

# HaMMR Digest

Stay current with economic and mortgage market trends.

February 17, 2026

**Parker Ross** — Global Chief Economist

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

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

[lmourelatos@archgroup.com](mailto:lmourelatos@archgroup.com) | 631 521 9048

## Relief or Aberration?

- **Key Takeaway:** Constructive jobs and inflation data suggest the economy is pivoting away from last year’s risks of a possible labor break and price shock.
- **Macro Implications:** The Fed will look for confirmation in future data releases, but market pricing is increasingly coming (back) around to 3+ cuts in ‘26.
- **Housing Implications:** Mortgage spreads stable as a steep drop in Treasury yields was offset by an uptick in rate volatility, leaving mortgage rates at ~6%.

### Macro: Drinking from a Firehose

- Existing home sales for January were weak and likely impacted by poor weather.
- Consumers tapped credit lines with gusto in Dec., but debt levels remain low.
- Unclear whether productivity gains are cyclical (weak hiring) or structural (AI).

### Rates: Three Fed Cuts with Rising Odds of Four?

- The 10Y UST fell 21bps from its post-jobs peak to 4.05%, the lowest since Dec.
- Yield curve bull flattened with the 2y UST hitting its lowest level since 2023.
- 1yr1yr OIS fell to lowest since Nov.; market pricing shifting to 75bps of cuts in ‘26.

### Housing: Picture to Remain Fuzzy

- Mortgage rates seemingly found a near-term equilibrium in the low-6% range.
- A stable rate backdrop should give buyers confidence to follow through on sales.
- Active listings continue to shrink but should reverse heading into spring.

### Jobs Report: So, You’re Telling Me There’s a Chance

- Unemployment rate fell to 4.28%, a multi-month low.
- Avg. 3m job growth up to 73k, highest since last February.
- Median unemployment duration fell while hours worked and pay rose.

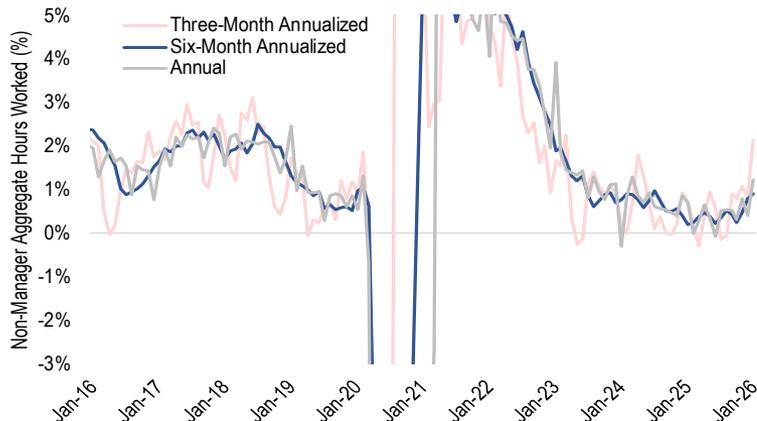
### Consumer Inflation: Cooler Than Feared

- Jan. CPI inflation rose 0.17% m/m with annual growth down to 2.4%.
- Core prices milder than expected amid lower price resets and soft autos.
- Tariff pressures look mostly contained and offset by weaker services.

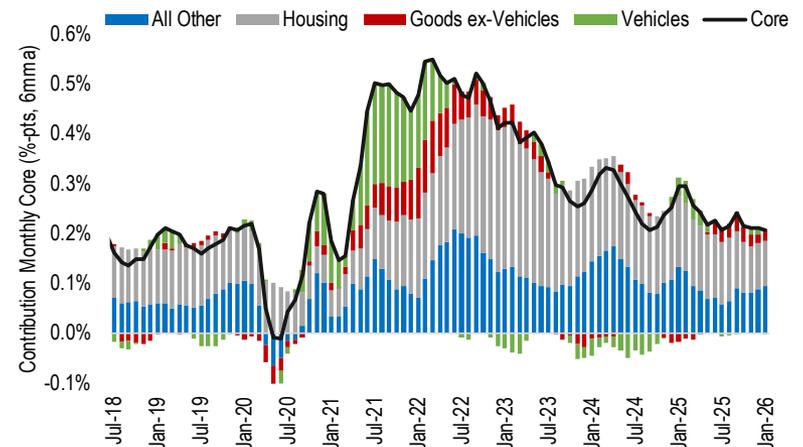
### Retail Sales: Out with a Whimper

- A volatile ‘25 ended in a soft Dec. print amid downward revisions.
- Core retail sales were mostly driven by a rebound in online purchases.
- Steady restaurant sales likely reflective of a two-speed consumer.

