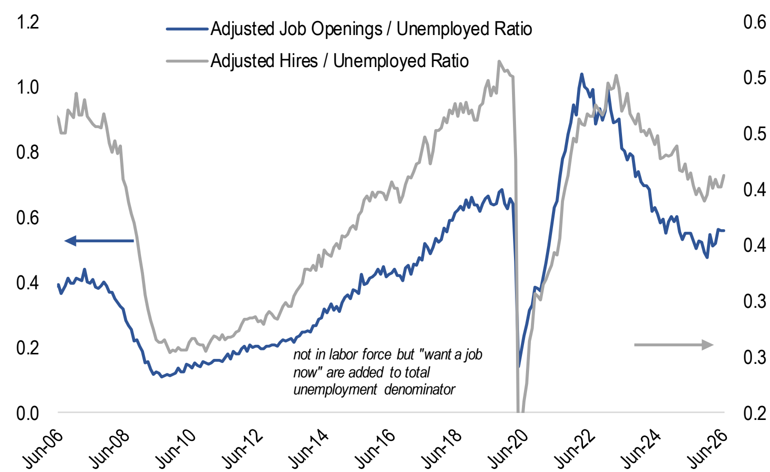


The Low Layoffs Narrative Holds as Permanent Job Losers Have Been in Decline Since March

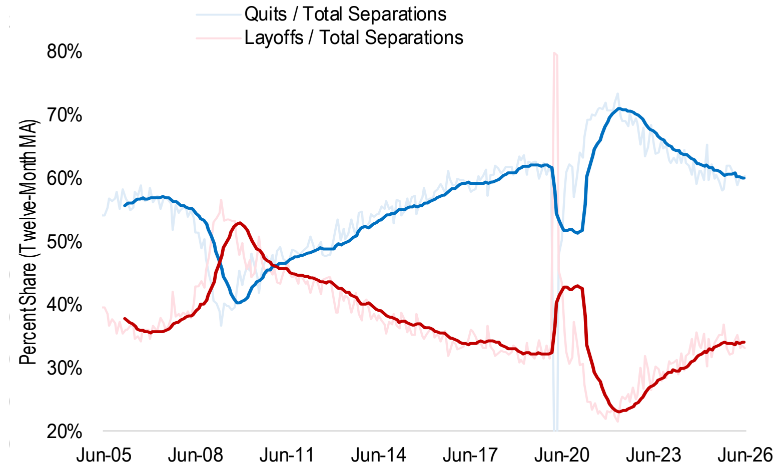


Sources: U.S. Bureau of Labor Statistics, Arch Global Economics

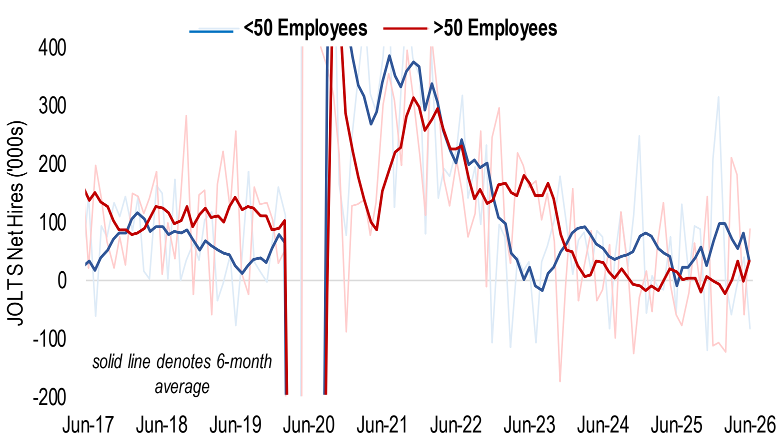
Latest JOLTS Data Showed a Modest Pickup in Openings Driven by Goods and Finance Sectors



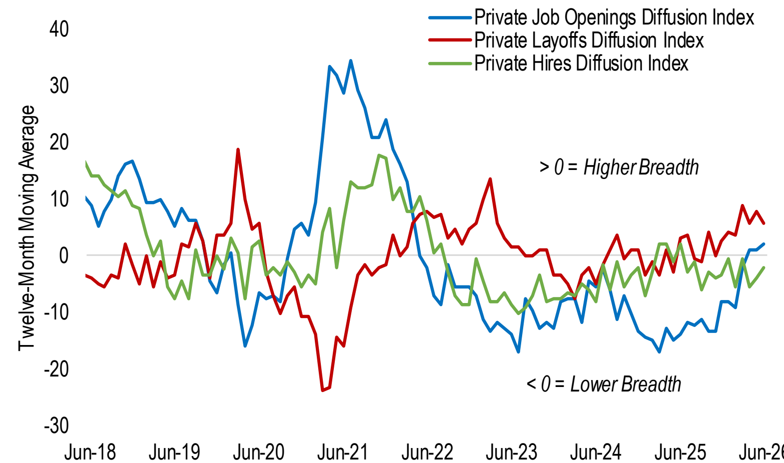
Quits and Layoffs Effectively Remain at a Standstill



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

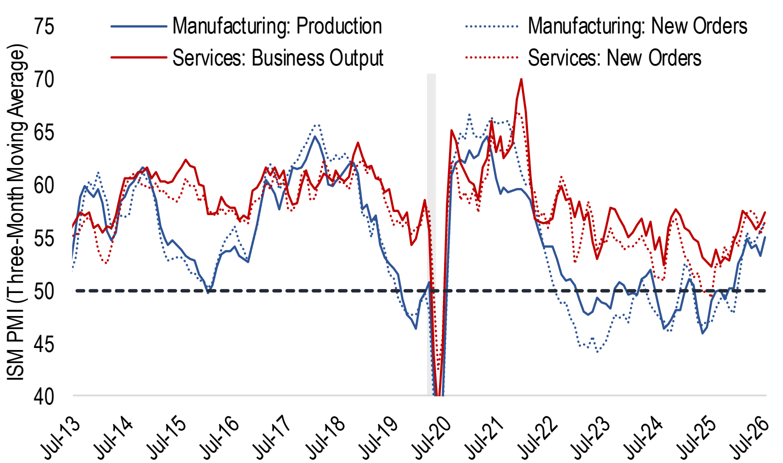


Turnover Breadth Took a Modest Step Back with the Healthcare Sector Dominating Decline in Openings

