HaMMR Digest

Stay current with economic and mortgage market trends.

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Weekly Wrap – Holiday Cheers and Jeers

- The November jobs report was strong enough to justify additional rate hikes, but not enough for 75bps.
- Labor slack is building but at a pace too slow for the Fed, ensuring policy rates will stay higher for longer.
- Existing home prices declined again and are likely to fall further as the market recalibrates to higher rates.

The labor market continued to hum along in November with job growth of 263k (cons. 200k) and wage growth clocking in at an impressive 8.5% annualized rate. The Fed is not likely to be pleased with signs that the labor market remained tight, particularly given Chairman Powell's recent comments linking achieving their 2% inflation target with the labor market returning to "balance." Although job growth has cooled relative to earlier this year, the weak recovery in workers returning to the workforce is keeping the labor market tighter than it would be otherwise. The labor force participation rate shrank for the third straight month to 62.1% (cons. 62.2%) and the unemployment rate held steady at 3.7%. Despite the hotter than expected jobs report, we continue to expect the Fed to slow the pace of rate hikes to 50bps next week, although next week's November CPI report is the big wildcard that could still tip the scales.

The strong payrolls report does firmly push back against market expectations that the Fed will cut quickly once reaching a terminal rate of around 5% next year. While the headline payrolls report was solid, labor market slack is building. A handful of labor demand proxies we track have cooled since the beginning of the year, granted from very lofty levels (Figure 1). Voluntary quits took a step back while temporary services staff, typically the first to be cut by employers during times of weakness, have begun to decline. Small business employment expansion plans are falling while consumers' assessment of current labor conditions have regressed. Labor market tightness is easing, just not fast enough for the Fed.

Figure 1: Labor Demand Proxies (Feb '20 = 100)

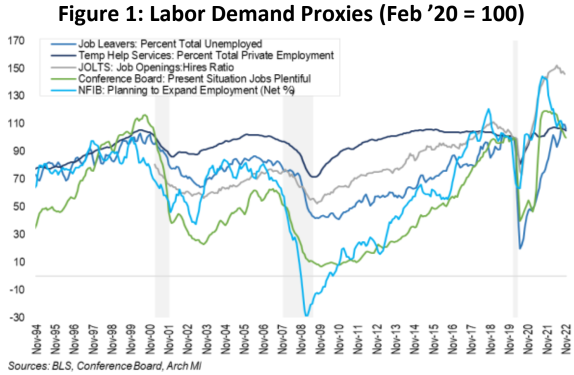
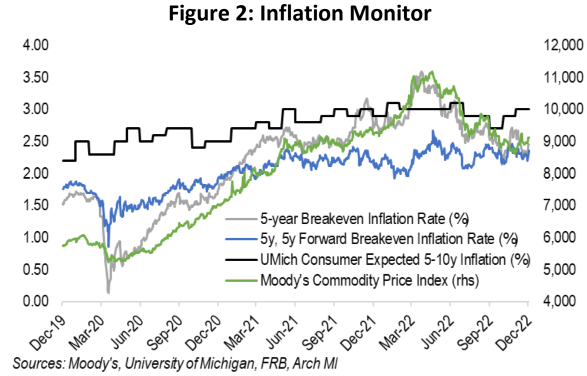


Figure 2: Inflation Monitor



Further evidence that inflation has turned the corner came from the October PCE inflation report, the Fed's preferred measure, with the headline rising 0.3% m/m (cons. 0.4%) and core up 0.2% m/m (cons. 0.3%). Like CPI, PCE core inflation was dragged lower by a -0.3% decline in core goods, which will likely remain a theme in the months ahead, taking out the steam from broader price measures (Figure 2). Moreover, housing inflation is slated to slow, albeit with a lag, given that home prices continued to decline. The S&P/Case-Shiller home-price indexes declined for the third straight month in September, with the 20-City Composite index down -1.2% m/m (cons. -1.2%) and the national index down -0.8%.

Cooling inflation is beginning to allow real incomes to recover, supporting a solid 0.5% m/m increase in real personal spending in October, led by a 1.1% uptick in goods outlays. Households are still relying on savings to fund their purchases with the savings rate down to a multi-decade low of 2.3% in October from 7.5% last December. Consumers' willingness to draw down savings likely boils down to confidence households still have in their labor prospects, which will be pivotal in the months ahead. While the U.S. entered 4Q on the right foot with the second estimate of 3Q real GDP growth being revised up 30bps to 2.9% saar, goods production is fracturing. The ISM manufacturing index dipped below the "50" break-even level, printing 49 (cons. 50) for November. Residential investment will remain depressed despite the 7.5% m/m (cons. -5.5%) rise in new home sales for October to 632k saar. New home sales have been volatile and are likely overstated given that the Census reports gross sales, not directly accounting for cancellations that have been rising precipitously.