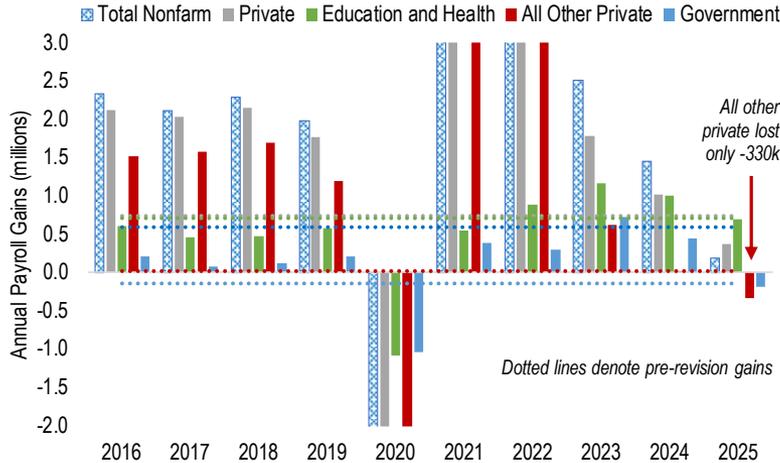
### If Hours Worked Are Any Indication, Labor Utilization Has Strengthened Notably



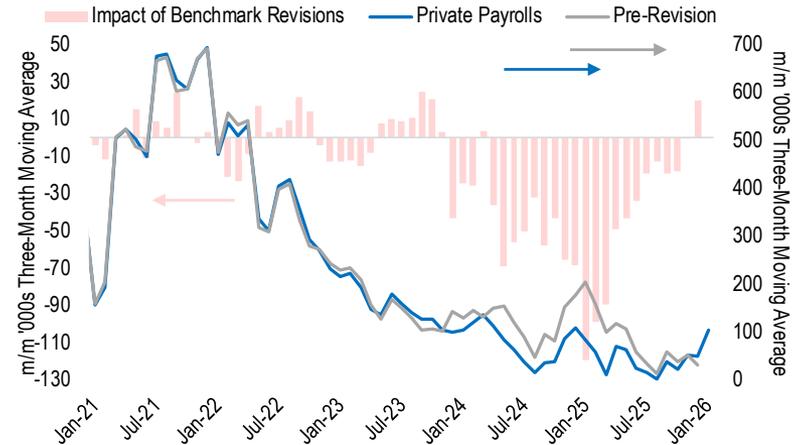
### Consumer Inflation Looks to Be Stabilizing near Pre-Pandemic Norms with Compositional Nuance



