

# HaMMR Digest

Stay current with economic and mortgage market trends.

September 15, 2025

**Parker Ross** — Global Chief Economist

pross@archgroup.com | 914 216 7270 | [@econ\\_parker](#) on X and [Threads](#)

**Leonidas Mourelatos** — Assistant Vice President, Global Real Estate Economics

lmourelatos@archgroup.com | 631 521 9048

## Not All at Once

- **Key Takeaway:** Tariff cost-push inflation continues to build, but reluctance of firms to pass along costs has largely shielded consumers, so far.
- **Macro Implications:** Tariff focus masks some firming of underlying inflation, supporting measured Fed cuts unless meaningful labor stress materializes.
- **Housing Implications:** Mortgage rate fall to stall as Fed cuts are priced in and spread compression looks excessive without increase in MBS demand.

## Macro: Uncertainty Drag to Persist

- Tariffs remain fluid given adjustments made to Aug. bilateral “agreements.”
- Sectoral tariffs remain a wild card that will not be resolved until 2026.
- Prelim Sept. consumer sentiment shows deteriorating “expectations.”

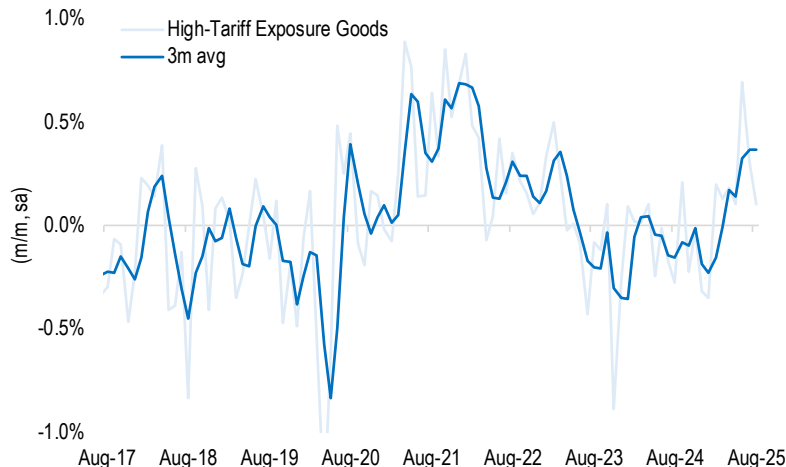
## Rates: Topsy Turvy

- 10y yield unchanged at 4.07% despite brief dip below 4% post-CPI release.
- Yield curve flattened as short-term yields rebounded to end the week.
- Sept. rate cut odds remain 100%; markets price in two more cuts through Dec.

## Housing: Don't Bet the Farm on Further Plunge in Mortgage Rates

- Mortgage rates down ~40bps m/m to ~6.3%, lowest level since Oct. '24.
- Homes are staying on the market longer as the pace of new listings cools.
- Total inventory has nonetheless dipped alongside a steady sales pace.

### Uneven Pass-Through of Tariffs and Limited Spillovers beyond Core Goods Dampen Broader Inflation Concerns



Sources: Bureau of Labor Statistics, Census Bureau, Arch Global Economics

## Consumer Inflation: Hot, but Not Too Hot for a Rate Cut

- Aug. CPI inflation bounced back to 0.38% m/m, nearly double July pace.
- Rebound in monthly core inflation driven by services prices.
- Slower price gains for tariff-impacted goods, but trend remains upward.

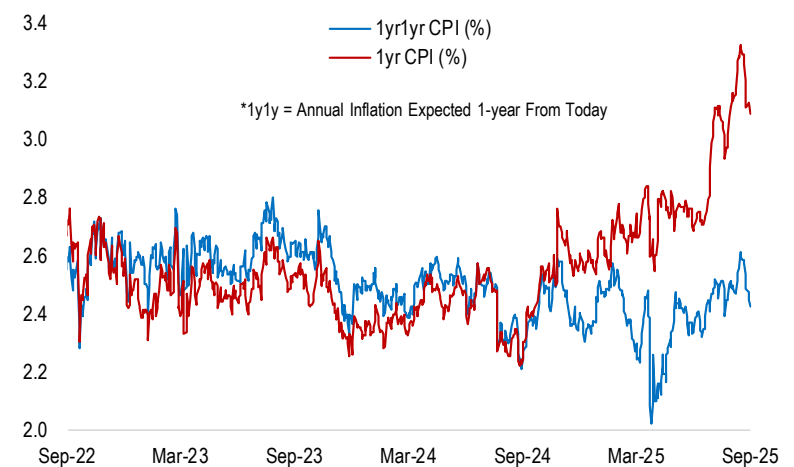
## Small Business Optimism: Stabilizing

- NFIB Optimism index rose again to highest level since Jan. '25.
- Share of firms raising and planning to raise prices eased.
- Hiring plans up despite more firms worried about “poor sales.”

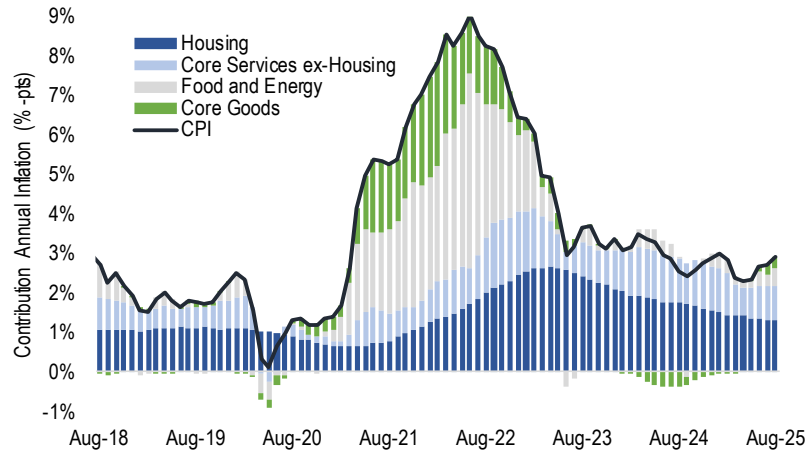
## Consumer Credit: Don't Get Your Hopes Up

- Consumer credit rose 0.3% m/m, undershooting income growth.
- Revolving credit jumped 0.8% in July, strongest gain since Jan. '24.
- Consumer debt burden remains low despite pockets of stress.