Recent Data Releases

Key economic and housing data releases over the last week:

Date	Indicator	Period	Actual	Consensus	Previous	Note
11/23/22	New Home Sales	Oct	632	570	588	k, saar
11/23/22	New Home Sales m/m	Oct	7.5%	-5.5%	-11.0%	sa
11/23/22	U. of Mich. Sentiment	Nov F	56.8	55.0	54.7	index, nsa
11/23/22	U. of Mich. 1 Yr Inflation	Nov F	4.9%	5.1%	5.1%	nsa
11/23/22	U. of Mich. 5-10 Yr Inflation	Nov F	3.0%	3.0%	3.0%	nsa
11/29/22	FHFA House Price Index m/m	Sep	0.1%	-1.2%	-0.7%	sa
11/29/22	S&P CoreLogic CS 20-City m/m SA	Sep	-1.2%	-1.2%	-1.3%	sa
11/29/22	S&P CoreLogic CS 20-City y/y NSA	Sep	10.4%	10.6%	13.1%	nsa
11/29/22	Conf. Board Consumer Confidence	Nov	100.2	100.0	102.2	index, sa
11/30/22	MBA Mortgage Applications	11/25/22	-0.8%	--	2.2%	w/w, sa
11/30/22	GDP Annualized q/q	3Q S	2.9%	2.8%	2.6%	saar
11/30/22	Personal Consumption q/q	3Q S	1.7%	1.6%	1.4%	saar
11/30/22	Core Personal Consumption q/q	3Q S	4.6%	4.5%	4.5%	saar
11/30/22	Pending Home Sales m/m	Oct	-4.6%	-5.3%	-8.7%	sa
11/30/22	Pending Home Sales y/y	Oct	-36.7%	-35.2%	-29.3%	nsa
11/30/22	JOLTS Job Openings	Oct	10.33	10.25	10.69	m, sa
12/1/22	Wards Total Vehicle Sales	Nov	14.14	14.50	14.90	m, saar
12/1/22	Initial Jobless Claims	11/26/22	225	235	241	k, sa
12/1/22	Continuing Claims	11/19/22	1,608	1,570	1,551	k, sa
12/1/22	Personal Income	Oct	0.7%	0.4%	0.4%	m/m, sa
12/1/22	Personal Spending	Oct	0.8%	0.8%	0.6%	m/m, sa
12/1/22	Real Personal Spending	Oct	0.5%	0.5%	0.3%	m/m, sa
12/1/22	PCE Core Inflation (ex Food and Energy) m/m	Oct	0.2%	0.3%	0.5%	sa
12/1/22	PCE Core Inflation (ex Food and Energy) y/y	Oct	5.0%	5.0%	5.2%	nsa
12/1/22	PCE Inflation m/m	Oct	0.3%	0.4%	0.3%	sa
12/1/22	PCE Inflation y/y	Oct	6.0%	6.0%	6.3%	nsa
12/1/22	ISM Prices Paid	Nov	43.0	45.9	46.6	index, nsa
12/2/22	Nonfarm Payrolls	Nov	263	200	284	k, m/m, sa
12/2/22	Private Payrolls	Nov	221	185	248	k, m/m, sa
12/2/22	Unemployment Rate	Nov	3.7%	3.7%	3.7%	sa
12/2/22	Average Hourly Earnings m/m	Nov	0.6%	0.3%	0.5%	sa
12/2/22	Average Hourly Earnings y/y	Nov	5.1%	4.6%	4.9%	nsa
12/2/22	Average Weekly Hours All Employees	Nov	34.4	34.5	34.5	sa
12/2/22	Labor Force Participation Rate	Nov	62.1%	62.3%	62.2%	sa

Sources: Bloomberg Consensus Survey of Economists, Arch MI

Green = beat expectations; **Red** = worse than expectations; (compared vs. prior if no consensus estimates available)

SIGNS OF DEMAND TOE-DIPPING IN HOUSING MARKET

With mortgage rates declining back to the mid-6% range from above 7%, there is some evidence that demand is creeping back. Demand for homebuying services such as tours and online searches have recently bounced back while the four-week moving average (through November 25) of MBA purchase applications has risen for three straight weeks. Newly listed homes are selling faster than a few months ago: the share of homes sold within two weeks of being listed is now 5 percentage points above the pre-pandemic average, up from about 2.5 percentage points higher in early September. While these are surely positive signs and suggest how sensitive marginal buyers are to a modest pullback in mortgage rates, housing activity remains depressed. Indeed, pending home sales were down -26k y/y (Figure 3), or -42%, and remain roughly 10% below the pre-pandemic average.