**Job Growth Tepid outside Education and Health in '25 with Goods Producers and Government Weak**

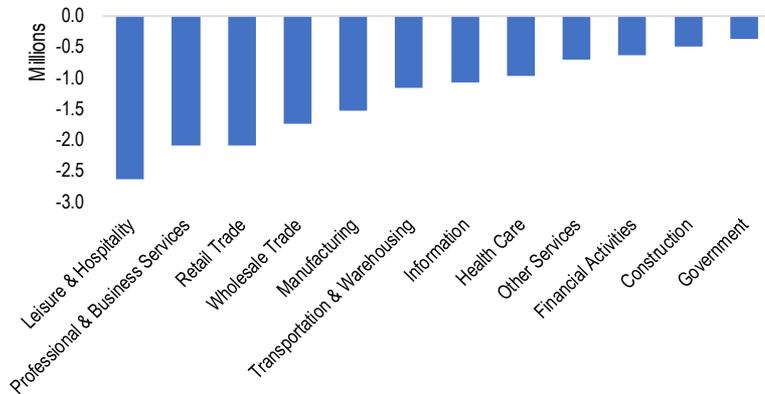


**Payroll Revisions Were Concentrated in Late '24 and Early '25, Reinforcing the Latest Rebound in Job Gains**

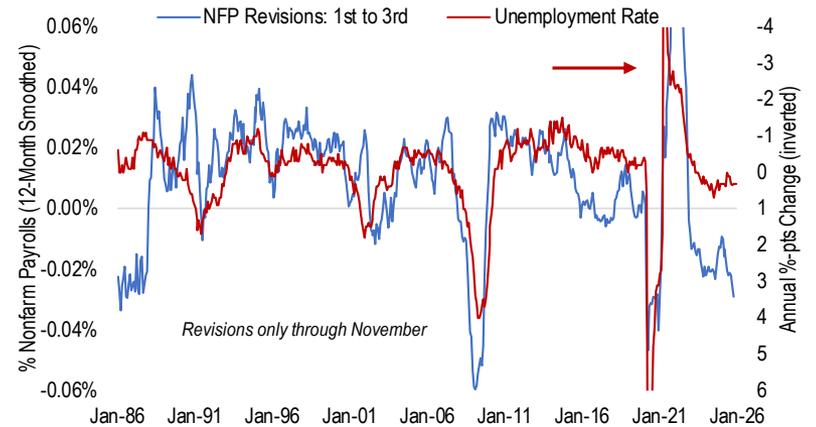


**Leisure and Hospitality Led Downward Payroll Revisions Followed by Professional Services**

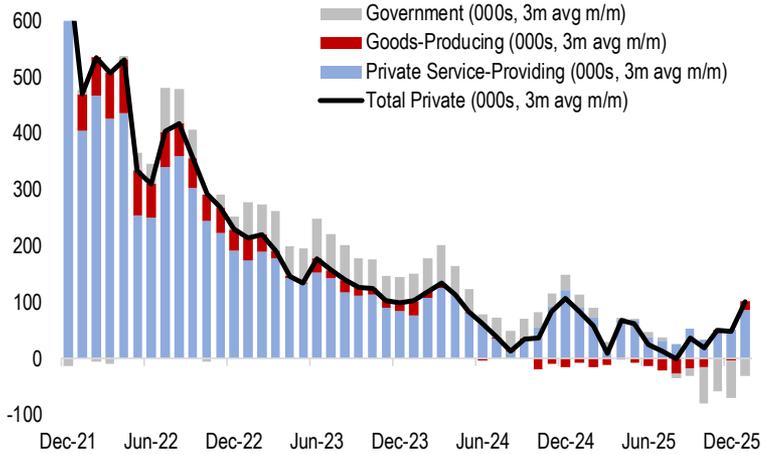
Cumulative Revisions Apr-24 to Dec-25



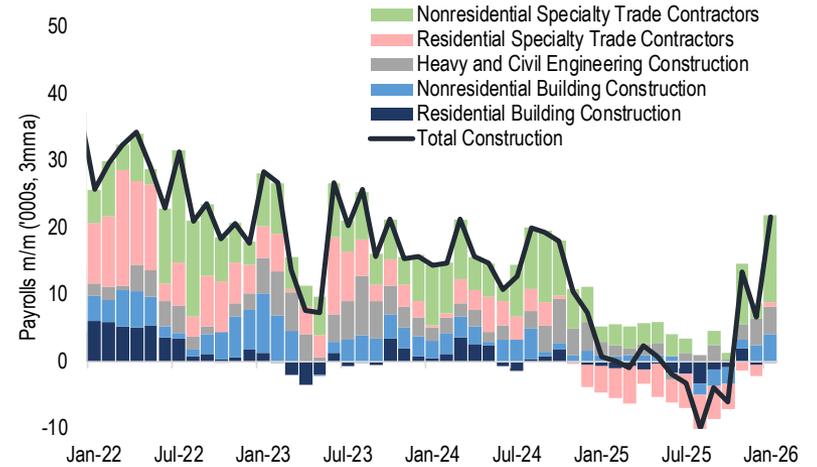
**Magnitude of Negative Payroll Revisions Out of Line with Most Other Key Measures of Labor Market Health**



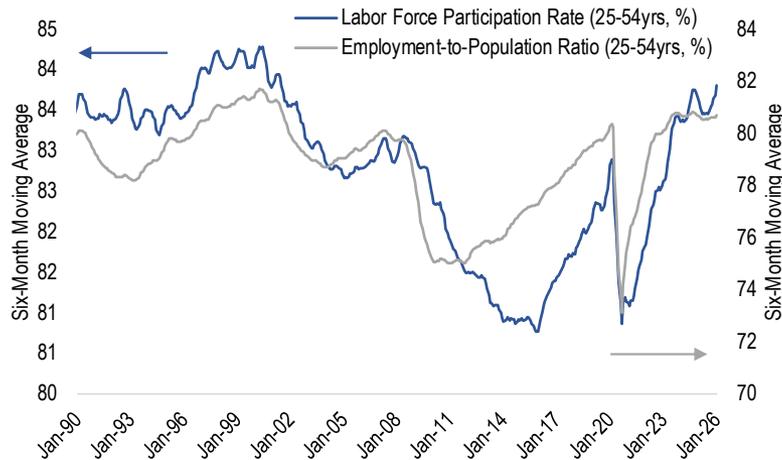
Private Payrolls Rebound alongside Fewer Government Workforce Reductions