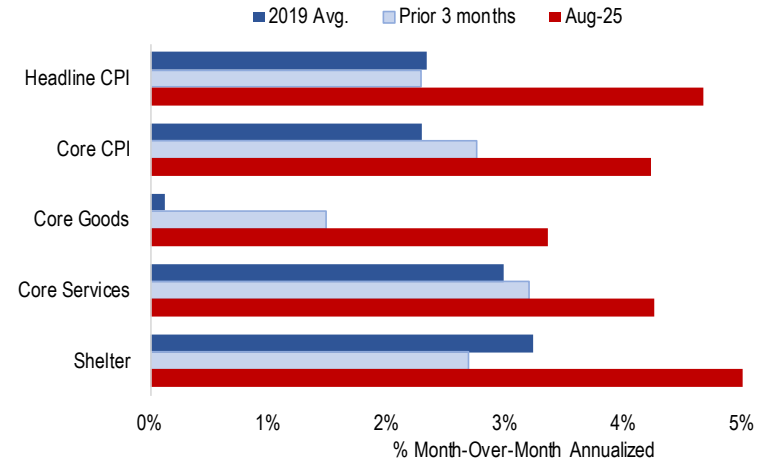
### Markets See Tariffs as One-Time Price Level Hike, Setting Stage for Normalizing Monetary Policy (i.e., Rate Cuts)



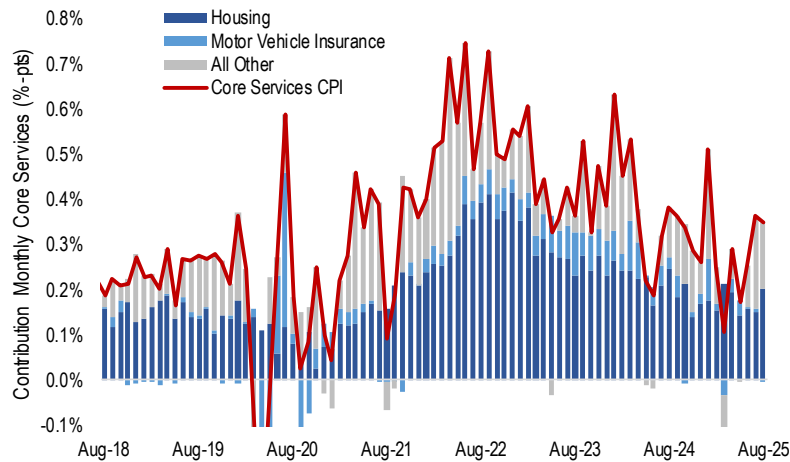
### Annual Consumer Inflation Firmed in August on the Back of Stronger Food and Energy Prices



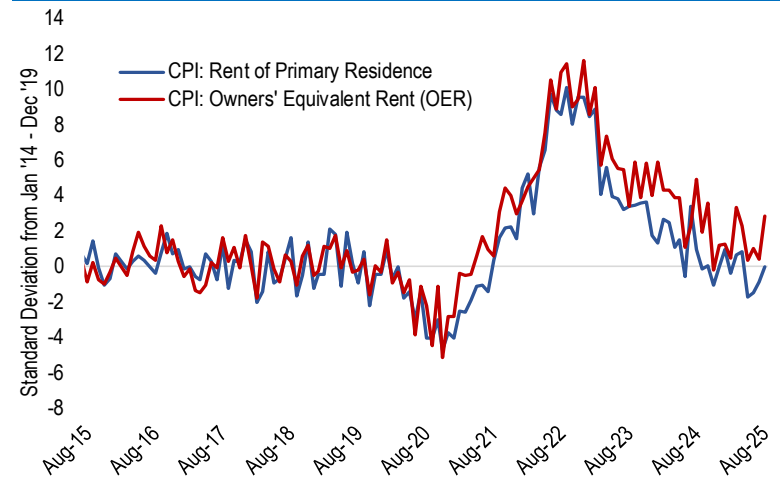
### Though Tariff Pass-Through across Categories Is Not Uniform, Core Goods Inflation Remained in Uptrend



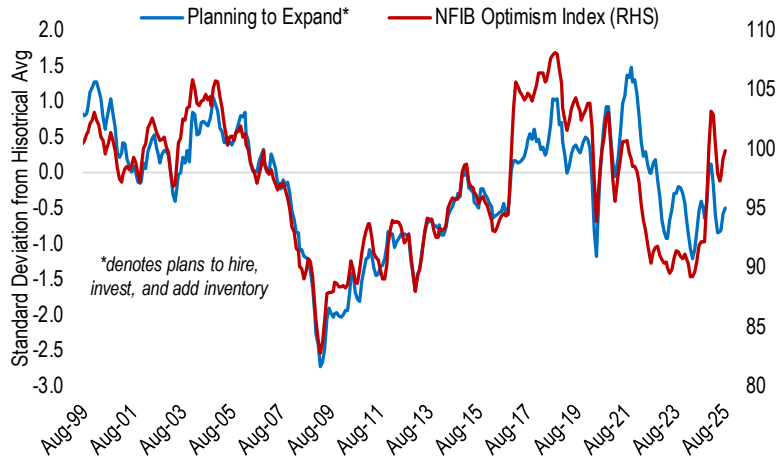
### Core Services Inflation Showed Further Stickiness as Rebounding Airfares, Hotels Offset Cooler Health Costs



