

HaMMR Digest

Stay current with economic and mortgage market trends.

December 15, 2025

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Now We Wait

- **Key Takeaway:** The December Fed meeting delivered a “hawkish cut” as the committee sees near-term labor market risks outweighing inflation concerns.
- **Macro Implications:** Rates closer to neutral implies a more patient Fed with downside economic surprises or cooler inflation needed to trigger more cuts.
- **Housing Implications:** 2026 outlook leans on modest affordability improvement and reduced economic uncertainty to lift home sales.

Macro: At Neutral-ish

- Powell’s assumption that “true” payroll growth is negative solidified another cut.
- Forward guidance of “near neutral” rate should allow labor market to heal.
- Recent data flow however suggests Fed is too pessimistic on current activity.

Rates: Fed’s Easing Bias Will Require Proof

- 10y UST yield up 5bps w/w and 22bps since October lows but further lift limited.
- Yield curve bull steepened as Fed policy decision was not as hawkish as expected.
- Markets pricing in two or more 25bps rate cuts for ‘26 with a Q1 cut a toss-up.

Housing: Holiday Break

- End of ‘25 humdrum for housing with refinancing activity the main bright spot.
- Affordability to improve further in ‘26 as income growth outpaces home price gains.
- Sellers and buyers will reengage with fading economic uncertainty, lifting sales.

Labor Market Turnover: Looking Marginally Better

- Net hiring turned positive after the summer lull, led by smaller firms.
- Breadth of hiring across sectors declined to the lowest level since 2024.
- Vacancies hitting a multi-month high suggests labor demand may be turning.

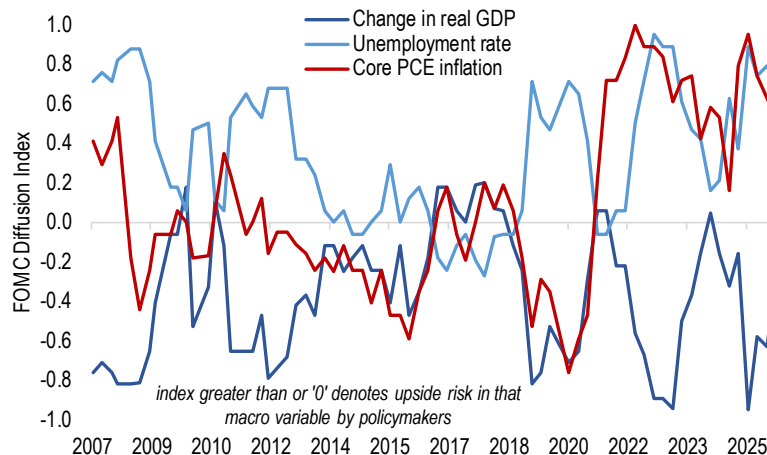
Small Business Optimism: Spirits Lifted

- NFIB Optimism index rebound led by stronger sales expectations.
- The share of firms raising prices hit the highest since 2023.
- Hiring plans firmed but “labor quality” increasingly a problem.

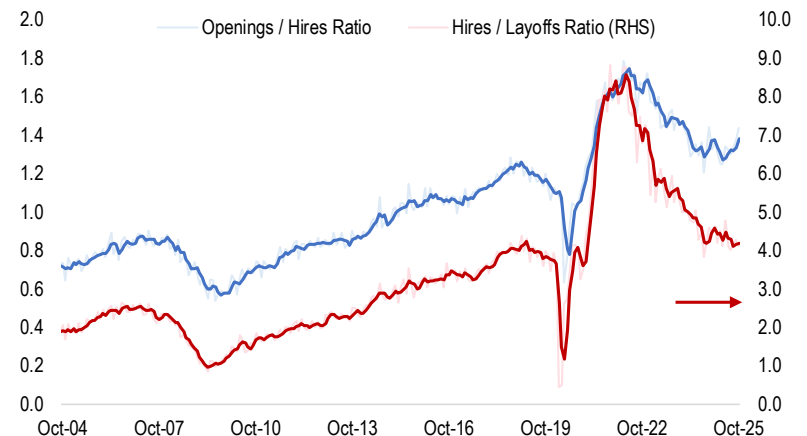
Fed Rate Meeting: Can’t We All Just Get Along?

- Number of dissents (two for a hold; one for a 50bps cut) most since 2019.
- New projections upgraded growth and labor outlooks; inflation risks tamed.
- Fed median projection holds at two more cuts, one in ‘26 and ‘27.