Figure 3: U.S. Existing Home Sales Market Dynamics

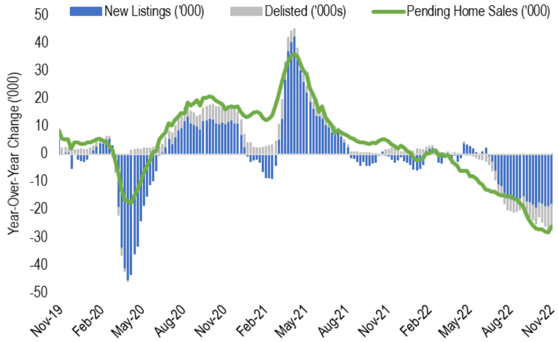
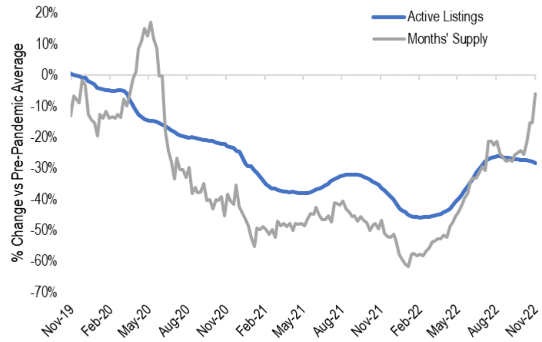


Figure 4: U.S. Active Listings & Months' Supply



Source: Redfin, Arch MI

Sellers continued to leave the market in droves and helped keep total inventory on a slight downward trajectory: New listings were down -18% and delisted homes up 11% relative to their pre-pandemic averages for this time of year. Despite the weak inventory growth backdrop, the dramatic slowdown in the pace of sales propelled months' supply to just -6% below the pre-pandemic average from -26% just four weeks ago (Figure 4). While holiday volatility may be partly to blame for some of these moves, the magnitude of the move warrants watching over the remainder of the year.

With months' supply rising at a quickened pace, downward pressure on home prices will remain. Annual growth in the national median sale price ($ / sf) ticked up slightly to 4.3% y/y from 4.0% in the prior week but remained well below the double-digit growth rates that had become the pandemic norm. Risks for prices are still skewed to the downside, given the downward trajectories for the sale-to-list ratio and the share of homes sold above list price. Overstretched markets are particularly vulnerable to negative price action and underlying data show that most of the national price weakness is emanating from the West region. Of the major metros we track (Figure 5), annual home-price growth was weakest in **Austin** (-3%), **Seattle** (-2%), **New York** (1%) and **Phoenix** (1%) with home-price growth having slowed most rapidly compared with a year ago in **Austin** (-40%-pts), **Phoenix** (-29%-pts), Seattle (-25%-pts) and Las Vegas (-23%-pts). Annual home-price growth has been negative for three straight weeks in Austin and for two straight weeks in Seattle.

Figure 5: Weekly Housing Monitor (As of 11/27/22)

Metro	Median Sale Price psf (% y/y)	Median Sale Price Same Week '21 (% y/y)	Active Listings with Price Drops (% share)	Active Listings with Price Drops (ppt Δ y/y)	Homes Sold Above List (%)	Homes Sold Above List (ppt Δ y/y)	Average Sale-to-List Ratio (%)	Average Sale-to-List Ratio (ppt Δ y/y)	Total Active Listings (% y/y)	Median Days on Market (Δ 3y/3y)	Median Days on Market Same Week '21 (Δ 3y/3y)	Months' Supply (% 3y/3y)	Months' Supply Same Week '21 (% 3y/3y)
All Redfin Metros	**4%**	**17%**	**6%**	**3%**	**26%**	**-16%**	**98%**	**-2%**	**13%**	**-13**	**-21**	**0%**	**-51%**
Atlanta	8%	26%	7%	4%	23%	-26%	98%	-3%	28%	-6	-20	9%	-55%
Austin	-3%	37%	9%	6%	13%	-34%	97%	-5%	69%	21	-11	147%	-41%
Baltimore	5%	9%	7%	2%	33%	-7%	100%	0%	-11%	-14	-22	-19%	-54%
Boston	2%	12%	6%	2%	43%	-14%	100%	-2%	-3%	-5	3	-6%	-36%
Chicago	3%	12%	4%	0%	26%	-7%	98%	-1%	17%	11	-24	-5%	-47%
Dallas	9%	23%	9%	6%	21%	-30%	98%	-3%	59%	-14	-27	0%	-62%
Denver	2%	20%	10%	7%	20%	-33%	98%	-3%	64%	1	-16	27%	-62%
Houston	9%	19%	8%	4%	16%	-16%	97%	-2%	36%	-17	-30	11%	-51%
Los Angeles	2%	15%	5%	3%	35%	-24%	99%	-4%	6%	-2	-11	30%	-48%
Miami	13%	26%	4%	2%	15%	-5%	96%	-1%	-7%	-18	-4	-8%	-53%
Minneapolis	4%	10%	7%	2%	31%	-15%	99%	-2%	11%	-3	-12	25%	-38%
Nashville	9%	26%	7%	4%	15%	-28%	98%	-3%	73%	-7	-26	26%	-63%
New York	1%	17%	4%	1%	26%	1%	99%	0%	-7%	-35	-28	-17%	-42%
Phoenix	1%	30%	9%	6%	13%	-32%	97%	-3%	36%	15	-14	76%	-50%
Portland	4%	17%	7%	3%	26%	-24%	99%	-3%	40%	-9	-27	29%	-61%
Riverside	3%	23%	6%	4%	29%	-29%	99%	-3%	26%	-8	-26	27%	-58%
San Diego	3%	20%	7%	4%	28%	-29%	98%	-3%	41%	1	-22	24%	-69%
Seattle	-2%	23%	8%	4%	19%	-36%	98%	-6%	96%	1	-20	57%	-72%
Tampa	11%	28%	11%	6%	15%	-23%	98%	-2%	85%	-5	-26	35%	-63%
Washington DC	4%	10%	6%	2%	27%	-13%	99%	-1%	-3%	4	-16	24%	-39%