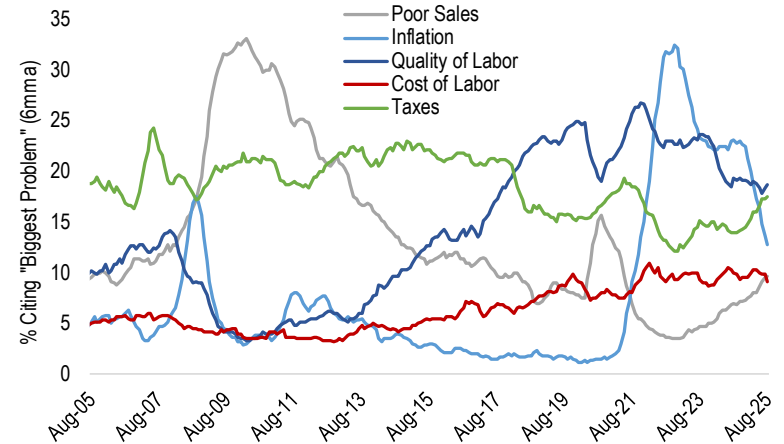
### Housing Inflation Broke above Its Recent Choppy Downtrend, Possibly Due to Survey Rotation



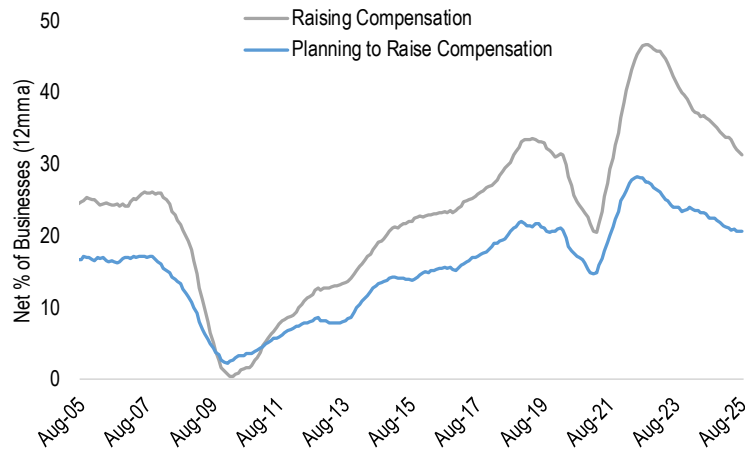
### Small Business Plans to Expand Remain Weak and Suggests Strong Rebound in Activity Unlikely



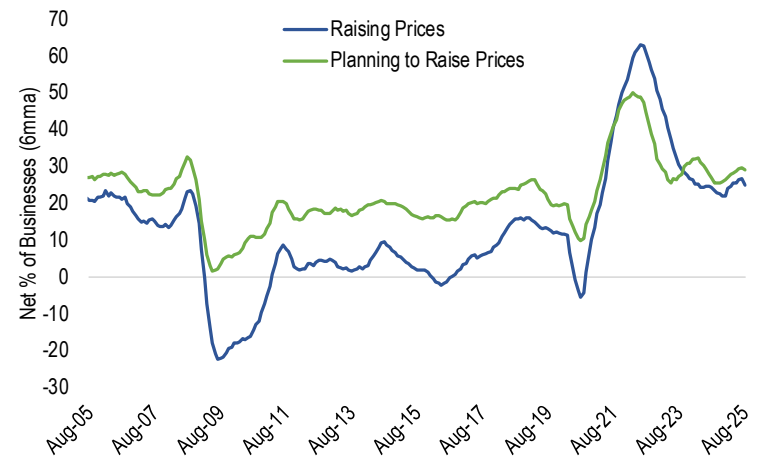
### "Poor Sales" Cited as "Biggest Problem" by More Businesses, Overtaking "Cost of Labor"



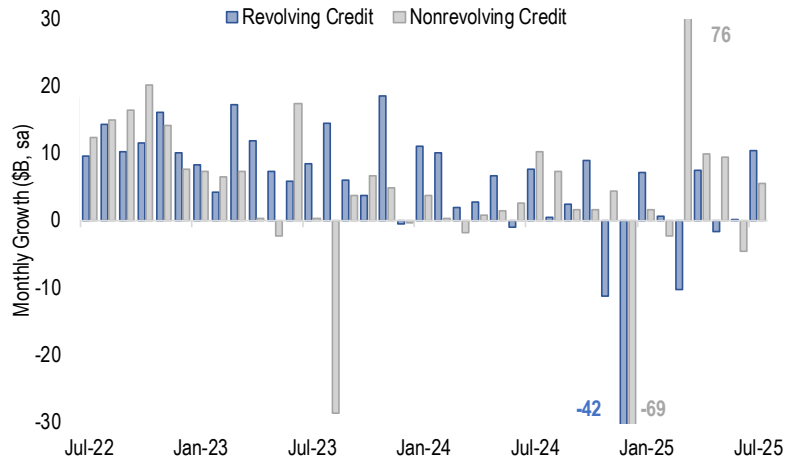
### Pay Raises Still Trending Lower as Future Wage Growth Plans Level Off