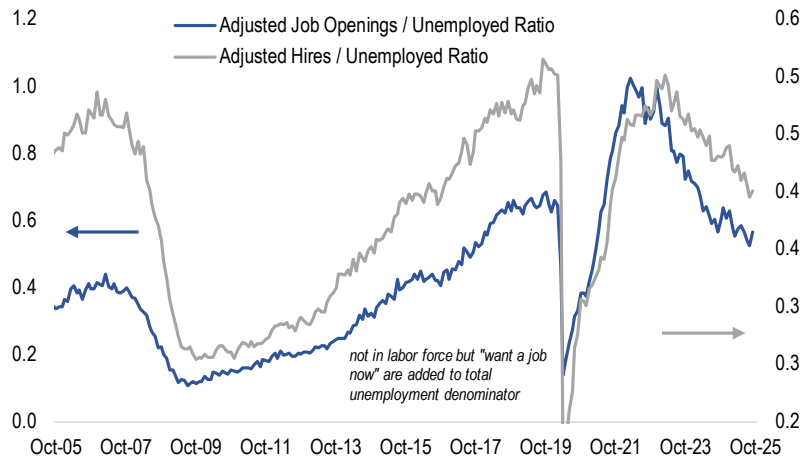
Monetary Policymakers Still See Elevated Labor Market Risks, Keeping the Near-Term Easing Bias Intact



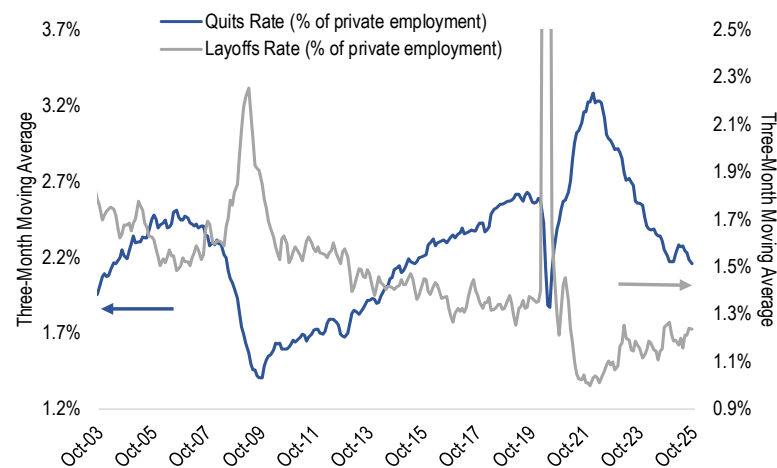
Hires-to-Layoffs Ratio Stabilizing at a Low Level While the Rebound in Openings Positive for Future Hiring



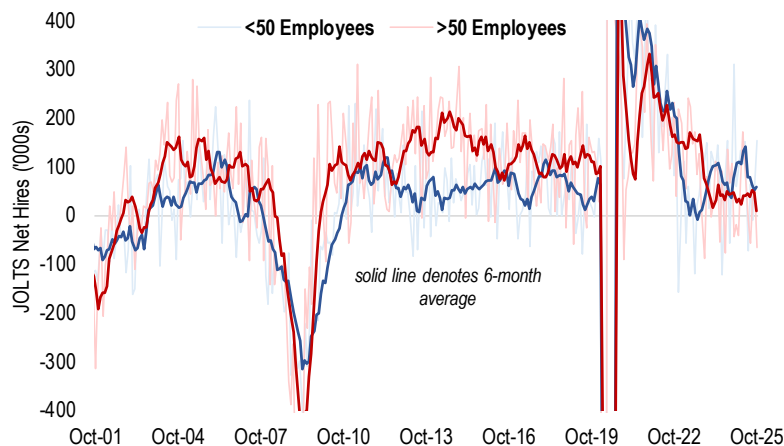
Latest JOLTS Data Indicates Stabilization May Be Underway in the Labor Market



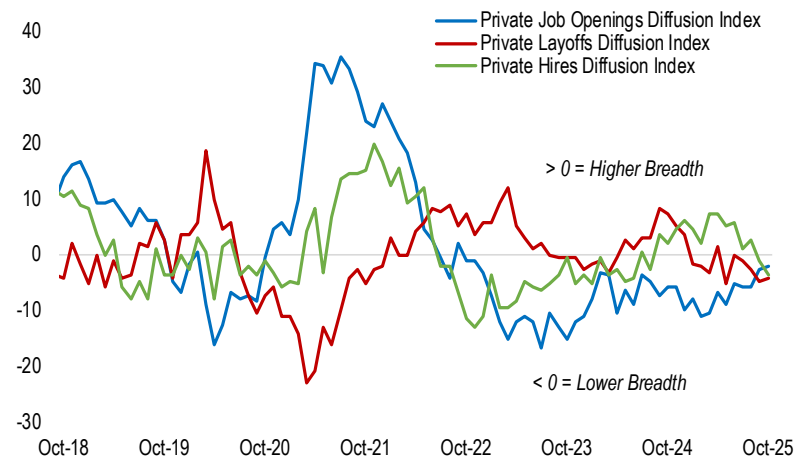
Quits Remain Remarkably Weak as Layoffs Have Steadily Crept Higher