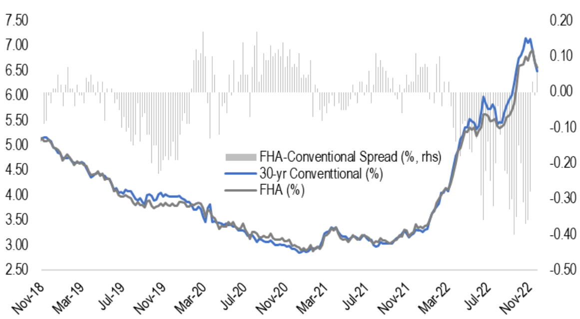
Note: Data on 4wk-ma basis; Median Days on Market and Months' Supply are 3y/3y changes on 4wk-ma basis; Source: Redfin, Arch MI

Median days on the market have extended alongside softening market conditions, with some markets exceeding pre-pandemic timelines, including **Austin** (21 days longer), **Phoenix** (15) and **Chicago** (11), with markets like **Washington, D.C.** (4) and **San Diego** (1) also starting to climb above their pre-pandemic days on market. Markets that have deteriorated the most based on months' supply include **Austin** and **Phoenix**, where months' supply has climbed to a respective 147% and 76% above three-year-ago (pre-pandemic) levels for the same week from -41% and -50% below one year ago.

MORTGAGE PURCHASE APPLICATION ACTIVITY INCHED UP AGAIN AS RATES DROPPED

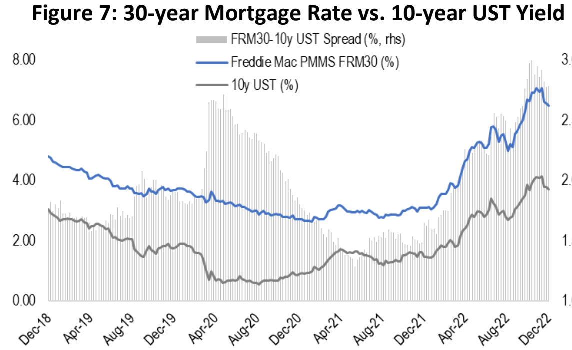
According to the MBA survey of lenders, the average contract conventional mortgage rate declined -18bps to 6.49% during the week ending November 25 while the FHA contract mortgage rate also declined -9bps to 6.57%, resulting in a 9bps widening of the spread between the FHA and conventional mortgage rate to 0.08% (Figure 6). Freddie Mac's more recent Primary Mortgage Market Survey (PMMS) for the 3 days ending November 30 indicated that the FRM30 declined -9bps w/w to 6.49% (Figure 7) as 10-year UST yields declined -10bps to an average of 3.71% over the same period. Accordingly, the spread between the PMMS FRM30 and the 10-year UST widened 1bps to 2.78%, nearly 110bps wider than its typical non-stressed level but down from the cycle peak of 300bps. We expect rate volatility and mortgage spreads to remain wider than normal until more clarity is gained around the path of inflation and monetary policy, which is not likely to occur until well into the first half of next year.

Figure 6: Conventional vs. FHA Mortgage Rates



Sources: Mortgage Bankers Association, Arch MI

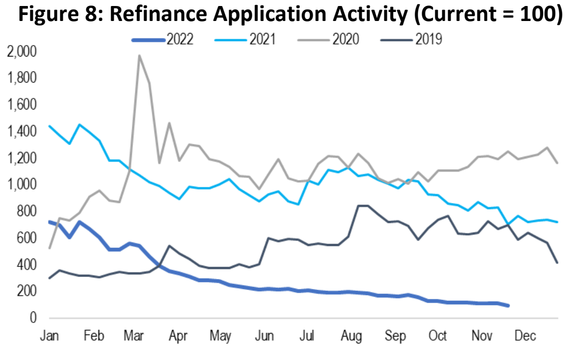
Figure 7: 30-year Mortgage Rate vs. 10-year UST Yield



Sources: Freddie Mac PMMS, FRB, Arch MI

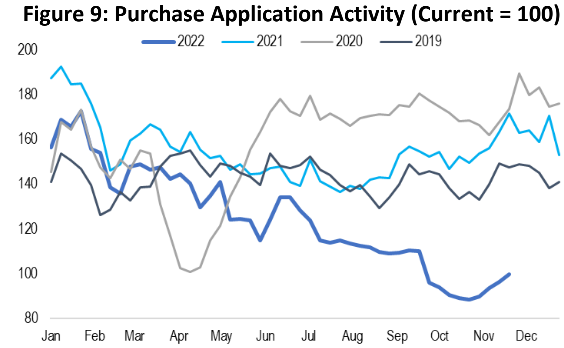
Despite the decline in rates, few borrowers have any incentive to refinance as rates remained well above pandemic-era rates. Accordingly, refinancing activity continued to plunge but purchase activity has reacted positively to the recent drop in rates. The MBA mortgage application survey for the week ending November 25 declined -0.8% w/w and the index is now down -66% year-over-year and -63% compared with pre-pandemic levels (i.e., 3 years ago). The weekly decline was driven primarily by a -12.9% drop in refinancing applications, which remain down -86% y/y and -86% over 3 years (Figure 8). Purchase applications increased 3.8% w/w but remain down -42% y/y and -32% relative to 2019 levels (Figure 9).