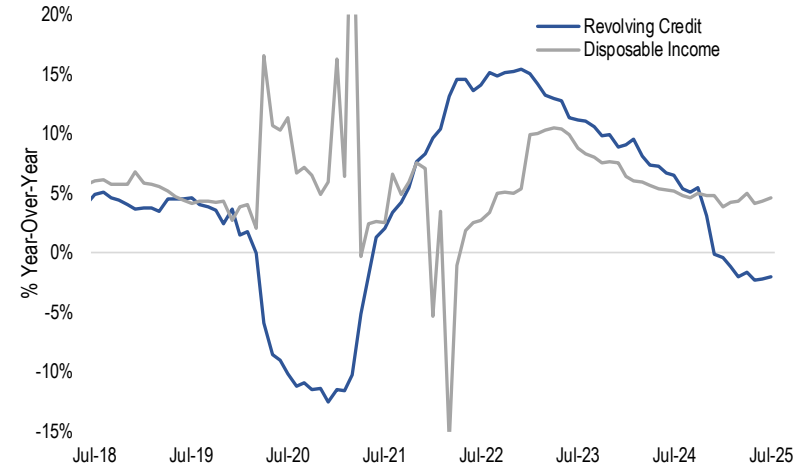
### Share of Firms Planning to Raise Prices Pivoted Lower Suggesting Inability or Reluctance to Pass Along Costs



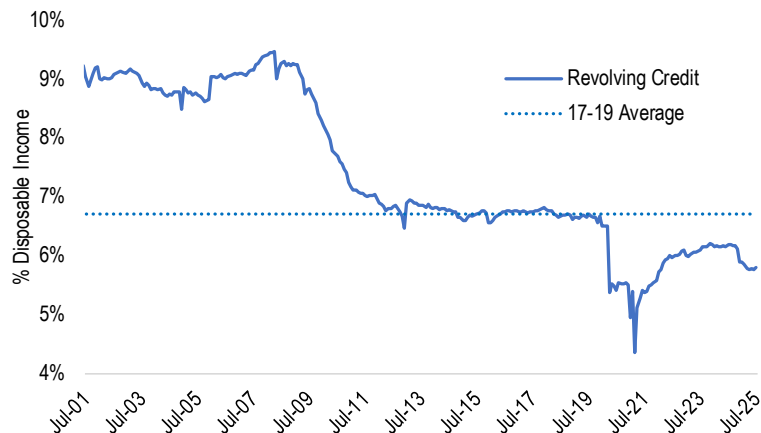
### Revolving Credit Jumped in July, the Biggest Gain Since Jan. '24, as Households Jumped at Retailer Discounts



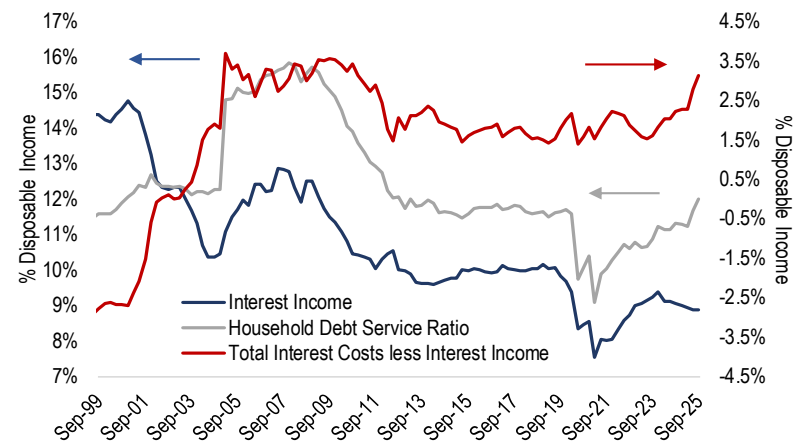
### Nonetheless, Longer-Term Downshift in Revolving Consumer Credit to Persist as Spending Growth Eases