Smaller Firm Net Hiring Perked Up Slightly While Larger Firms Seem Inclined to Hold the Line on Staffing



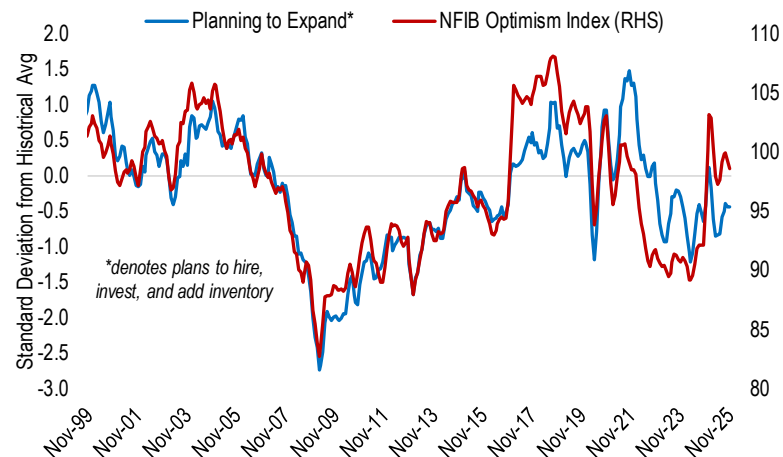
Breadth of Industries Hiring Continued to Shrink, but Pickup in Job Openings Signals Demand Is Turning



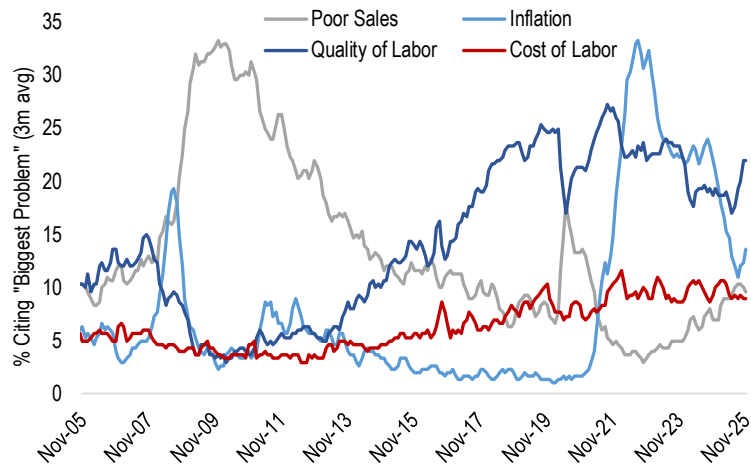
Small Businesses Have Turned More Sanguine about Future Revenue ...



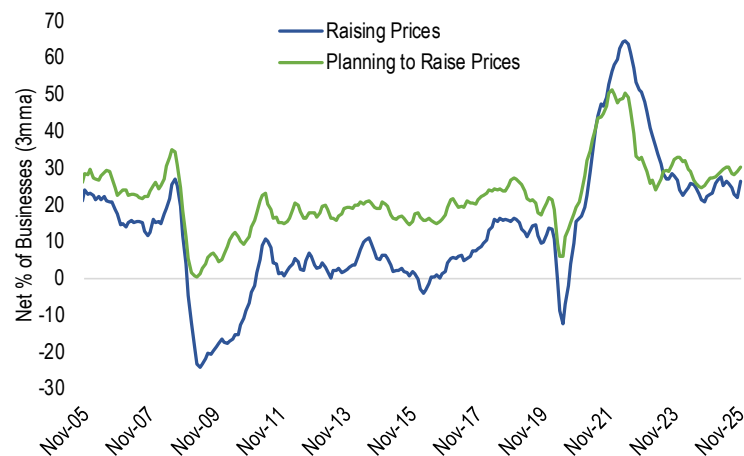
... But That Has Not Led to Increased Expansion Plans Outside of Hiring, Which Rose to an 11-Month High