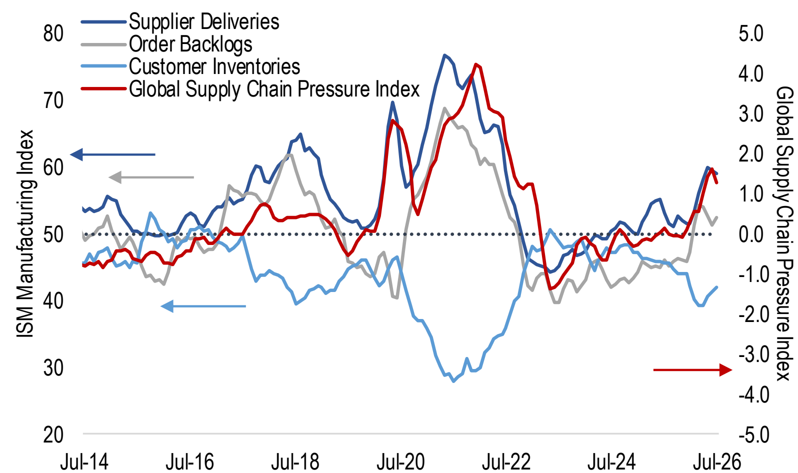


Sources: U.S. Bureau of Labor Statistics, Arch Global Economics

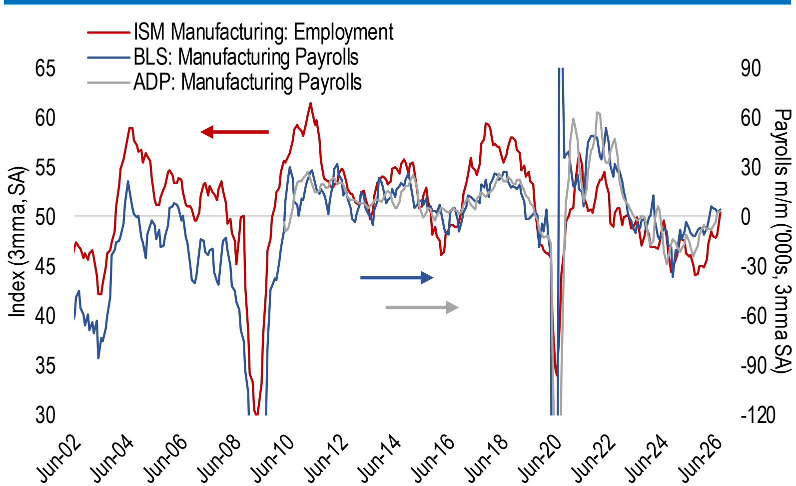
Solid Economy-Wide Activity Is Broadening Out Beyond Tech-Related Capex



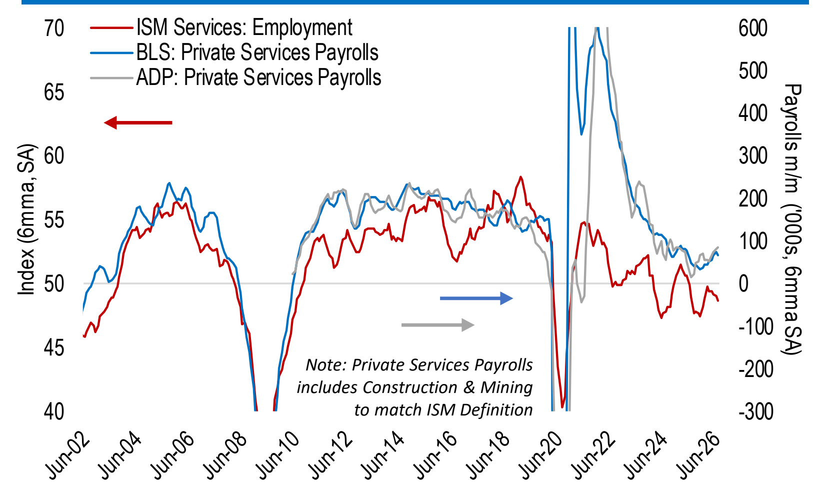
Manufacturing Supply Chains Look to Be on the Mend



Multiple Measures of Manufacturing Employment Trending in Same (Positive) Direction

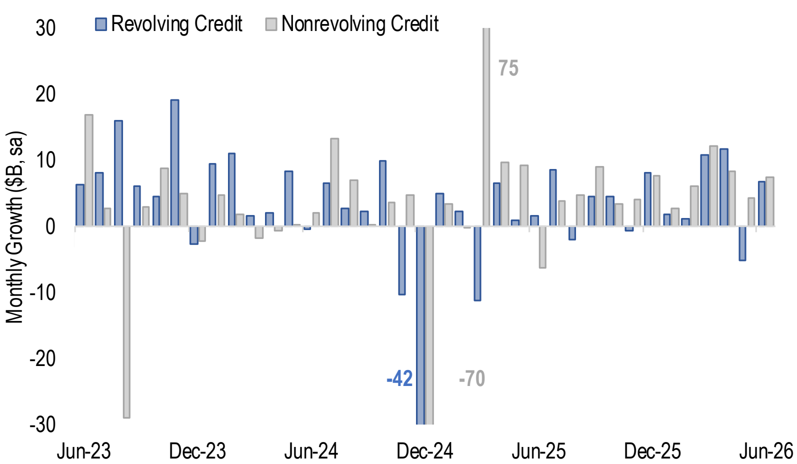


ISM Services Employment Weaker Than Payrolls as Firms Hold Headcount Flat Rather Than Cut