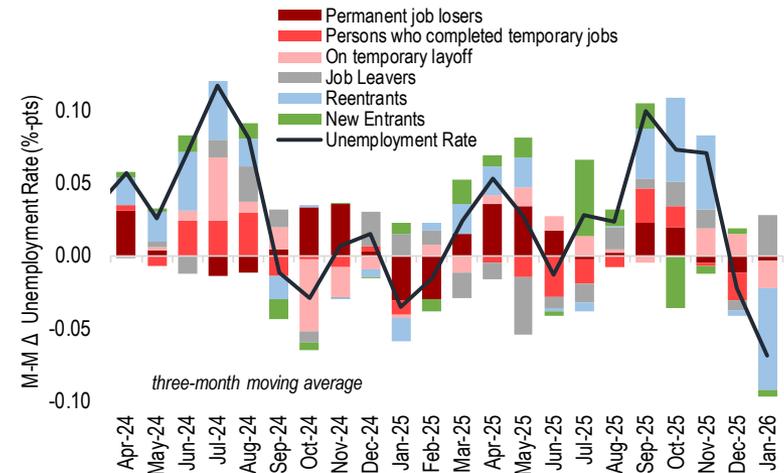
Construction Jobs Gains in January Likely Got a Lift from Favorable Weather during Survey Reference Week



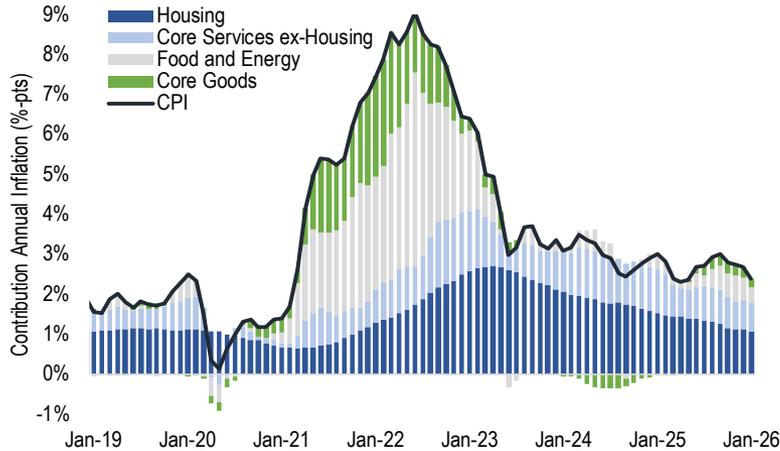
Prime-Age Employment and Participation Rates Suggest Labor Market Slack Is Not Building



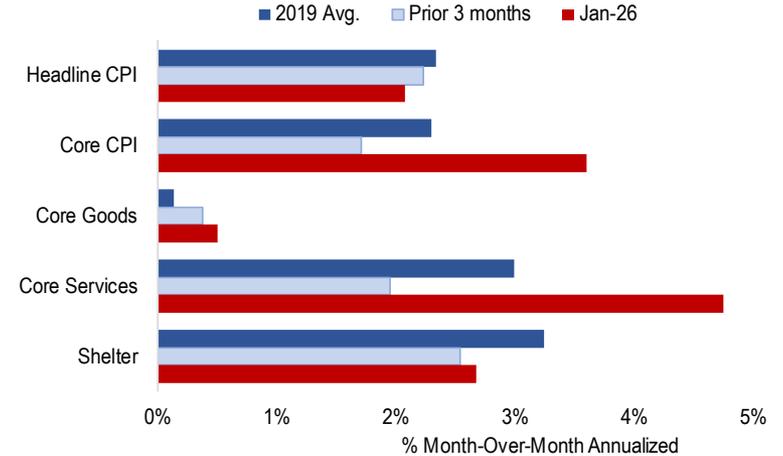
Unemployment Path Has Been Encouraging, but Falling Reentrants Possible Sign of Discouraged Job Hunters