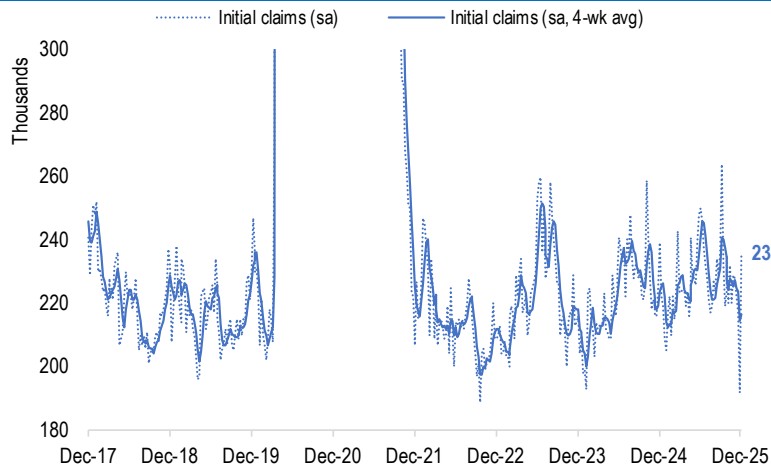
Share of Firms Citing Poor Sales as "Biggest Problem" Has Rolled Over While Labor Quality Keeps Rising



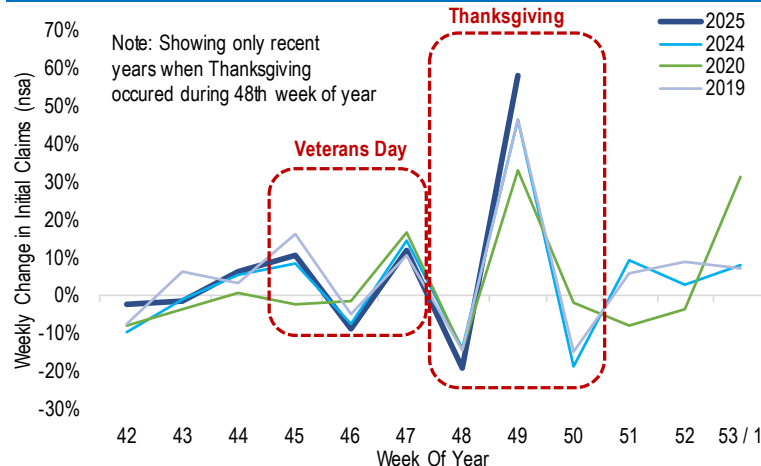
Firms Seem Less Hesitant to Raise Prices, Signaling Margin Compression Limits or Improving Demand



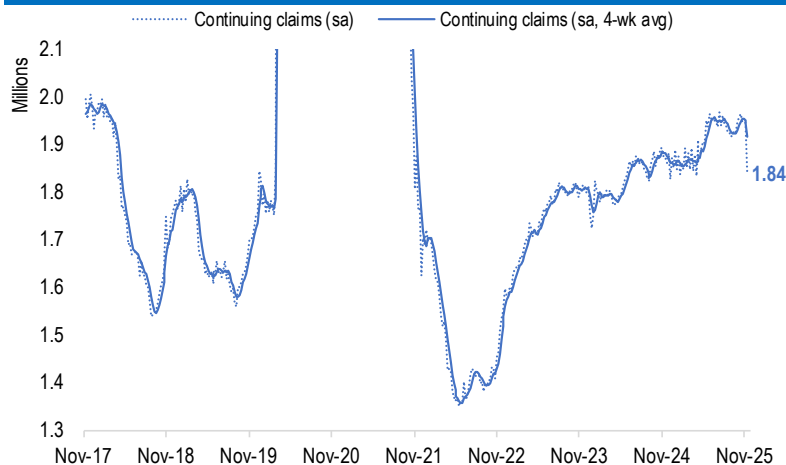
Initial Claims Jumped Back to 236k (sa) in Week Ending Dec. 6, Largest Weekly Increase Since 2021



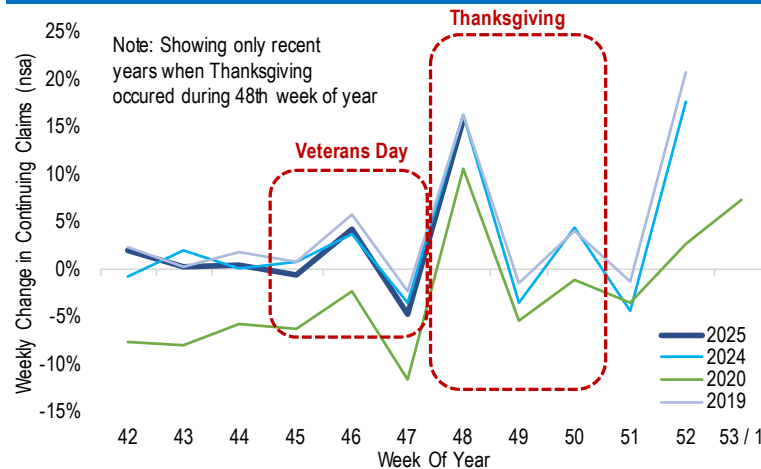
While Claims Data Is Volatile around Thanksgiving, Current Swing Has Been Most Volatile in Years