### Revolving Credit Relative to Disposable Income Stabilizing Well below the Pre-Pandemic Norm

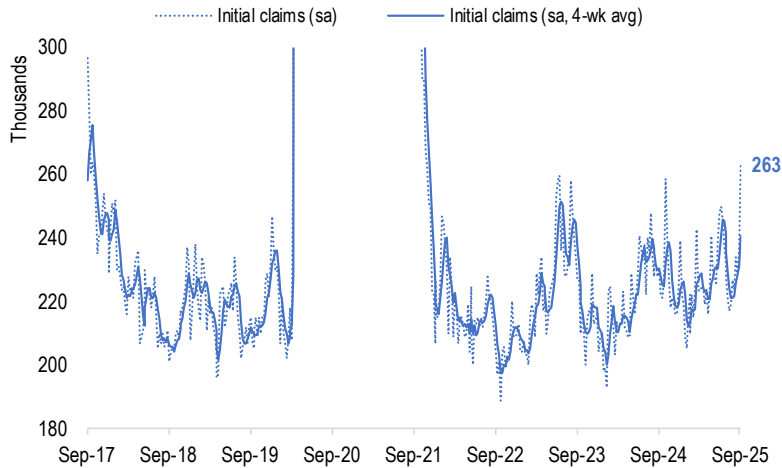


### Household Interest Costs Still Rising While Interest Income Earned Has Downshifted, Widening Spread

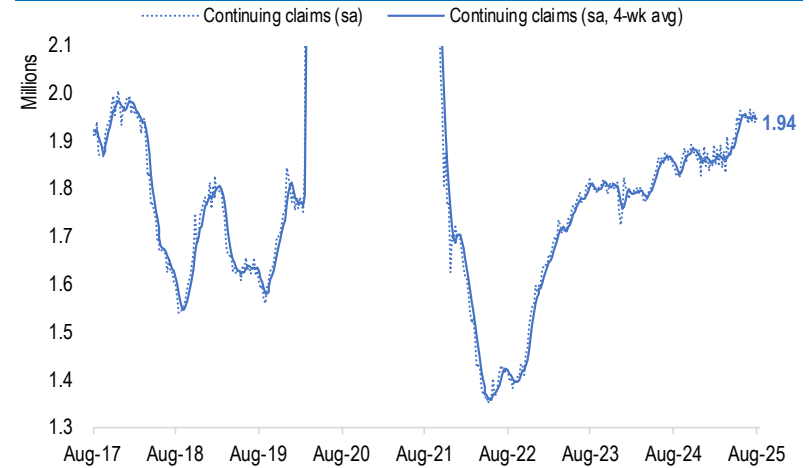




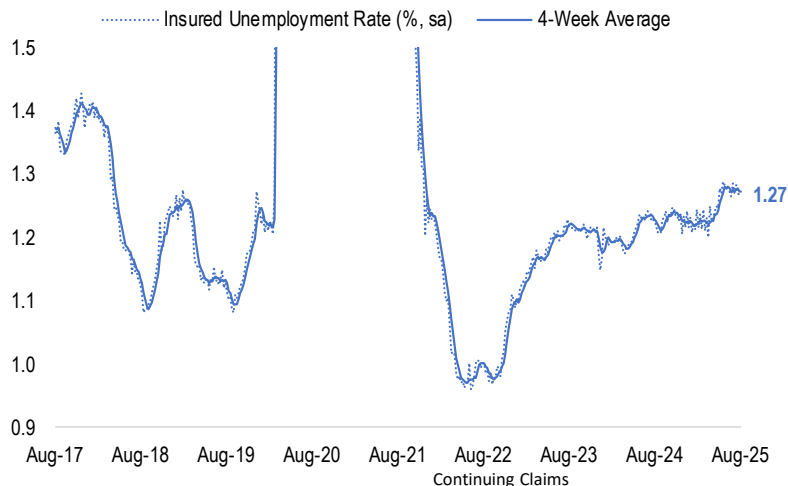
### Initial Claims Spiked to 263k (sa) in Week Ending Sept. 6, as Texas Claims Jumped 17k w/w (sa)



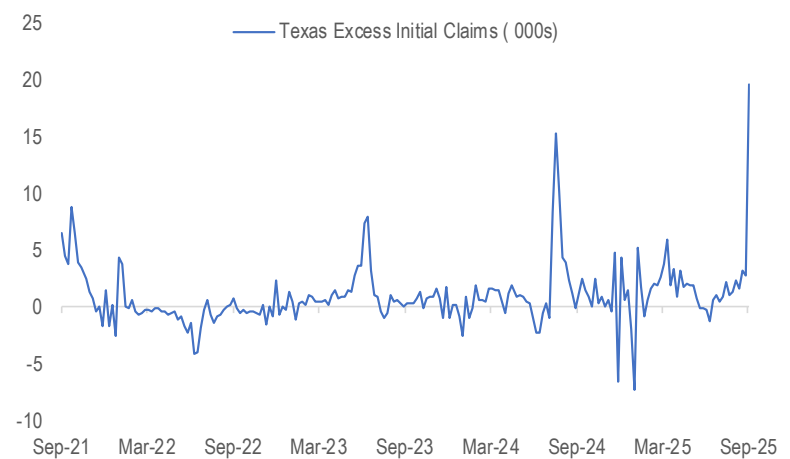
### Continuing Claims Unchanged at 1,939k (sa) during Week Ending Aug. 30, Just below Cycle High ...



### ... Which also Left Insured Unemployment Unchanged Just below Recent Post-Pandemic High



### Texas Initial Claims Jumped to 20k Above the Recent Non-Pandemic Norm for the Week, up 17k w/w

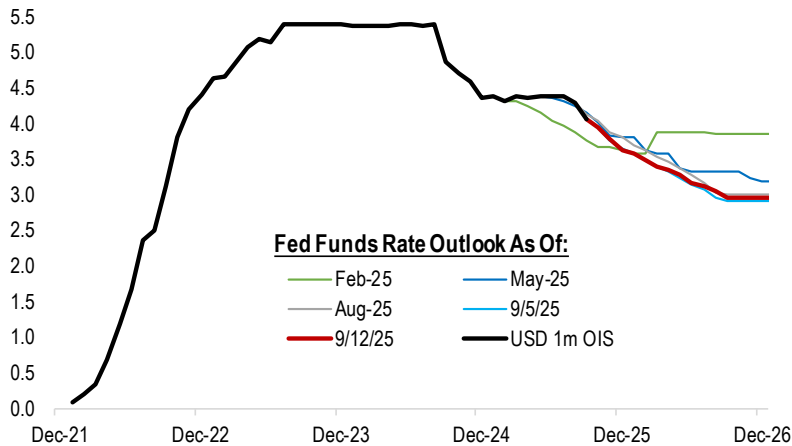


Insured Unemployment =  $\frac{\text{Continuing Claims}}{\text{Employed Population Eligible for Unemployment Insurance}}$

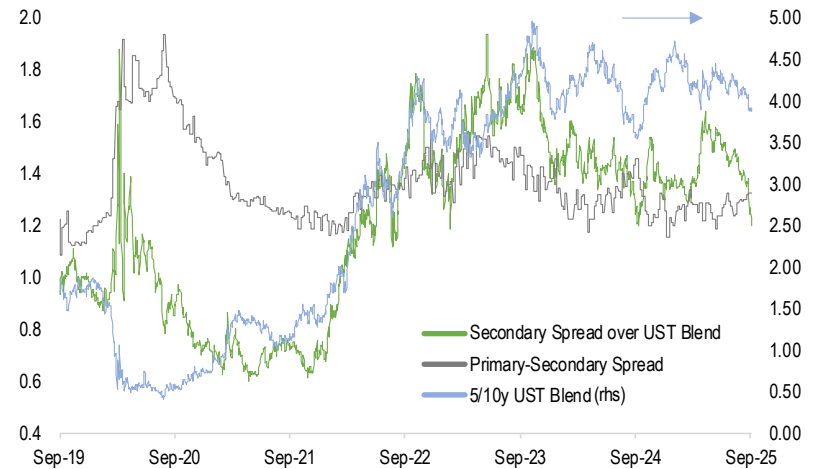
Sources: U.S. Department of Labor, Arch Global Economics