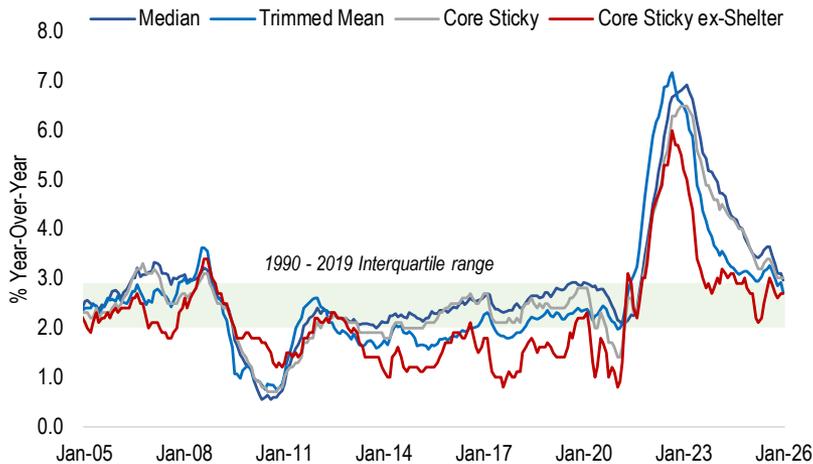
**Annual Consumer Inflation Fell to 2.4% in January as Firm Core Goods Prices Were Offset by Cooler Services**



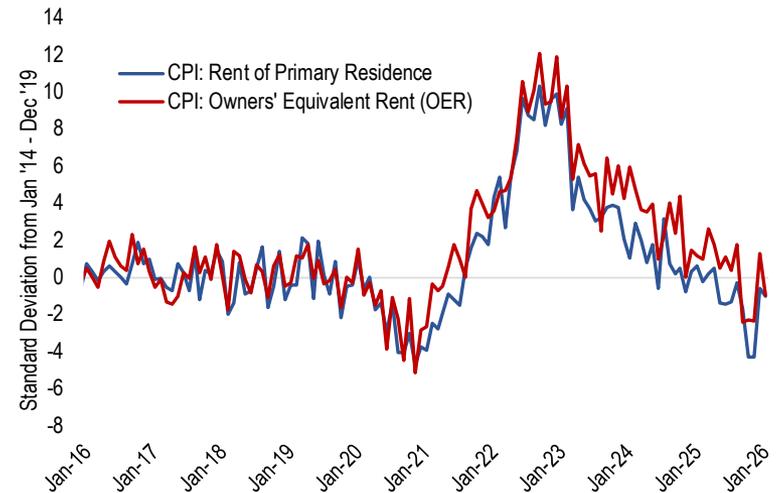
**Core Services Inflation Surged Largely on account of a Spike in Airfares with Other Categories Coming in Soft**



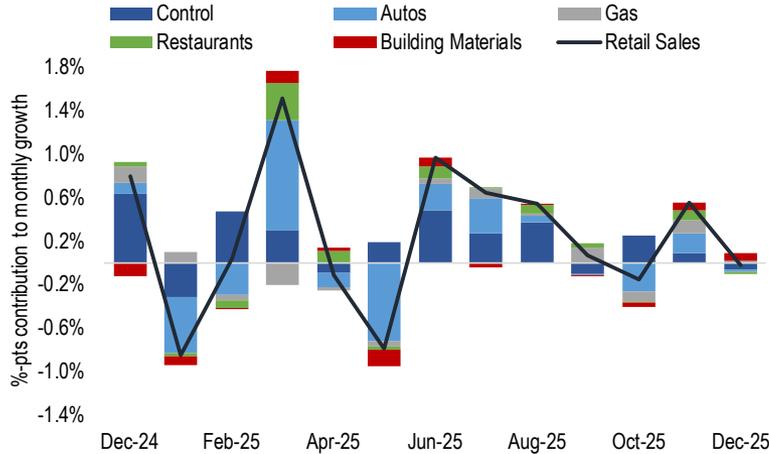
**Underlying Measures of Consumer Inflation Seemingly Contained and Close to Normal Band of Growth**



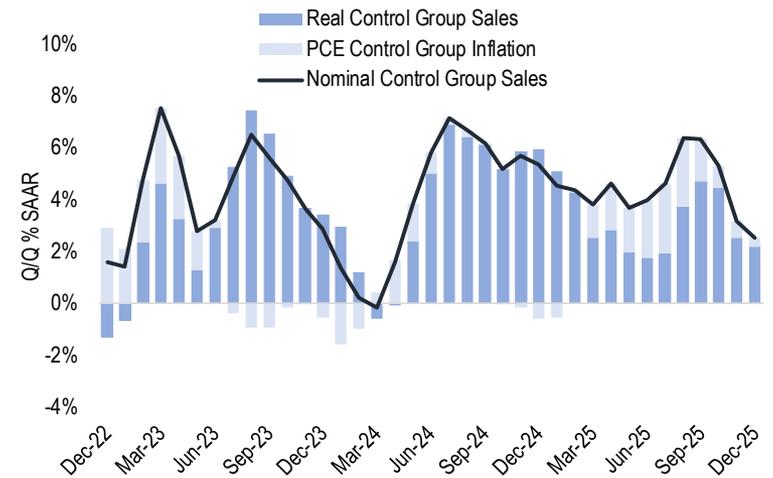
**Shelter Inflation, Which Comprises Nearly 40% of Overall CPI Inflation, Looks to Be Contained**