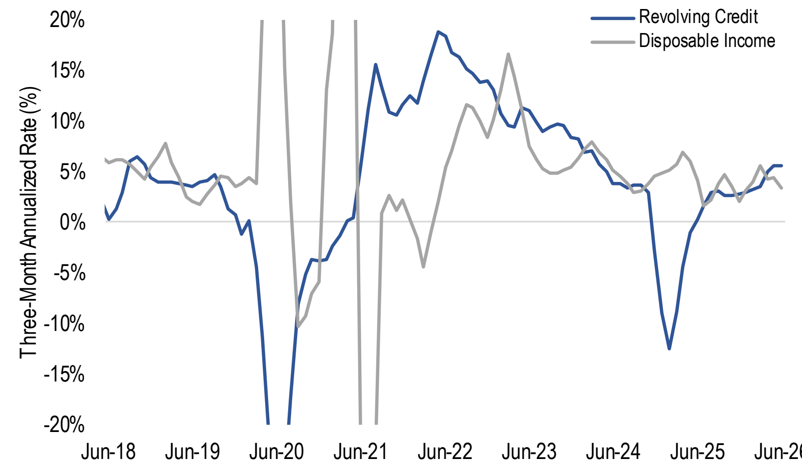


Sources: ISM, FRB, Census Bureau, BLS, Arch Global Economics

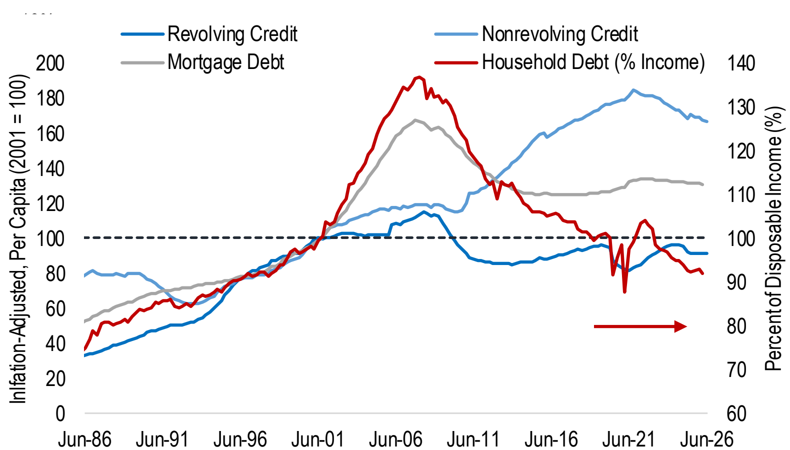
Consumer Credit Growth Has Picked Up Momentum Recently, Accompanying the Slide in the Savings Rate



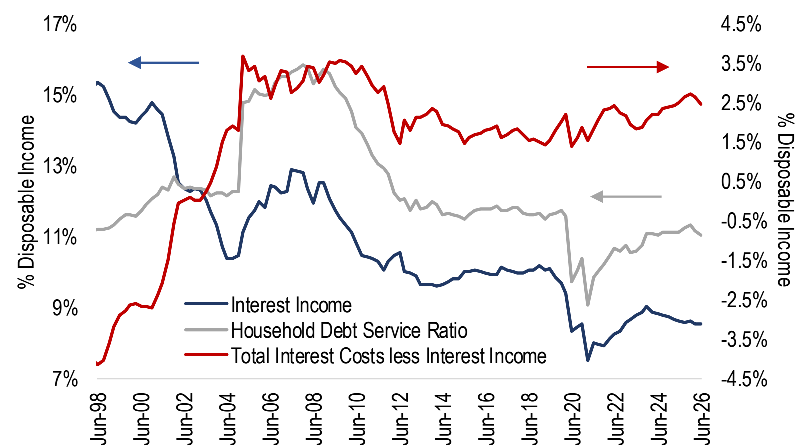
Households Have Leaned on Credit Recently, but Borrowing Remains Modest Relative to Income



Overall, Aggregate Household Credit Profile Remains Healthy by Historical Standards

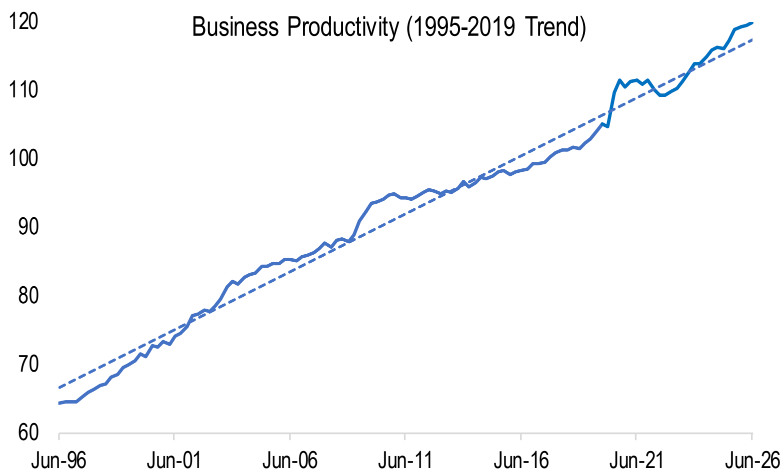


Positive Trend in Household Interest Costs Likely to Turn with Rise in Rates

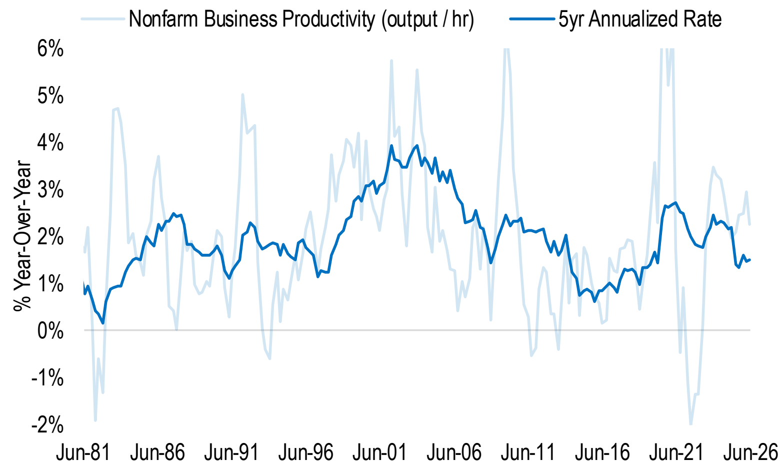


Sources: Federal Reserve Board, BEA, Arch Global Economics

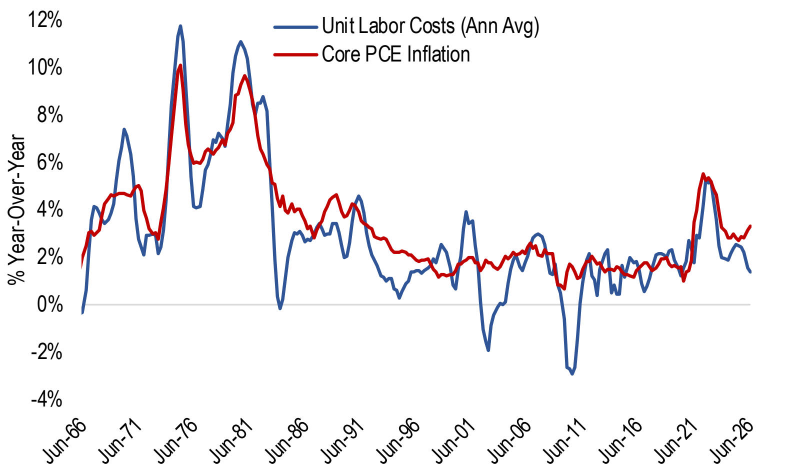
Above-Trend Productivity Driven by Capex Heavy, Low-Labor Investment