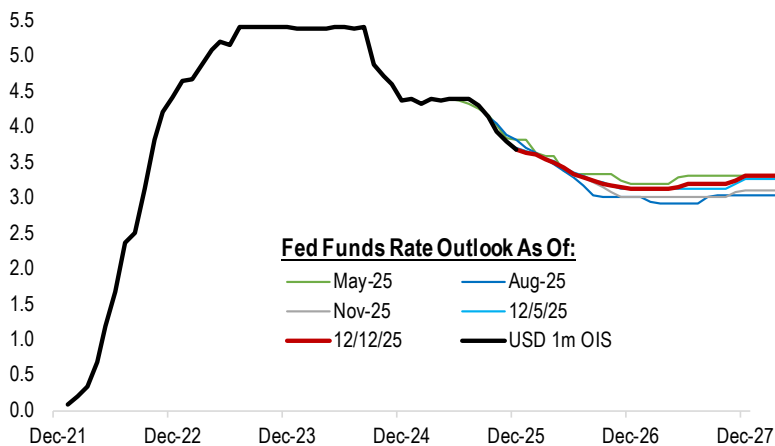
Continuing Claims Plunged to 1,838k (sa) during Week Ending Nov. 29, Largest Weekly Decline Since 2021



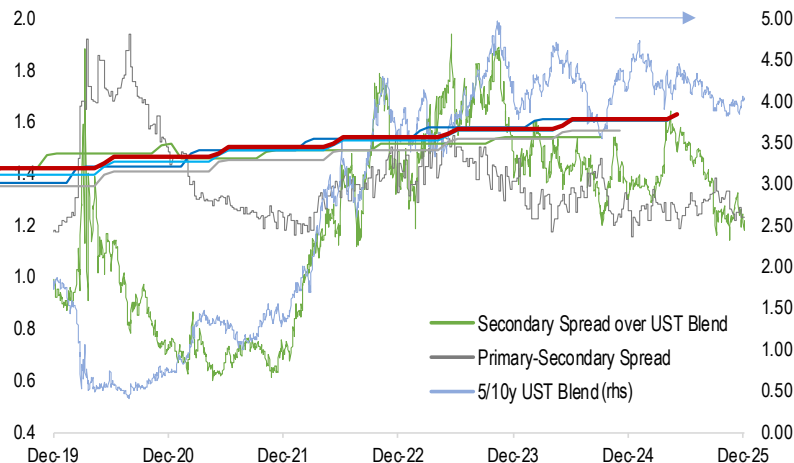
Despite Outsized SA Decline, Weekly Change in Unadjusted Data in Line with Recent Years



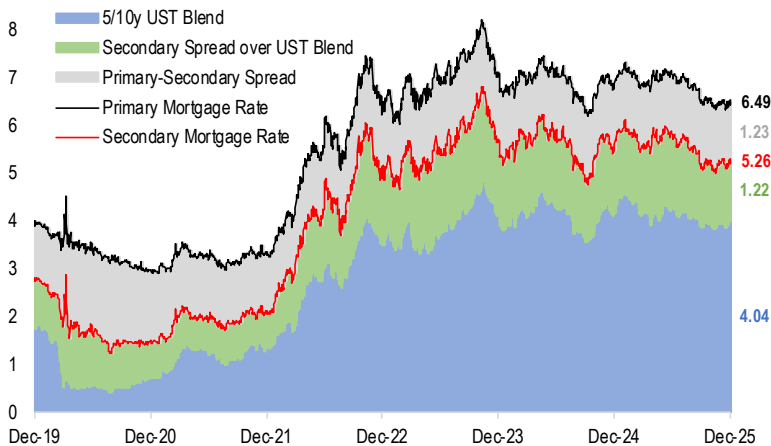
2026 Market Odds Unchanged after Fed Rate Cut, but Longer-Term Rate Expectations Moved Higher



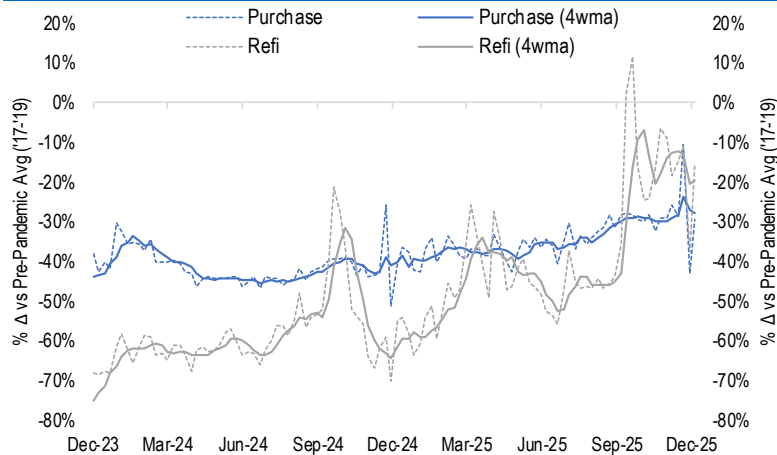
U.S. Treasury Yields Rose 4bps Last Week While Mortgage Spreads Were Unchanged ...