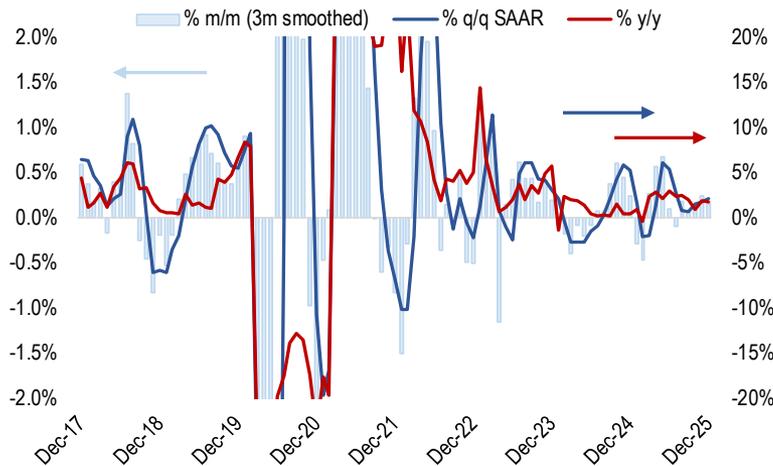
After a Rather Choppy 2025, Retail Sales Ended Last Year with a Whimper



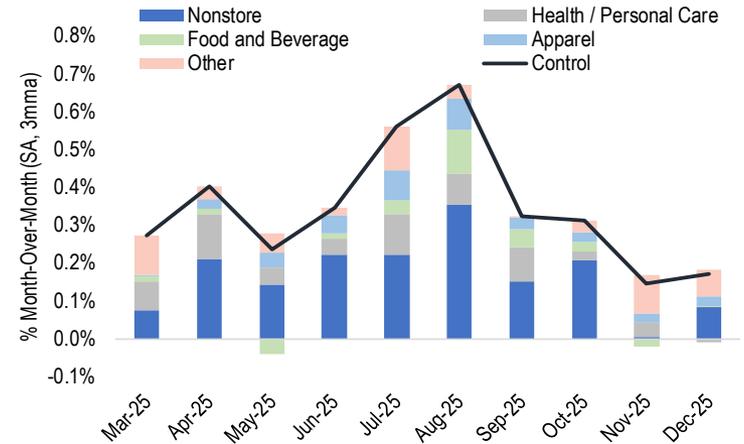
Real (Inflation-Adjusted) Control Group Sales Growth Decelerated Further, In Part Due to Downward Revisions



Real Restaurant Sales Remain One of the Bright Spots with Steady Growth



Control Group Sales Saw Narrow Breadth, Helped by Rebound in Online Outlays



"Control Group" = Retail sales excludes autos, gas, building materials and restaurants.

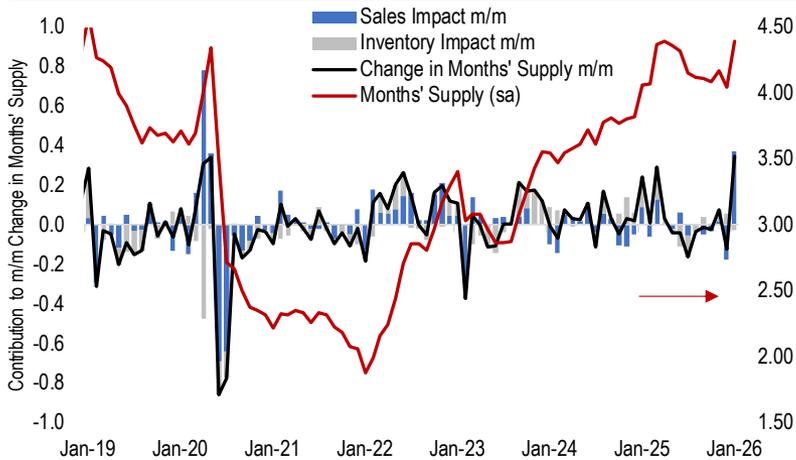
**Existing Home Sales Gave Back All the Recent Gains with January's Plunge**