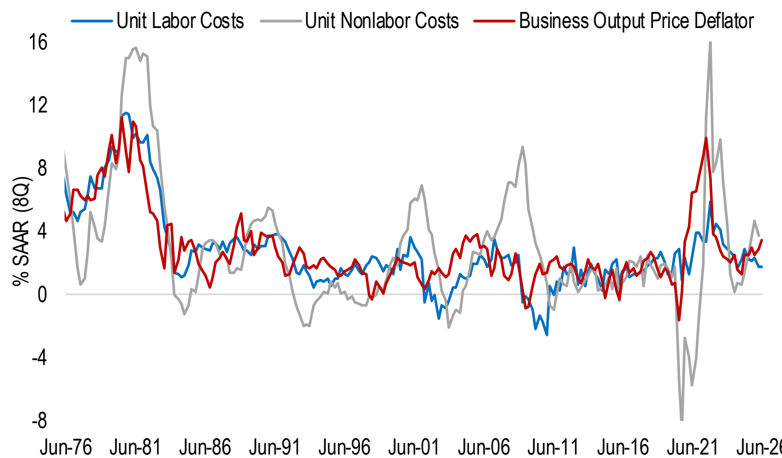
Capex Has Been Geared Toward Buildout of AI Data Centers as Economy Is Still in the Early Adoption Phase



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



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

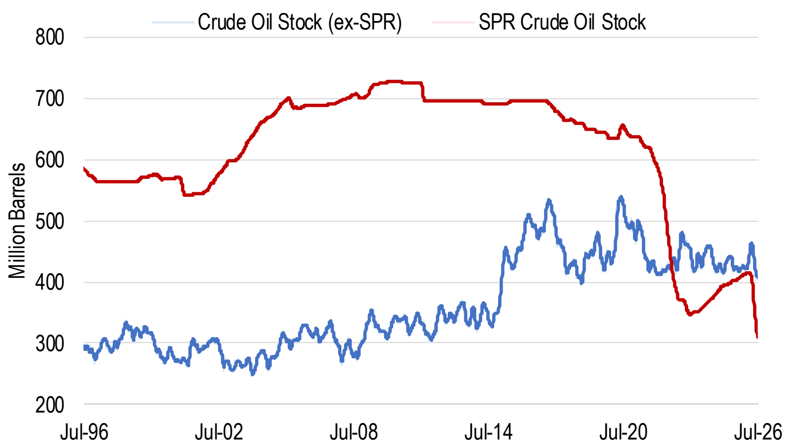


Sources: BLS, Arch Global Economics

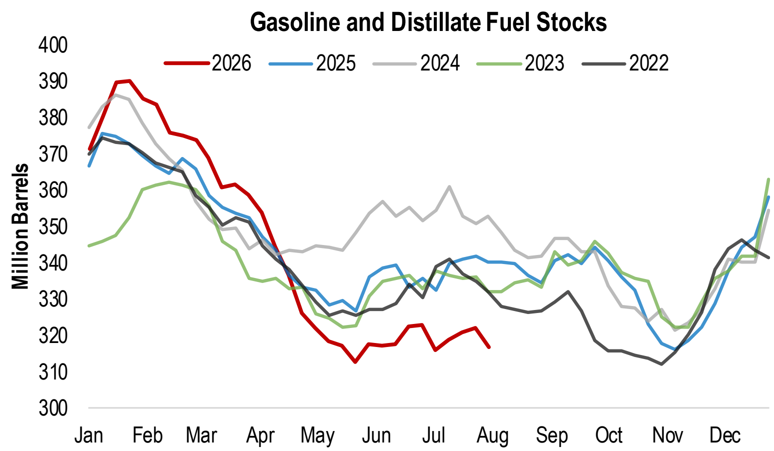
Last Week's Data in Charts

Energy Product Dynamics

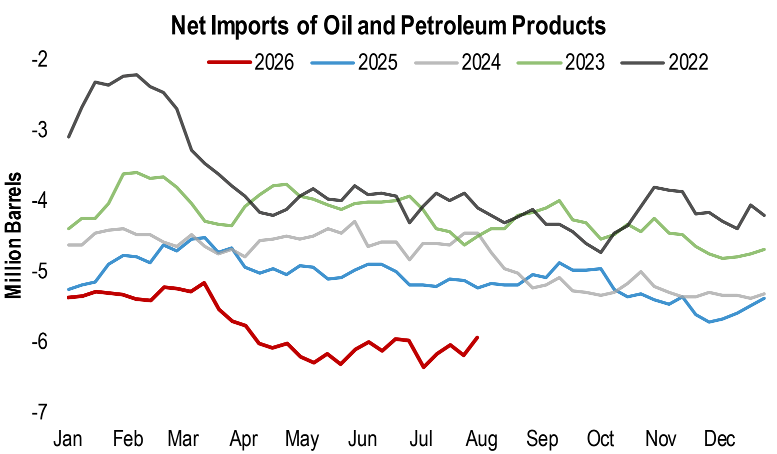
Energy Inventories Tumbled in the Week Ending July 31 with a 2.8m Barrel Draw (Ex-SPR)



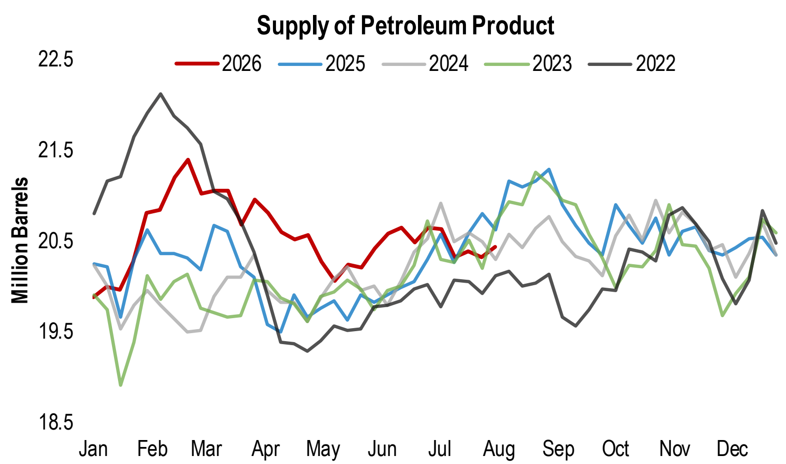
Gasoline and Distillate Fuel Stocks Remain at Seasonally Depressed Levels and down ~19% from Recent Peaks