Figure 8: Refinance Application Activity (Current = 100)



Sources: Mortgage Bankers Association, Arch MI

Figure 9: Purchase Application Activity (Current = 100)

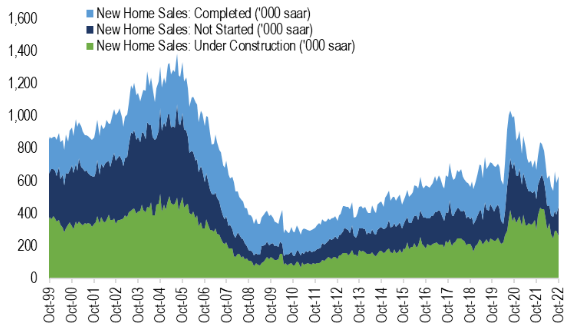


Sources: Mortgage Bankers Association, Arch MI

NEW HOME SALES REMAIN CHOPPY

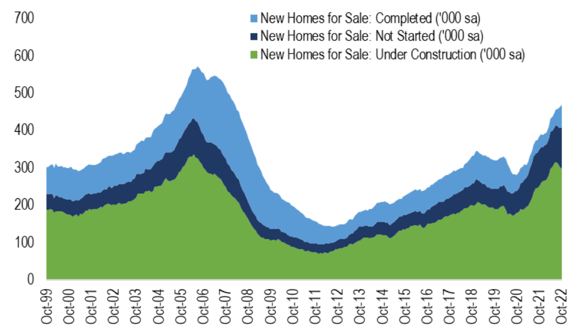
New home sales have been increasingly volatile as 2022 has progressed. October new home sales rose 7.5% m/m to a 632k (cons. 570k) seasonally adjusted annualized pace (Figure 10) with a slight downward revision to the prior two months. The -4% m/m decline for completed sales and the -10% m/m decline for units under construction were offset by an 80% jump in sales for the not started segment. Even so, October's new home sales reflect contracts signed during the month when mortgage rates were closer to 6% than 7%, suggesting further headwinds are likely ahead despite builders' rising use of incentives. It is also important to note that the Census Bureau reports gross sales, not net, meaning that rising cancellations may not be entirely captured until the data is revised in subsequent months.

Figure 10: New Home Sales by Stage of Construction



Sources: Census Bureau, Arch MI

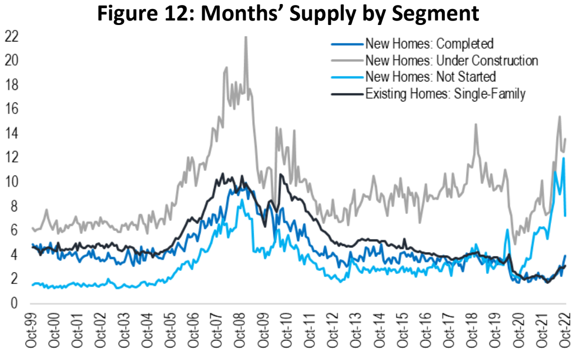
Figure 11: Inventory of New Homes for Sale



Sources: Census Bureau, Arch MI

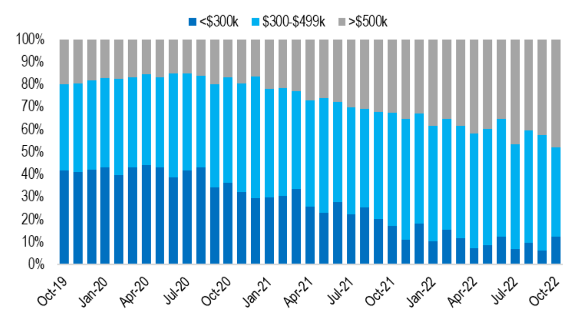
The supply of new homes for sale rose for the tenth straight month to 470k in October, up 21% y/y and representing an 8.9 months' supply. The overall months' supply of new homes remains inflated by the number of homes under construction and not started, which represent a combined 87% of the total available for-sale inventory (Figure 11). The months' supply of completed homes also increased to 4.0 from 3.5 in September, up notably from 2.0 in January and above the 2019 monthly average of 3.5 months (Figure 12). However, the median number of months to sell a completed home remains near a record low of 1.6 months in October, suggesting the recent increase in months' supply has been driven more by an increase in completions – up 91% since January – rather than a sharp pullback in demand. Ready-to-occupy inventory as a share of total has increased to 13% from 8% over that time frame but remains well below the pre-pandemic average of 23%. Easing supply chain constraints and a slower pace of starts are allowing builders to place a greater focus on completions.