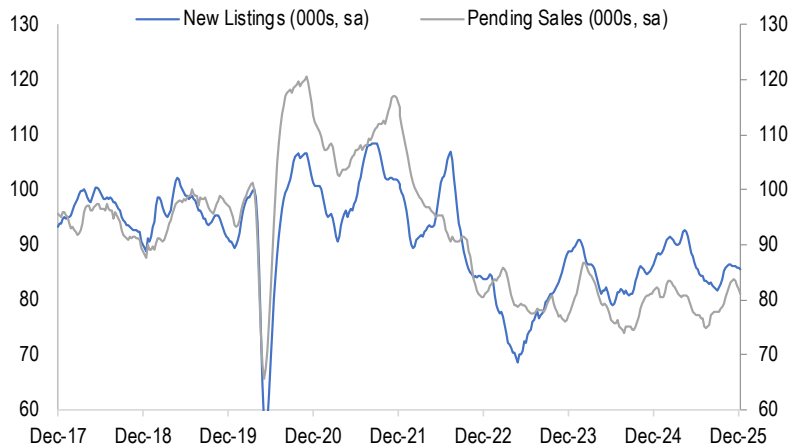
... Which Pushed Mortgage Rates Up Slightly after 4 Consecutive Weekly Declines



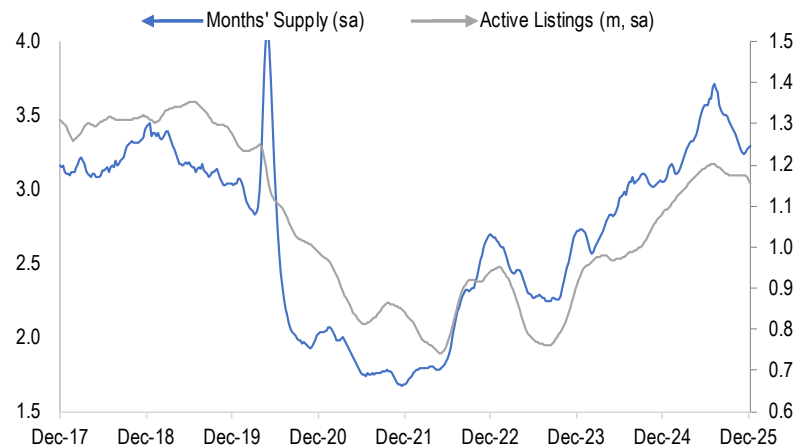
Mortgage Application Activity Whipsawed around Holiday-Impacted Weeks



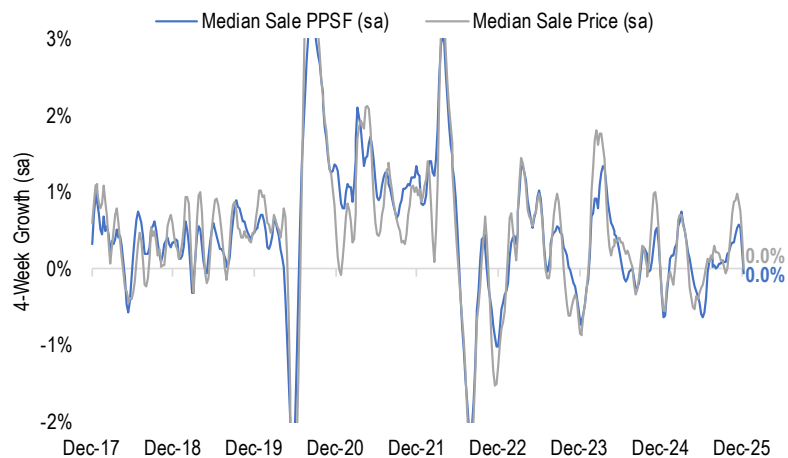
Pending Sales Showing Have Pulled Back through the End of November ...