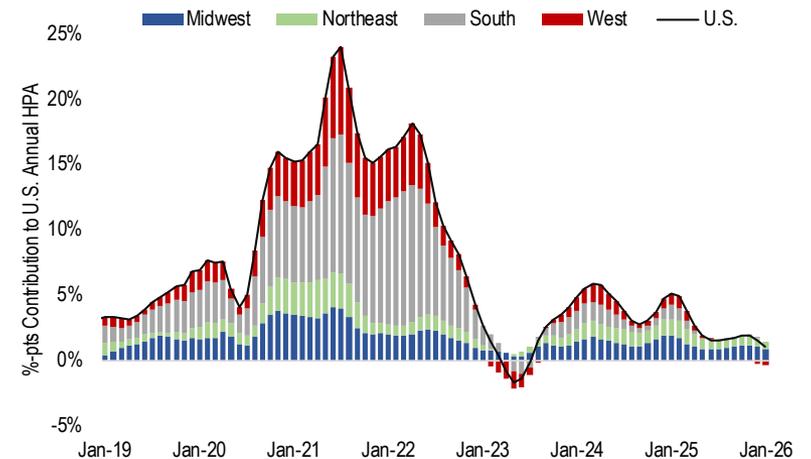
**Sellers Remained Cautious amid Tepid Listings Growth, Helping to Contain Inventory Levels**



**The Rise in Months' Supply Was a Result of the Very Weak Sales Print**



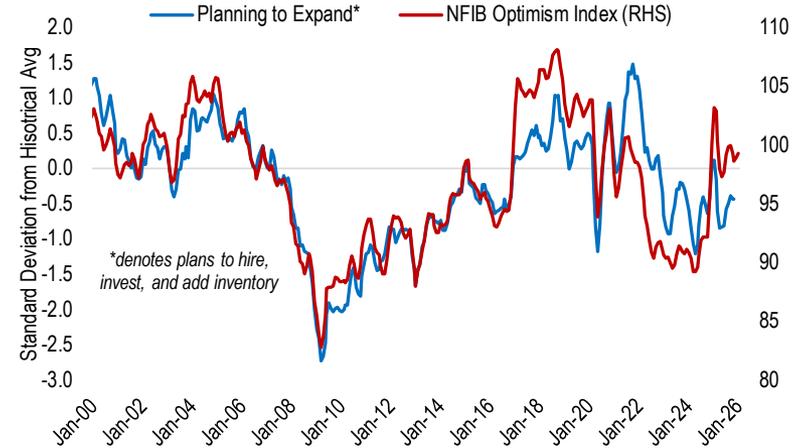
**Sales Price Momentum Has Clearly Cooled with Annual Declines Since Last Summer in the West**



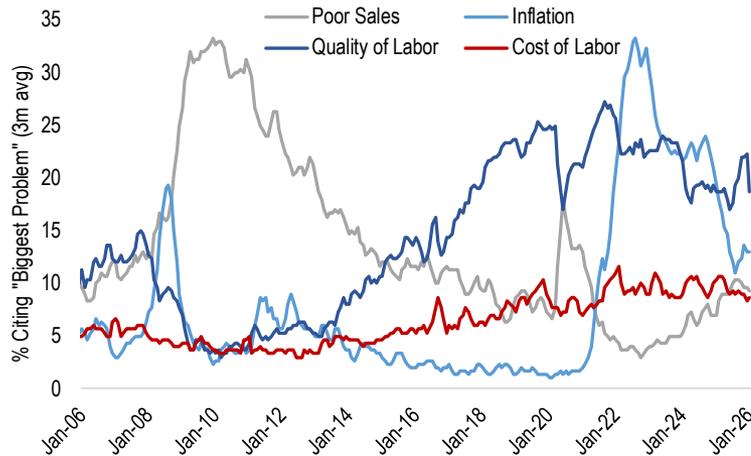
**Small Businesses Have Turned More Sanguine about Future Revenue ...**



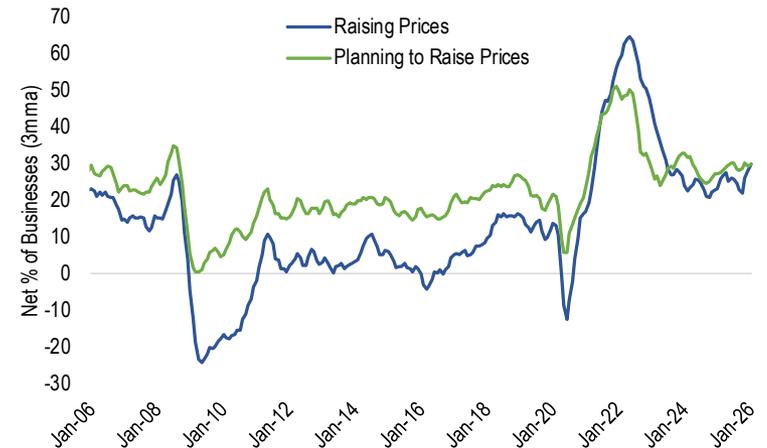
**... But Plans to Expand Have Been Tame, Suggesting Sentiment Improvement Has Yet to Alter Behavior**