Figure 12: Months' Supply by Segment



Sources: Census Bureau, Arch MI

Figure 13: Share of New Home Sales by Price Range



Sources: Census Bureau, Arch MI

The seasonally adjusted median sales price of a new home increased 7.2% m/m to $483,309, bringing the annual pace of price gains to 15.4%, accelerating over the prior two months. Last month's increase in the median sales price was due in part to the rise in the share of homes priced over $500,000 to 48% of total from 43% while the share of homes priced between $300,000 and $499,999 fell to 40% from 51% previously (Figure 13).

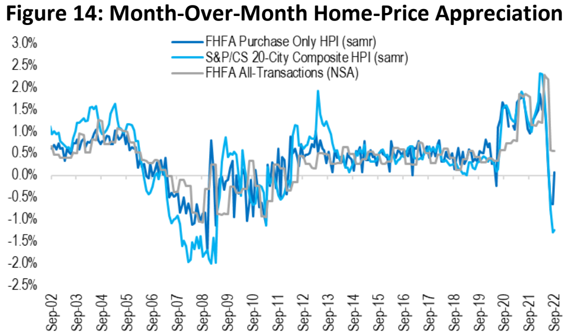
MONTHLY HOME-PRICE INDEXES DIVERGE

Repeat-sales home-price indexes were a mixed bag for the month of September but the direction going forward is still firmly to the downside. The FHFA Purchase Only House Price Index increased a seasonally adjusted 0.1% m/m (Figure 14), 110bps above consensus expectations but only partially offsetting the back-to-back declines of the prior two months. The annual pace of home-price gains slowed further to 11.0% in September from 12.0% in August (Figure 15). From a regional perspective, three out of the nine regions saw home prices decline, led by New England at -1.0% m/m and the Mountain region (-0.8%), the region's fourth straight monthly decline.

The S&P/Case-Shiller 20-City Composite Home Price Index fell -1.2% in September (cons. -1.2%), slowing the pace of decline slightly from the -1.3% print in August. Metros in the West drove the declines for the Case-Shiller index, led by San Francisco (-2.2%), Phoenix (-2.1%) and Las Vegas (-2.1%). The year-over-year growth in the Case-Shiller 20-City index also decelerated to 10.5% from 13.1% in August. The headline divergences between the FHFA PO and the S&P/Case-Shiller tend to occur during times of elevated volatility in the housing market. Index compositional differences do play a factor where the FHFA index uses only conforming, conventional loans purchased and securitized by the GSEs (data included in the index are based on the loan origination date) while the S&P/Case-Shiller index is more encompassing and uses a different weighting that places greater emphasis on higher home value regions. Moreover, the S&P/Case-Shiller index is a three-month moving average of closed sales, implying that closed sales for the most recent July–September period covers contracts signed as far back as May.

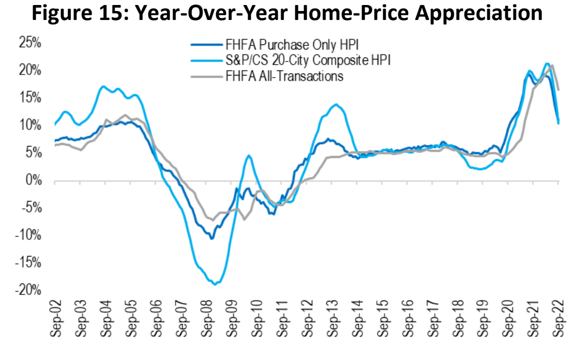
The 3Q22 FHFA All-Transactions (AT) home-price index was released as well, although it tends to lag other home price indices and is only released on a non-seasonally adjusted basis. The FHFA AT HPI posted a firm reversal in 3Q, decelerating to 1.7% q/q, or 7% annualized, from a record pace of 6.9% q/q in 2Q, or 30% annualized. On a year-over-year basis, the FHFA AT slowed to 16.6% from its record high 21.0% last quarter.