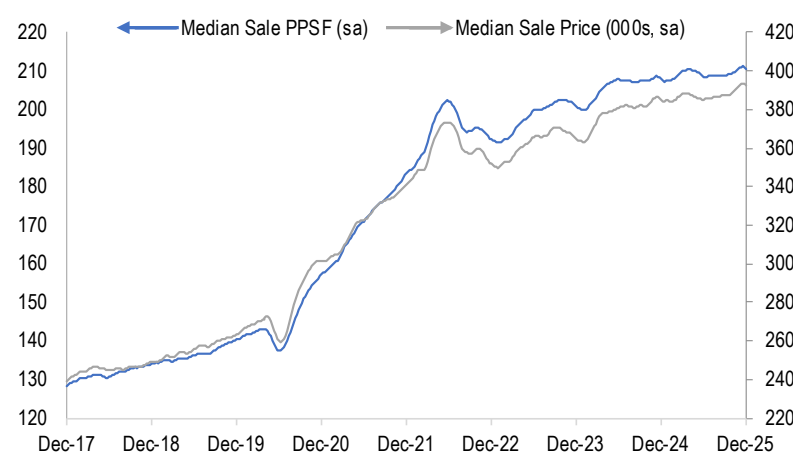
... Faster Than New Listings Have Cooled, Turning Months' Supply Notably Higher



Pace of Seasonally Adjusted Home-Price Growth Has Cooled Sharply in Recent Weeks



Home Prices Inched Higher in Q3, and That Momentum Had Carried through Most of Q4



Annual Home-Price Declines Becoming More Widespread as Many 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	1.4%	0.9%	2.6%	1.9%	5.2%	0.7%	98.2%	-0.3%	-4.7	-10.4	5%	5%	-2%
Atlanta	-2.3%	-0.5%	2.0%	3.5%	5.4%	1.1%	97.5%	-0.3%	24.7	14.3	5%	25%	13%
Austin	-3.3%	-0.2%	-1.1%	0.6%	6.9%	0.9%	96.9%	-0.2%	50.0	42.1	8%	97%	68%
Baltimore	1.4%	-0.2%	1.0%	0.5%	5.8%	0.7%	99.9%	-0.9%	-3.6	-12.6	17%	-16%	-31%
Boston	1.7%	-2.4%	0.6%	-2.8%	4.5%	0.4%	99.8%	-0.9%	4.3	0.3	19%	2%	-17%
Chicago	4.7%	0.0%	5.7%	1.5%	3.6%	1.0%	99.0%	0.0%	-15.0	-16.5	-8%	-30%	-28%
Dallas	-4.9%	-2.8%	-2.6%	-0.2%	6.8%	1.3%	97.1%	-0.4%	22.3	8.7	5%	43%	24%
Denver	-5.2%	-2.2%	0.9%	3.7%	6.5%	0.3%	98.2%	-0.4%	24.7	14.7	4%	75%	64%
Houston	-2.3%	-1.0%	0.9%	0.7%	6.3%	1.4%	95.9%	-0.8%	14.5	-1.0	5%	19%	12%
Los Angeles	-1.0%	-1.0%	2.0%	1.8%	3.5%	0.6%	99.4%	-0.6%	8.5	0.4	2%	23%	21%
Miami	-2.2%	-5.7%	2.3%	2.3%	3.7%	0.5%	94.8%	-0.6%	22.8	11.1	3%	37%	18%
Minneapolis	1.0%	-0.2%	1.0%	-0.5%	5.8%	1.2%	99.1%	0.0%	0.3	-0.5	-2%	7%	5%
Nashville	-0.4%	-1.6%	2.9%	1.2%	4.3%	0.9%	97.6%	-0.2%	19.1	4.3	13%	34%	9%
New York	5.2%	-0.7%	9.1%	3.9%	3.2%	0.6%	99.8%	0.2%	-38.3	-45.8	4%	-25%	-30%
Phoenix	-1.3%	1.0%	2.0%	3.8%	6.2%	0.4%	97.8%	-0.3%	20.1	14.6	7%	48%	50%
Portland	-1.6%	0.5%	1.4%	2.0%	5.8%	0.5%	98.9%	-0.2%	17.1	5.8	6%	45%	32%
Riverside	-3.4%	-3.0%	2.9%	2.0%	4.4%	0.9%	98.8%	-0.3%	3.0	-7.4	-3%	10%	16%
San Diego	-3.4%	0.6%	0.5%	1.6%	4.7%	0.8%	98.9%	-0.3%	11.6	2.3	3%	8%	6%
Seattle	-2.4%	-2.0%	0.5%	-2.1%	5.6%	0.7%	98.8%	-0.8%	8.6	-1.2	18%	49%	12%
Tampa	0.6%	1.9%	0.9%	-1.0%	7.1%	-0.1%	96.5%	-0.2%	22.7	15.4	1%	56%	50%
Washington DC	2.2%	1.3%	0.3%	-1.9%	4.6%	0.7%	99.2%	-0.7%	8.9	-3.0	17%	14%	-4%