SA = Seasonally Adjusted

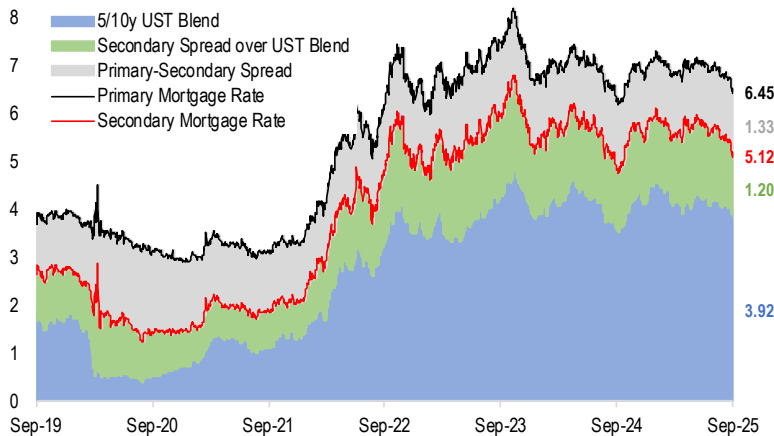
### Market Sees a 25bps Rate Cut as a Lock This Week, Followed by Two More before Year-End



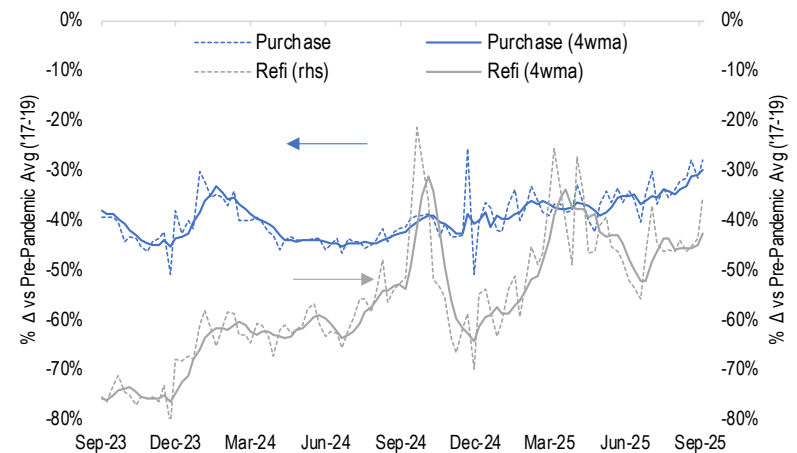
### U.S. Treasury Yields Inched Up 1bps Last Week, but Mortgage Spreads Tightened Sharply by -12bps...



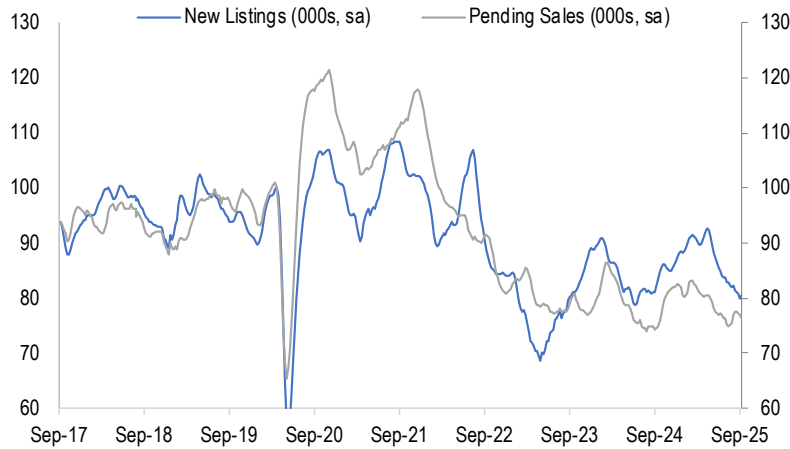
### ... Which Pulled Mortgage Rates into the Low-6% Range, Reaching Lowest Level Since Early Oct. '24



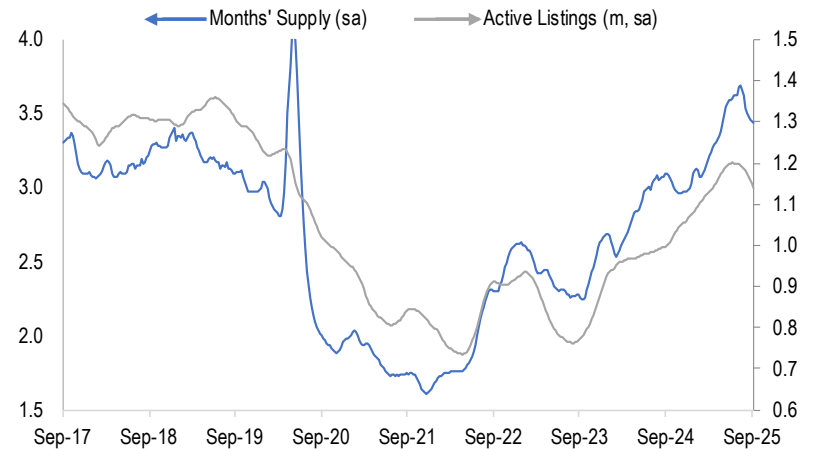
### Mortgage Purchase Applications Still Trending Higher and Refi Applications Surged as Rates Move Lower