Oil Product Net Imports Moderated as the Pace of Crude Imports Slowed



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



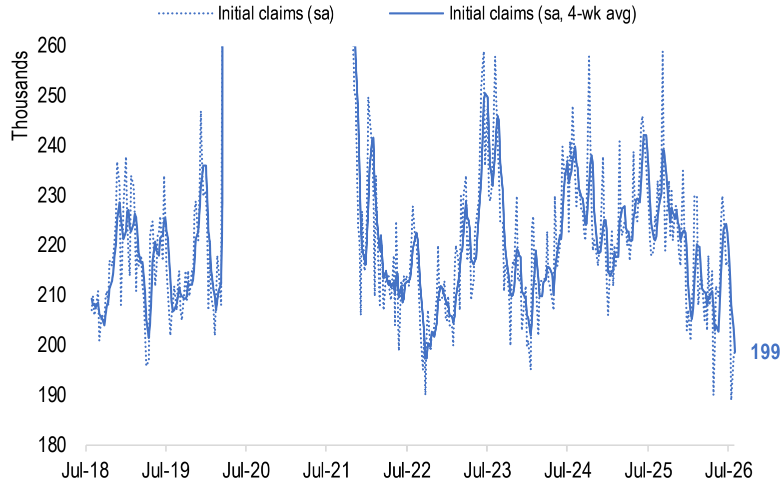
Sources: Energy Information Administration, Arch Global Economics

SPR = Strategic Petroleum Reserve

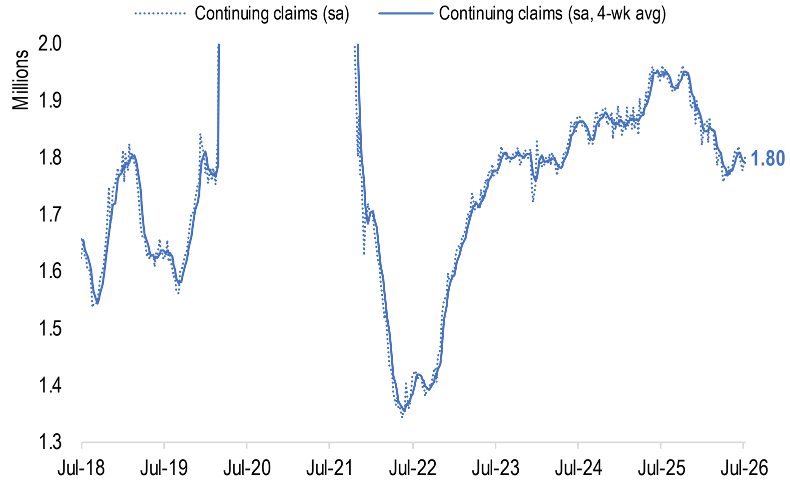
Last Week's Data in Charts

Jobless Claims

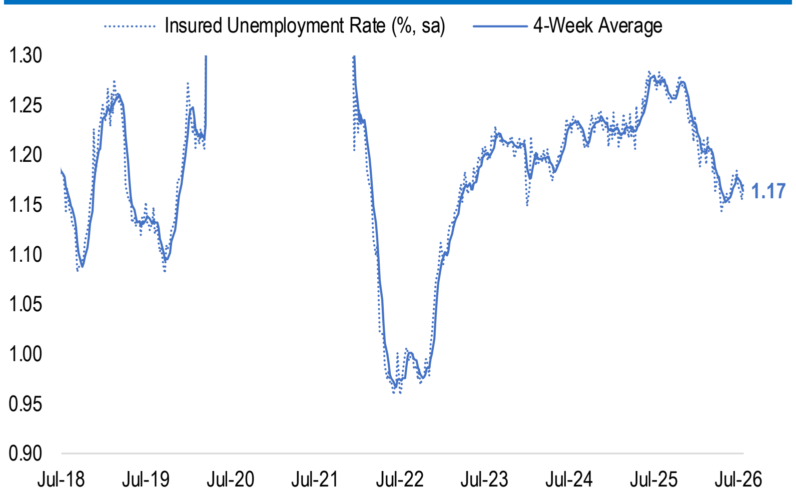
Initial Claims Inched Up to 199k (SA) in Week Ending Aug. 1, Two Weeks after Lowest Since 1969



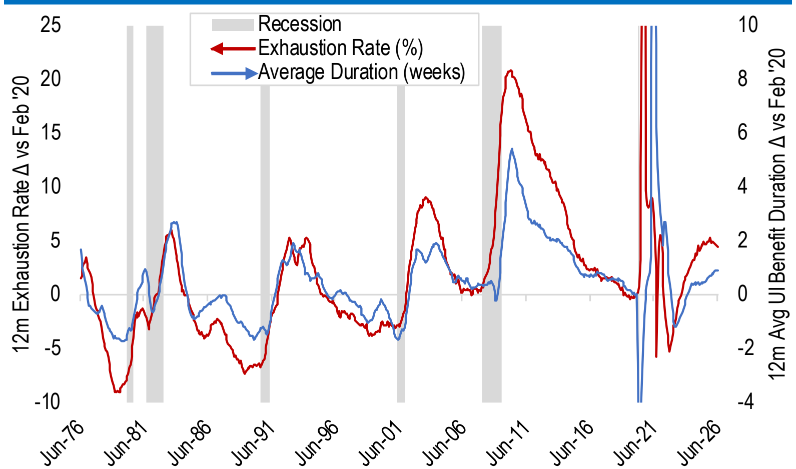
Continuing Claims Bounced Back to 1,801k (SA) in Week Ending July 25, but the Trend Remains Modestly Lower



Insured Unemployment Rate Ticked Up to 1.17% in Week Ending July 25, Just Above Multi-Year Low



Share of Unemployed Workers Exhausting Benefits Continued to Ease through June

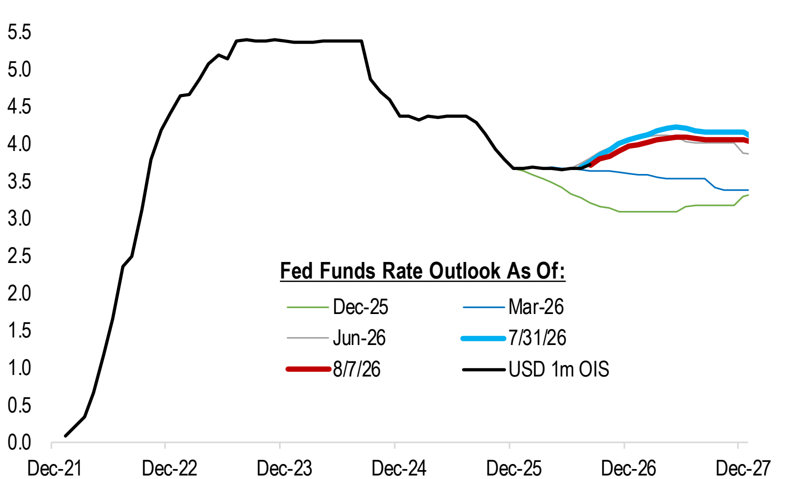


Insured Unemployment = $\frac{\text{Continuing Claims}}{\text{Employed Population Eligible for Unemployment Insurance}}$