Figure 14: Month-Over-Month Home-Price Appreciation



Sources: S&P, FHFA, Arch MI

Figure 15: Year-Over-Year Home-Price Appreciation

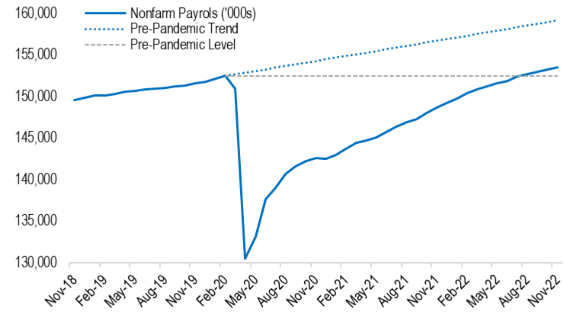


Sources: S&P, FHFA, Arch MI

JOB MARKET REMAINS SOUND

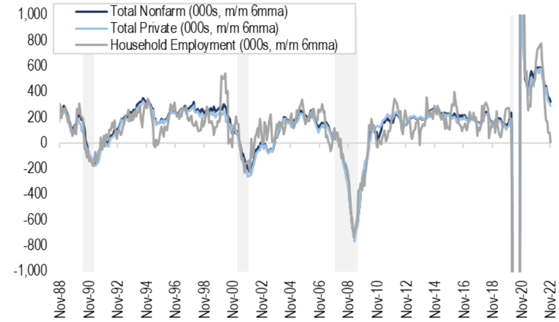
With a gain of 263k jobs in November, the U.S. economy now has 1,044k more jobs than it did in February 2020 but remains well below the pre-pandemic trend (Figure 16). While the three-month moving average pace of job gains continued to slow to 272k from 282k last month and 366k in September, labor market indicators generally still point to strong demand. Job openings have been volatile recently but declined 3.3% m/m in October to 10.33m (cons. 10.25m) and are now down 13% from their March peak. The job filling rate, the ratio of hires to openings which reflects firms' ability to fill positions relative to their demand, remained at 0.6, well below the pre-pandemic norm of roughly 0.8. Meanwhile, the ratio of job vacancies to unemployed fell 20bps m/m to 1.7, further below the cycle high of 2.0. Other measures of labor market health such as the overall level of involuntary part-time employment and voluntary job leavers as a percent of unemployed all suggest the labor market remains on solid footing for now.

Figure 16: Nonfarm Payrolls vs. Pre-Pandemic Trend & Level



Sources: Bureau of Labor Statistics, Arch MI

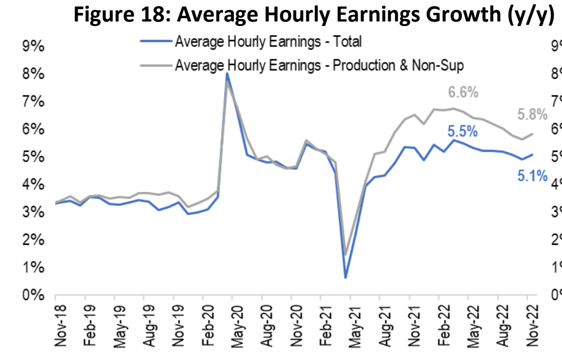
Figure 17: Household and Nonfarm Employment



Sources: Bureau of Labor Statistics, Arch MI

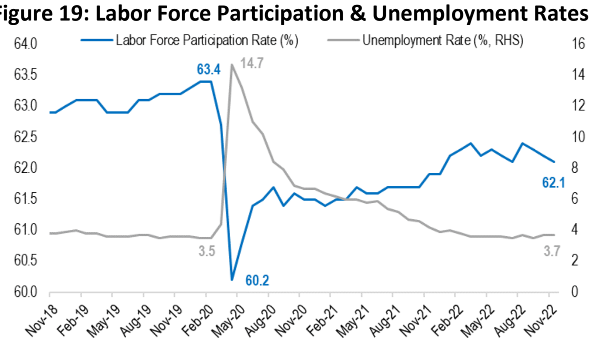
The breadth of job gains also implied healthy labor demand remained as gains were led by leisure and hospitality (88k), education and health services (82k) and other services (24k). Despite weaker manufacturing PMIs, the manufacturing sector added 14k jobs but will likely turn weaker going forward as industrial output slows and as average weekly hours worked in the industry have fallen below their pre-pandemic level. The construction sector added 20k payrolls, reflecting the large backlog of under construction projects still in the pipeline. Notable sectors with payroll declines included retail (-30k), logistics (-15k) and temporary staffing services (-17k), which alongside a shrinking average work week point toward some reduced demand for labor. The household survey has reflected a much less rosy picture of the labor market since April and that continued in November with a 138k decline in household employment last month (Figure 17). It is important to note that the household survey uses a different methodology and is much smaller than the establishment survey and accordingly has a larger sampling error, but the weakness still warrants watching.

Figure 18: Average Hourly Earnings Growth (y/y)



Sources: Bureau of Labor Statistics, Arch MI

Figure 19: Labor Force Participation & Unemployment Rates



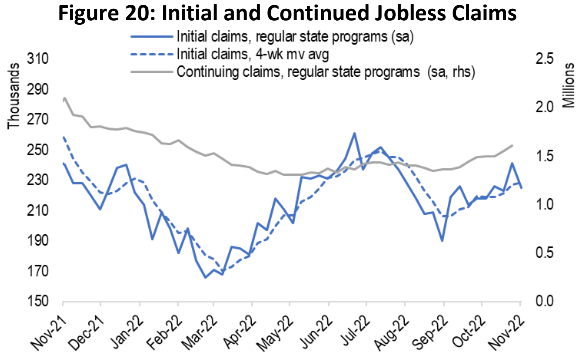
Sources: Bureau of Labor Statistics, Arch MI

Hourly earnings were the biggest surprise in the report, rising 0.6% m/m (cons. 0.3%) in November with upward revisions to the prior few months. The non-supervisory segment rose a bit faster during the month (0.7%) and remained stronger year-over-year at 5.8% (Figure 18). Average hourly earnings do not control for compositional effects and with aggregate hours worked slowing in numerous sectors and outright payroll reductions in others, the signal is muddled. We do not discount the strength completely, given upward revisions to prior months and when viewed alongside other labor market data, labor demand is still outstripping supply. Nonetheless, aggregate private labor income has slowed to 7.7% y/y in November from 9.3% in August, which will likely continue to slow and help keep consumer spending in check. The unemployment rate was unchanged at 3.7% (cons. 3.7%) in November (Figure 19) despite a 10bps decline in the labor force participation rate to 62.1% (cons. 62.2%). While the overall participation rate remains 130bps below its pre-pandemic level, the recovery has been weighed down by lagging participation among older workers: the prime age participation rate, those aged between 25 and 54, has recovered to within 60bps of its February 2020 level.