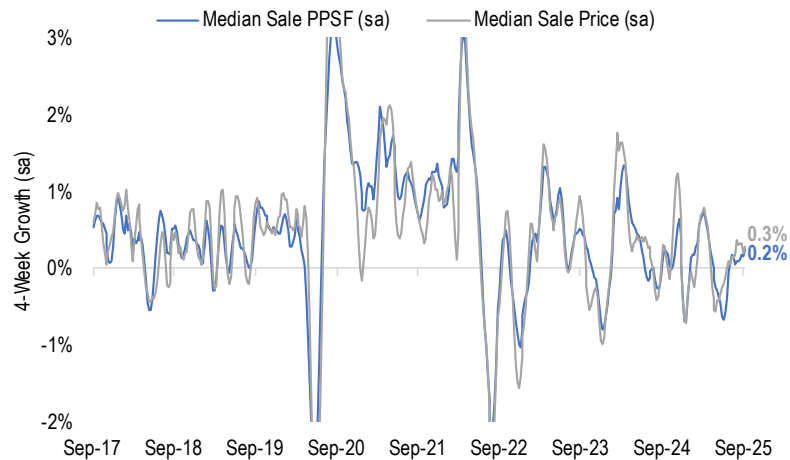
## Pending Sales Have Turned Modestly Higher as New Listings Cooled Further ...



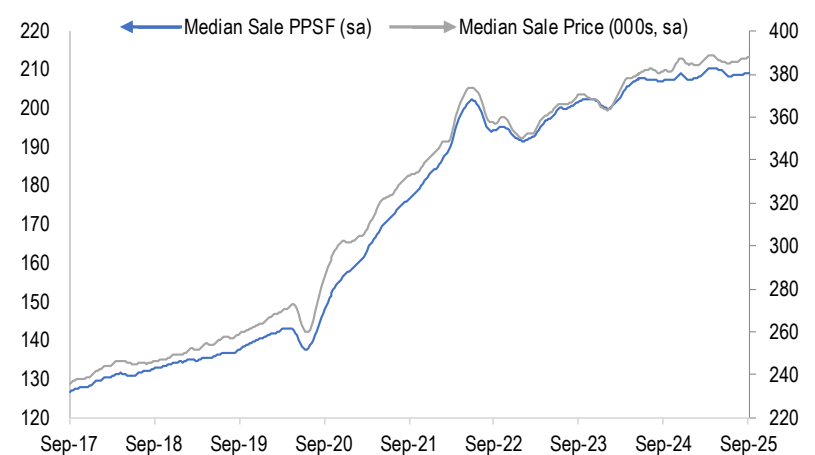
## ... Causing Market Balance to Tighten Notably over the Past Month as Inventory Continued to Shrink



## Pace of Seasonally Adjusted Home-Price Growth Rebounded Modestly through Early September



## Home Prices Have Started to Inch Higher Again over the Summer after Modest Declines in Q2





## Annual Home-Price Declines Becoming More Widespread as Most Markets Have Softened

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	0.9%	0.6%	2.8%	1.2%	6.5%	1.2%	98.5%	-0.4%	-2.9	-10.4	11%	8%	-4%
Atlanta	-1.5%	-0.3%	0.9%	1.7%	7.2%	1.8%	97.7%	-0.4%	24.1	8.6	10%	17%	0%
Austin	-3.0%	1.5%	2.6%	4.9%	8.1%	1.0%	96.8%	-0.4%	51.4	36.6	15%	108%	86%
Baltimore	2.2%	0.7%	2.4%	-2.8%	6.8%	1.1%	100.3%	-0.4%	2.8	-8.2	20%	-10%	-27%
Boston	3.9%	1.1%	5.4%	1.2%	5.1%	0.8%	100.6%	-0.7%	4.9	2.9	17%	6%	-7%
Chicago	4.8%	-0.6%	6.3%	2.5%	4.5%	1.7%	99.8%	0.0%	-9.0	-9.2	-3%	-29%	-29%
Dallas	-2.0%	3.0%	0.5%	1.9%	8.5%	1.0%	97.5%	-0.3%	23.7	10.7	19%	69%	34%
Denver	-3.0%	1.0%	-0.4%	1.1%	9.2%	1.0%	98.5%	-0.4%	25.5	12.3	16%	94%	65%
Houston	-1.1%	-0.2%	1.9%	1.3%	8.2%	2.3%	96.3%	-0.6%	17.1	4.9	16%	3%	-4%
Los Angeles	0.1%	-0.7%	2.3%	1.5%	4.8%	1.3%	99.4%	-1.2%	9.0	-3.8	14%	34%	15%
Miami	4.4%	0.6%	2.5%	2.0%	4.2%	0.8%	95.4%	-0.8%	26.9	3.9	13%	27%	-10%
Minneapolis	1.2%	0.2%	3.3%	1.4%	7.6%	2.0%	99.9%	0.1%	0.6	-0.2	1%	0%	4%
Nashville	1.7%	0.4%	3.6%	3.0%	5.6%	1.4%	97.9%	-0.4%	13.0	4.3	16%	44%	23%
New York	3.8%	-3.1%	6.5%	0.5%	3.4%	0.3%	100.3%	-0.2%	-35.8	-41.0	9%	-19%	-30%
Phoenix	-2.0%	0.9%	0.4%	2.0%	6.6%	0.6%	97.8%	-0.4%	31.6	13.6	17%	64%	54%
Portland	-2.2%	-1.9%	1.5%	3.0%	8.2%	1.2%	99.1%	-0.3%	19.0	6.0	16%	53%	30%
Riverside	-0.3%	0.4%	2.3%	1.2%	5.4%	1.3%	98.8%	-0.7%	11.0	-8.8	12%	27%	6%
San Diego	-3.7%	-2.6%	1.1%	2.9%	6.1%	1.5%	98.5%	-1.0%	15.4	0.3	16%	23%	3%
Seattle	-0.4%	-0.1%	4.7%	1.8%	7.0%	1.2%	99.1%	-1.0%	8.6	-1.4	21%	47%	15%
Tampa	-1.2%	0.2%	4.7%	5.0%	8.5%	0.3%	96.6%	-0.8%	23.5	4.1	2%	53%	39%
Washington DC	1.6%	1.3%	1.9%	-0.5%	5.8%	3.6%	99.4%	-0.7%	25.3	12.3	10%	27%	4%