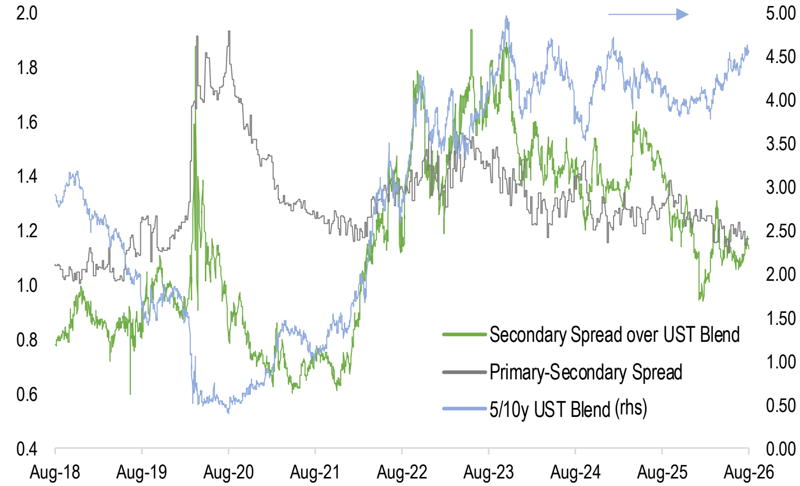
Sources: U.S. Department of Labor, Arch Global Economics

SA = Seasonally Adjusted

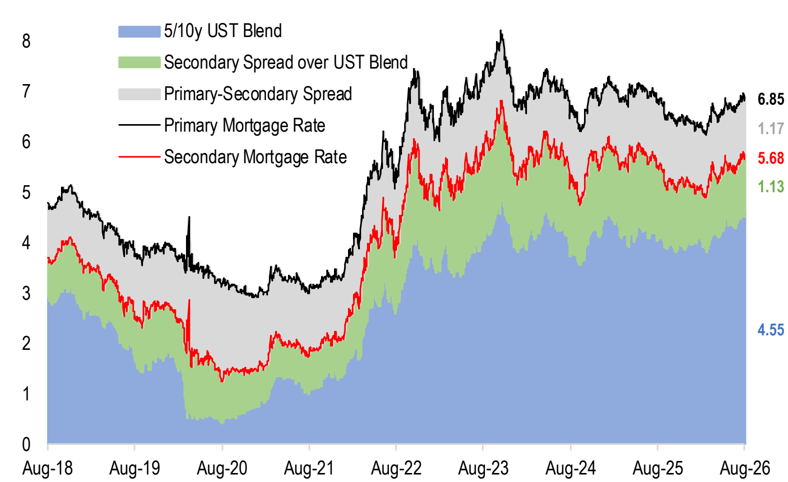
Market Odds of Two Rate Hikes by '27 Plunged from a Sure Bet to ~2/3 Odds after Disappointing Jobs Report



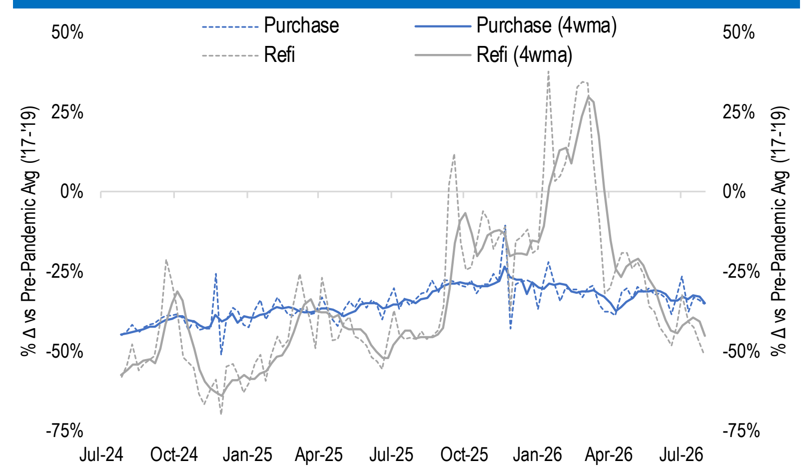
Mortgage Spreads Inched Down on the Week as 5/10y U.S. Treasury Yields Dropped -9bps …



… Pulling Mortgage Rates Lower after Nearly Touching 7%



Mortgage Applications Tailing Off Again in Response to Prior Mortgage Rate Surge

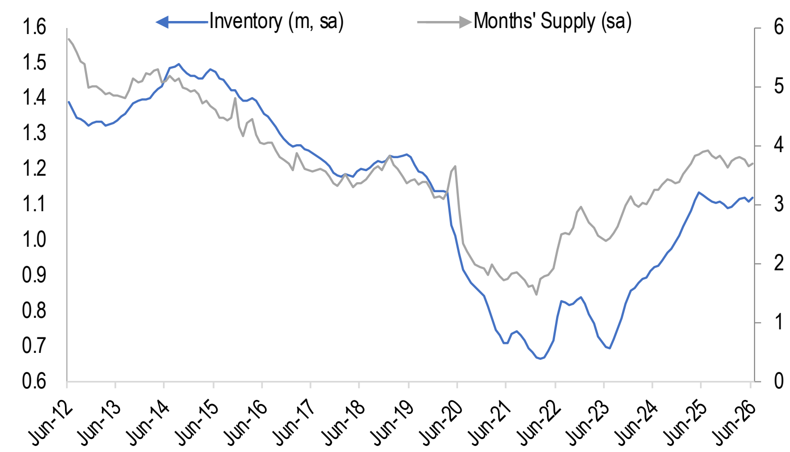


Sources: Bloomberg, FRB, Mortgage Bankers Association, Arch Global Economics

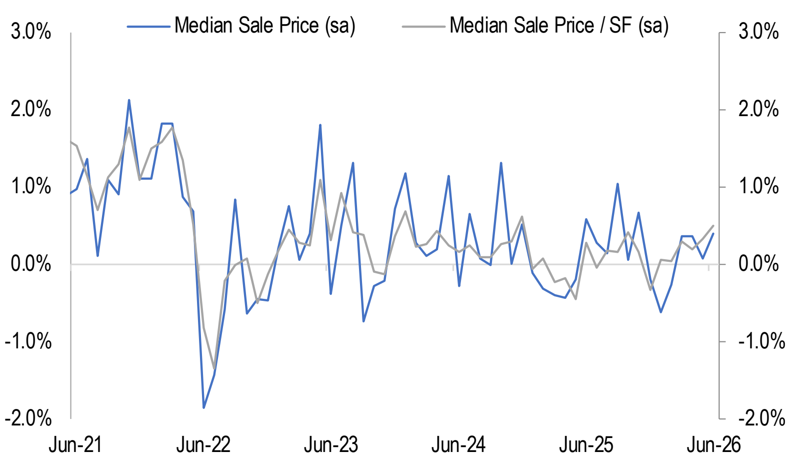
Secondary Spread: Current Coupon Option-Adjusted Spread over 5/10y UST Blend
Primary-Secondary Spread: Primary Mortgage Rate - Secondary Mortgage Rate