HOLIDAY SEASON BRINGS CHEER BUT ALSO VOLATILITY IN CLAIMS DATA

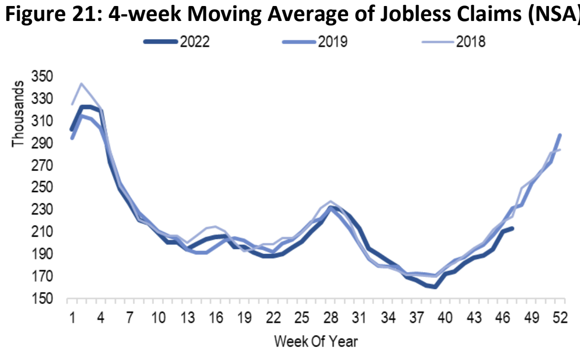
Initial jobless claims declined by -16k to 225k (consensus: 235k) during the week ending November 26 from 241k the previous week, moving the 4-week average up to 229k from 227k (Figure 20). Jobless claims data is typically extremely volatile around the holiday season and thus the trend takes on increasing importance for any signal around this time of year. Combined with the pandemic-era distortions to the seasonally adjusted data, the headline figures are likely to remain noisy in the weeks ahead. Looking at the 4-week average of non-seasonally adjusted claims, the current trend remains about 6% below its pre-pandemic level (Figure 21). Meanwhile, continuing claims for regular state programs (i.e., repeat filers for unemployment insurance) climbed by 57k to 1,608k (consensus: 1,570k) during the week ending November 19.

Figure 20: Initial and Continued Jobless Claims



Source: U.S. Department of Labor, Arch MI

Figure 21: 4-week Moving Average of Jobless Claims (NSA)



Source: U.S. Department of Labor, Arch MI

The Week Ahead

UPCOMING DATA RELEASES

This week will be light compared to recent weeks but nonetheless still boasts important data releases. We get a glimpse at survey indicators (S&P and ISM) covering the health of the services sector and if November's payrolls report is anything to go by, they should still signal firm services production overall. The durable goods report will be a bit stale as it will be a final print for October and should weaken going forward, given the latest survey data and industry hours worked. November producer price inflation will likely continue to show increasing softness from the goods sector while preliminary inflation expectations for December come just ahead of next week's FOMC monetary policy meeting. We also get a look at consumer confidence that should get a bump from falling gas prices, still low unemployment and cooling inflation.

Key economic and housing data releases for the coming week:

Date	Indicator	Period	Actual	Consensus	Previous	Note
12/5/22	S&P Global US Services PMI	Nov F	--	46.1	46.1	index, sa
12/5/22	S&P Global US Composite PMI	Nov F	--	46.3	46.3	index, sa
12/5/22	Factory Orders	Oct	--	0.7%	0.3%	m/m, sa
12/5/22	Durable Goods Orders	Oct F	--	1.0%	1.0%	m/m, sa
12/5/22	ISM Services Index	Nov	--	53.4	54.4	index, nsa
12/7/22	MBA Mortgage Applications	12/2/22	--	--	-0.8%	w/w, sa
12/7/22	Nonfarm Productivity	3Q F	--	0.6%	0.3%	q/q, saar
12/7/22	Unit Labor Costs	3Q F	--	3.1%	3.5%	q/q, saar
12/7/22	Consumer Credit	Oct	--	27.00	24.98	$B, m/m, sa
12/8/22	Initial Jobless Claims	12/3/22	--	230	225	k, sa
12/8/22	Continuing Claims	11/26/22	--	1,615	1,608	k, sa
12/9/22	PPI Final Demand m/m	Nov	--	0.2%	0.2%	sa
12/9/22	PPI Final Demand y/y	Nov	--	7.2%	8.0%	nsa
12/9/22	PPI Core (ex Food and Energy) m/m	Nov	--	0.2%	0.0%	sa
12/9/22	PPI Core (ex Food and Energy) y/y	Nov	--	5.9%	6.7%	nsa
12/9/22	U. of Mich. Sentiment	Dec P	--	56.9	56.8	index, nsa
12/9/22	U. of Mich. 1 Yr Inflation	Dec P	--	4.9%	4.9%	nsa
12/9/22	U. of Mich. 5-10 Yr Inflation	Dec P	--	3.0%	3.0%	nsa

Sources: Bloomberg Consensus Survey of Economists, Arch MI