Data as of Sept. 7, 2025, and reflects 4-week averages.

## Upcoming Data Releases

Key economic and housing data releases for the coming week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
9/15/25	8:30 AM	Empire Manufacturing	Sep	-8.7	5.0	--	11.9	index, sa
9/16/25	8:30 AM	Advance Retail Sales m/m	Aug	--	0.2	--	0.5	%, sa
9/16/25	8:30 AM	Retail Sales Control Group m/m	Aug	--	0.4	--	0.5	%, sa
9/16/25	8:30 AM	Import Price Index m/m	Aug	--	-0.2	--	0.4	%, nsa
9/16/25	8:30 AM	Import Price Index y/y	Aug	--	0.0	--	-0.2	%, nsa
9/16/25	9:15 AM	Industrial Production m/m	Aug	--	-0.1	--	-0.1	%, sa
9/16/25	9:15 AM	Capacity Utilization	Aug	--	77.4	--	77.5	sa
9/16/25	10:00 AM	Business Inventories m/m	Jul	--	0.2	--	0.2	%, sa
9/16/25	10:00 AM	NAHB Housing Market Index	Sep	--	33	--	32	index, sa
9/17/25	7:00 AM	MBA Mortgage Applications w/w	Sep 12	--	--	--	9.2	%, sa
9/17/25	8:30 AM	Housing Starts	Aug	--	1,365	--	1,428	k, saar
9/17/25	8:30 AM	Housing Starts m/m	Aug	--	-4.4	--	5.2	%, sa
9/17/25	8:30 AM	Building Permits	Aug P	--	1,370	--	1,362	k, saar
9/17/25	8:30 AM	Building Permits m/m	Aug P	--	0.6	--	-2.2	%, sa
9/17/25	2:00 PM	FOMC Rate Decision (Upper Bound)	Sep 17	--	4.25	--	4.50	%
9/18/25	8:30 AM	Initial Jobless Claims	Sep 13	--	240	--	263	k, sa
9/18/25	8:30 AM	Continuing Claims	Sep 6	--	1,950	--	1,939	k, sa
9/18/25	8:30 AM	Philadelphia Fed Business Outlook	Sep	--	1.7	--	-0.3	index, sa
9/18/25	10:00 AM	Conference Board Leading Index m/m	Aug	--	-0.2	--	-0.1	%, sa

## Recent Data Releases

Key economic and housing data releases over the prior week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
9/8/25	11:00 AM	NY Fed 1-Yr Inflation Expectations	Aug	3.2	--	--	3.1	%
9/8/25	3:00 PM	Consumer Credit m/m	Jul	16.0	10.4	9.6	7.4	\$B, sa
9/9/25	6:00 AM	NFIB Small Business Optimism	Aug	100.8	100.5	--	100.3	index, sa
9/10/25	7:00 AM	MBA Mortgage Applications w/w	Sep 5	9.2	--	--	-1.2	%, sa
9/10/25	8:30 AM	PPI Final Demand m/m	Aug	-0.1	0.3	0.7	0.9	%, sa
9/10/25	8:30 AM	PPI Core (ex Food and Energy) m/m	Aug	-0.1	0.3	0.7	0.9	%, sa
9/10/25	8:30 AM	PPI Final Demand y/y	Aug	2.6	3.3	3.1	3.3	%, nsa
9/10/25	8:30 AM	PPI Core (ex Food and Energy) y/y	Aug	2.8	3.5	3.4	3.7	%, nsa
9/10/25	10:00 AM	Wholesale Inventories m/m	Jul F	0.1	0.2	--	0.2	%, sa
9/10/25	10:00 AM	Wholesale Trade Sales m/m	Jul	1.4	0.2	0.7	0.3	%, sa
9/11/25	8:30 AM	CPI m/m	Aug	0.4	0.3	--	0.2	%, sa
9/11/25	8:30 AM	CPI Core (ex Food and Energy) m/m	Aug	0.3	0.3	--	0.3	%, sa
9/11/25	8:30 AM	CPI y/y	Aug	2.9	2.9	--	2.7	%, nsa
9/11/25	8:30 AM	CPI Core (ex Food and Energy) y/y	Aug	3.1	3.1	--	3.1	%, nsa
9/11/25	8:30 AM	Initial Jobless Claims	Sep 6	263	235	236	237	k, sa
9/11/25	8:30 AM	Continuing Claims	Aug 30	1,939	1,950	1,939	1,940	k, sa
9/12/25	10:00 AM	U. of Mich. Sentiment	Sep P	55.4	58.0	--	58.2	index, nsa
9/12/25	10:00 AM	U. of Mich. 1 Yr Inflation	Sep P	4.8	4.8	--	4.8	nsa
9/12/25	10:00 AM	U. of Mich. 5-10 Yr Inflation	Sep P	3.9	3.4	--	3.5	nsa

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