Pending Sales Have Moved Sideways Since Mortgage Rates Spiked, but New Listings Have Slowed …

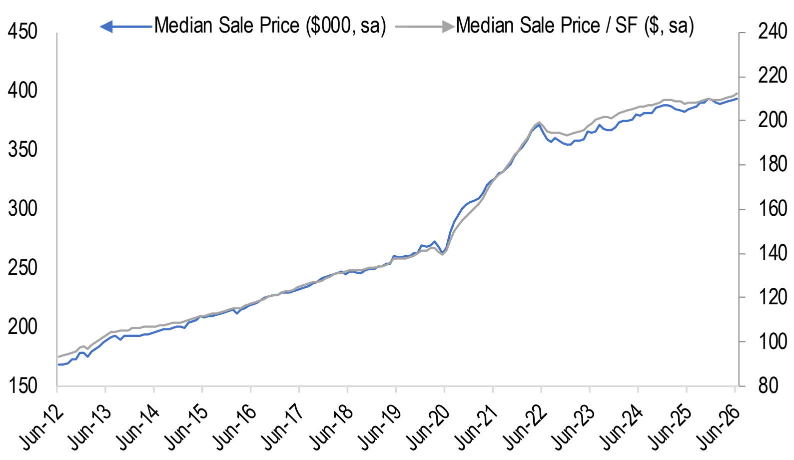
… Which Has Kept Inventory in Check, and Modestly Tightened Months' Supply



Pace of Seasonally Adjusted Home-Price Growth Has Rebounded after Falling in 1Q26



Home Prices Back on a Gradual Upturn after 1Q26 Softness



Sources: Redfin, Arch Global Economics

SA = Seasonally Adjusted
SF = Square Foot

Monthly data as of Aug. 5, 2026

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
National	**1.9%**	**1.3%**	**2.0%**	**1.7%**	**20.5%**	**-0.4%**	**99.0%**	**0.1%**	**-4.8**	**-5.0**	**0%**	**8%**	**12%**
Atlanta	-0.5%	*1.2%*	1.0%	0.0%	22.5%	*-1.5%*	98.2%	0.1%	*22.8*	*22.8*	*4%*	43%	47%
Austin	**-2.3%**	**3.0%**	**-1.9%**	**2.8%**	**27.2%**	*-1.6%*	*97.5%*	*0.4%*	**42.8**	**43.8**	-2%	**133%**	**168%**
Baltimore	-0.3%	**-0.7%**	**-1.8%**	**-2.3%**	20.5%	**0.5%**	*100.5%*	0.1%	*-0.8*	*-4.8*	**11%**	**-7%**	**-15%**
Boston	0.0%	0.3%	*1.9%*	0.5%	*17.2%*	*0.2%*	**101.6%**	*0.0%*	8.8	7.5	**14%**	*-2%*	**-9%**
Chicago	**4.7%**	*-0.4%*	**4.7%**	0.5%	**11.1%**	*-1.4%*	**101.0%**	**0.7%**	**-10.0**	**-9.3**	0%	**-34%**	**-33%**
Dallas	**-2.3%**	*1.4%*	*-0.6%*	0.5%	**27.3%**	-0.8%	*97.6%*	*0.0%*	14.0	13.3	*-6%*	48%	53%
Denver	*-1.2%*	**-1.1%**	**-1.4%**	**-1.3%**	**29.2%**	*-1.6%*	99.0%	0.1%	12.5	14.8	*-5%*	**91%**	**100%**
Houston	**-2.1%**	0.9%	**-1.4%**	*-0.5%*	*25.1%*	*-1.5%*	**97.2%**	*0.3%*	*19.8*	*16.0*	-3%	36%	42%
Los Angeles	-0.3%	0.7%	0.3%	1.2%	**15.2%**	-1.0%	*99.9%*	0.2%	1.5	3.3	-3%	28%	38%
Miami	**1.9%**	0.1%	**3.6%**	**6.0%**	**13.0%**	*-1.5%*	**95.5%**	0.2%	**25.5**	**25.5**	**-16%**	*9%*	42%
Minneapolis	*1.5%*	*1.7%*	*1.4%*	*-0.4%*	22.1%	**1.1%**	*100.2%*	**-0.2%**	2.3	1.5	**9%**	*13%*	*14%*
Nashville	0.3%	1.1%	*1.9%*	1.4%	19.8%	-0.9%	*98.1%*	*0.0%*	11.5	4.5	*8%*	*56%*	42%
New York	**6.1%**	**2.1%**	**2.6%**	**-2.2%**	**13.8%**	**0.6%**	**101.1%**	0.2%	**-41.8**	**-40.3**	0%	**-31%**	**-28%**
Phoenix	-0.4%	*1.5%*	0.9%	*2.1%*	21.6%	*0.0%*	*97.9%*	0.1%	*22.3*	*23.5*	*-5%*	**83%**	**108%**
Portland	*-0.9%*	*1.3%*	*-0.6%*	0.5%	**26.5%**	*0.0%*	99.7%	0.1%	5.5	5.0	-2%	33%	48%
Riverside	*-1.0%*	0.4%	*-0.7%*	0.2%	*17.4%*	-1.2%	99.1%	0.2%	*-3.0*	3.0	**-11%**	17%	35%
San Diego	*-1.5%*	**-1.5%**	0.0%	0.5%	20.2%	**-1.9%**	99.4%	**0.6%**	3.8	9.8	*-6%*	15%	43%
Seattle	**-3.7%**	**-0.6%**	*-1.1%*	*2.1%*	*24.4%*	**2.2%**	99.3%	**-0.1%**	4.5	1.8	**14%**	**79%**	37%
Tampa	**2.6%**	*1.5%*	-0.2%	*2.1%*	*25.2%*	**-2.5%**	**97.3%**	*0.4%*	11.8	13.8	*-7%*	**78%**	*86%*
Washington DC	*-1.2%*	*-0.3%*	0.1%	*-0.6%*	*17.5%*	-0.6%	*99.8%*	0.2%	13.0	10.8	*8%*	41%	31%