Data as of Dec. 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
12/15/25	8:30 AM	Empire Manufacturing	Dec	--	10.0	--	18.7	index, sa
12/15/25	10:00 AM	NAHB Housing Market Index	Dec	--	39	--	38	index, sa
12/16/25	8:30 AM	Nonfarm Payrolls m/m	Nov	--	50	--	--	k, sa
12/16/25	8:30 AM	Private Payrolls m/m	Nov	--	40	--	--	k, sa
12/16/25	8:30 AM	Average Hourly Earnings m/m	Nov	--	0.3	--	--	%, sa
12/16/25	8:30 AM	Average Hourly Earnings y/y	Nov	--	3.6	--	--	%, nsa
12/16/25	8:30 AM	Average Weekly Hours All Employees	Nov	--	34.2	--	--	sa
12/16/25	8:30 AM	Unemployment Rate	Nov	--	4.5	--	--	%, sa
12/16/25	8:30 AM	Labor Force Participation Rate	Nov	--	62.4	--	--	%, sa
12/16/25	8:30 AM	Advance Retail Sales m/m	Oct	--	0.1	--	0.2	%, sa
12/16/25	8:30 AM	Retail Sales Control Group m/m	Oct	--	0.4	--	-0.1	%, sa
12/16/25	9:45 AM	S&P Global US Manufacturing PMI	Dec P	--	52.0	--	52.2	index, sa
12/16/25	9:45 AM	S&P Global US Services PMI	Dec P	--	54.0	--	54.1	index, sa
12/16/25	9:45 AM	S&P Global US Composite PMI	Dec P	--	--	--	54.2	index, sa
12/16/25	10:00 AM	Business Inventories m/m	Sep	--	0.1	--	0.0	%, sa
12/17/25	7:00 AM	MBA Mortgage Applications w/w	Dec 12	--	--	--	4.8	%, sa
12/18/25	8:30 AM	Initial Jobless Claims	Dec 13	--	225	--	236	k, sa
12/18/25	8:30 AM	Continuing Claims	Dec 6	--	1,938	--	1,838	k, sa
12/18/25	8:30 AM	CPI y/y	Nov	--	3.1	--	--	%, nsa
12/18/25	8:30 AM	CPI Core (ex Food and Energy) y/y	Nov	--	3.0	--	--	%, nsa
12/18/25	8:30 AM	Philadelphia Fed Business Outlook	Dec	--	2.3	--	-1.7	index, sa
12/18/25	11:00 AM	Kansas City Fed Manf. Activity	Dec	--	--	--	8.0	sa, index
12/19/25	10:00 AM	Existing Home Sales	Nov	--	4.2	--	4.1	m, saar
12/19/25	10:00 AM	Existing Home Sales m/m	Nov	--	1.2	--	1.2	%, sa
12/19/25	10:00 AM	U. of Mich. Sentiment	Dec F	--	53.5	--	53.3	index, nsa
12/19/25	10:00 AM	U. of Mich. 1 Yr Inflation	Dec F	--	--	--	4.1	nsa
12/19/25	10:00 AM	U. of Mich. 5-10 Yr Inflation	Dec F	--	--	--	3.2	nsa

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

Recent Data Releases

Key economic and housing data releases over the prior week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
12/8/25	11:00 AM	NY Fed 1-Yr Inflation Expectations	Nov	3.2	--	--	3.2	%
12/9/25	6:00 AM	NFIB Small Business Optimism	Nov	99.0	98.3	--	98.2	index, sa
12/9/25	10:00 AM	Conference Board Leading Index m/m	Sep	-0.3	-0.3	-0.3	-0.5	%, sa
12/9/25	10:00 AM	JOLTS Quits Rate	Oct	1.8	--	--	2.0	%, sa
12/9/25	10:00 AM	JOLTS Layoffs Rate	Oct	1.2	--	--	1.1	%, sa
12/10/25	7:00 AM	MBA Mortgage Applications w/w	Dec 5	4.8	--	--	-1.4	%, sa
12/10/25	8:30 AM	Employment Cost Index q/q	3Q	0.8	0.9	--	0.9	%, sa
12/10/25	2:00 PM	FOMC Rate Decision (Upper Bound)	Dec 10	3.8	3.8	--	4.0	%
12/11/25	8:30 AM	Initial Jobless Claims	Dec 6	236	220	192	191	k, sa
12/11/25	8:30 AM	Continuing Claims	Nov 29	1,838	1,938	1,937	1,939	k, sa
12/11/25	10:00 AM	Wholesale Inventories m/m	Sep F	0.5	0.1	-0.1	0.0	%, sa
12/11/25	10:00 AM	Wholesale Trade Sales m/m	Sep	-0.2	0.4	-0.2	0.1	%, sa

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