Data as of Aug. 2, 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
8/11/26	6:00 AM	NFIB Small Business Optimism	Jul	--	97.5	--	97.4	index, sa
8/11/26	10:00 AM	Existing Home Sales	Jul	--	4.1	--	4.1	m, saar
8/11/26	10:00 AM	Existing Home Sales m/m	Jul	--	-1.0	--	-2.4	%, sa
8/12/26	7:00 AM	MBA Mortgage Applications w/w	Aug 7	--	--	--	-2.9	%, sa
8/12/26	8:30 AM	CPI m/m	Jul	--	0.1	--	-0.4	%, sa
8/12/26	8:30 AM	CPI Core (ex Food and Energy) m/m	Jul	--	0.2	--	0.0	%, sa
8/12/26	8:30 AM	CPI y/y	Jul	--	3.4	--	3.5	%, nsa
8/12/26	8:30 AM	CPI Core (ex Food and Energy) y/y	Jul	--	2.5	--	2.6	%, nsa
8/13/26	8:30 AM	Initial Jobless Claims	Aug 8	--	202	--	199	k, sa
8/13/26	8:30 AM	Continuing Claims	Aug 1	--	1,795	--	1,801	k, sa
8/13/26	8:30 AM	PPI Final Demand m/m	Jul	--	0.2	--	-0.3	%, sa
8/13/26	8:30 AM	PPI Core (ex Food and Energy) m/m	Jul	--	0.3	--	0.2	%, sa
8/13/26	8:30 AM	PPI Final Demand y/y	Jul	--	4.9	--	5.5	%, nsa
8/13/26	8:30 AM	PPI Core (ex Food and Energy) y/y	Jul	--	4.1	--	4.7	%, nsa
8/14/26	8:30 AM	Advance Retail Sales m/m	Jul	--	0.1	--	0.2	%, sa
8/14/26	8:30 AM	Retail Sales Control Group m/m	Jul	--	0.3	--	0.5	%, sa
8/14/26	10:00 AM	U. of Mich. Sentiment	Aug P	--	54.7	--	55.2	index, nsa
8/14/26	10:00 AM	U. of Mich. 1 Yr Inflation	Aug P	--	4.2	--	4.2	nsa
8/14/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	Aug P	--	3.3	--	3.3	nsa
8/14/26	10:00 AM	Business Inventories m/m	Jun	--	0.1	--	0.3	%, 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
8/3/26	9:45 AM	S&P Global US Manufacturing PMI	Jul F	**53.9**	53.8	--	53.8	index, sa
8/3/26	10:00 AM	ISM Manufacturing	Jul	**55.6**	53.9	--	53.3	index, sa
8/3/26	10:00 AM	ISM Prices Paid	Jul	**71.1**	71.0	--	73.0	index, nsa
8/3/26	5:16 PM	Wards Total Vehicle Sales	Jul	**16.33**	16.32	--	16.52	m, saar
8/4/26	10:00 AM	JOLTS Job Openings	Jun	**7,359**	7,454	7,537	7,594	k, sa
8/4/26	10:00 AM	JOLTS Quits Rate	Jun	**2.0**	1.9	2.0	1.9	%, sa
8/4/26	10:00 AM	JOLTS Layoffs Rate	Jun	**1.1**	--	--	1.1	%, sa
8/4/26	10:00 AM	Durable Goods Orders m/m	Jun F	**0.5**	0.3	--	0.3	%, sa
8/4/26	10:00 AM	Cap Goods Orders Nondef Ex Air m/m	Jun F	**1.2**	0.9	--	0.9	%, sa
8/4/26	10:00 AM	Cap Goods Ship Nondef Ex Air m/m	Jun F	**2.0**	1.9	--	1.9	%, sa
8/5/26	7:00 AM	MBA Mortgage Applications w/w	Jul 31	**-2.9**	--	--	-6.4	%, sa
8/5/26	8:15 AM	ADP Employment m/m	Jul	**44**	65	95	98	k, sa
8/5/26	9:45 AM	S&P Global US Services PMI	Jul F	**54.6**	53.6	--	53.6	index, sa
8/5/26	9:45 AM	S&P Global US Composite PMI	Jul F	**54.5**	--	--	53.6	index, sa
8/5/26	10:00 AM	ISM Services Index	Jul	**54.1**	54.5	--	54.0	index, nsa
8/6/26	8:30 AM	Nonfarm Productivity q/q	2Q P	**1.4**	0.6	0.8	0.3	%, saar
8/6/26	8:30 AM	Unit Labor Costs q/q	2Q P	**1.3**	2.1	1.3	1.8	%, saar
8/6/26	8:30 AM	Initial Jobless Claims	Aug 1	**199**	205	198	197	k, sa
8/6/26	8:30 AM	Continuing Claims	Jul 25	**1,801**	1,789	1,777	1,782	k, sa
8/6/26	10:00 AM	Wholesale Inventories m/m	Jun F	**0.2**	0.3	--	0.3	%, sa
8/6/26	10:00 AM	Wholesale Trade Sales m/m	Jun	**-3.0**	--	3.5	3.4	%, sa
8/7/26	8:30 AM	Nonfarm Payrolls m/m	Jul	**-23**	80	20	57	k, sa
8/7/26	8:30 AM	Private Payrolls m/m	Jul	**30**	82	30	49	k, sa
8/7/26	8:30 AM	Average Hourly Earnings m/m	Jul	**0.1**	0.3	--	0.3	%, sa
8/7/26	8:30 AM	Average Hourly Earnings y/y	Jul	**3.2**	3.5	3.4	3.5	%, nsa
8/7/26	8:30 AM	Average Weekly Hours All Employees	Jul	**34.3**	34.3	--	34.3	sa
8/7/26	8:30 AM	Unemployment Rate	Jul	**4.1**	4.2	--	4.2	%, sa
8/7/26	8:30 AM	Labor Force Participation Rate	Jul	**61.4**	61.6	--	61.5	%, sa
8/7/26	11:00 AM	NY Fed 1-Yr Inflation Expectations	Jul	**3.6**	3.7	--	3.7	%
8/7/26	3:00 PM	Consumer Credit m/m	Jun	**14.2**	11.9	-1.1	-0.2	$B, sa

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Sources: Bloomberg Consensus Survey of Economists, Arch Global Economics