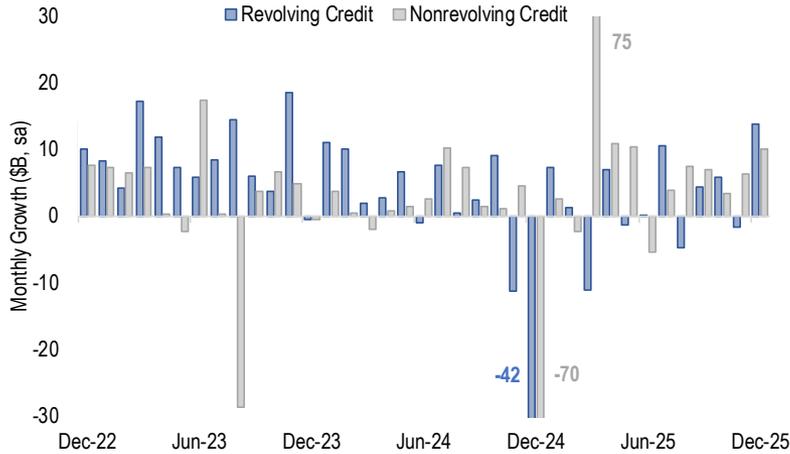
**Share of Firms Citing "Poor Sales" as "Biggest Problem" Has Rolled Over alongside a Reversal in "Labor Quality"**



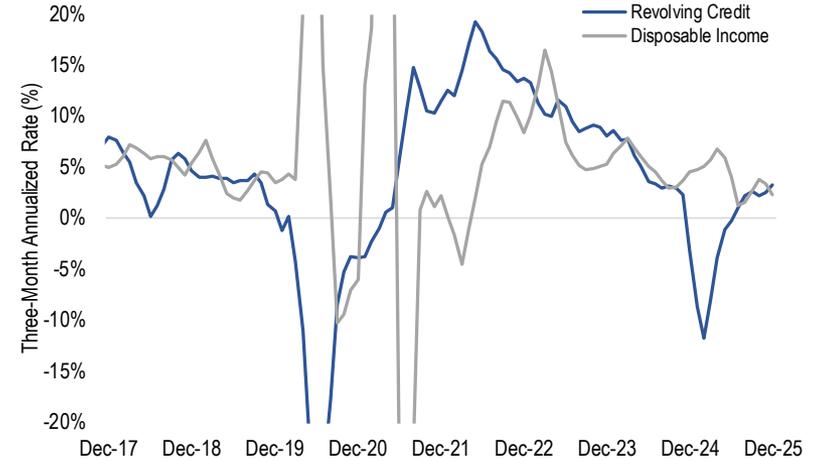
**Firms Appear Set to Raise Prices in the Near Term, Likely on Account of Rising Input Costs and Squeezed Margins**



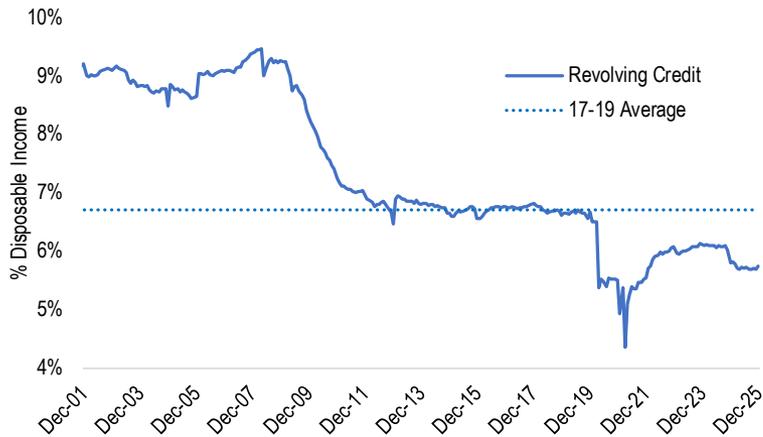
**Revolving Credit Growth Surged in December to the Fastest Growth Rate Since November 2023**



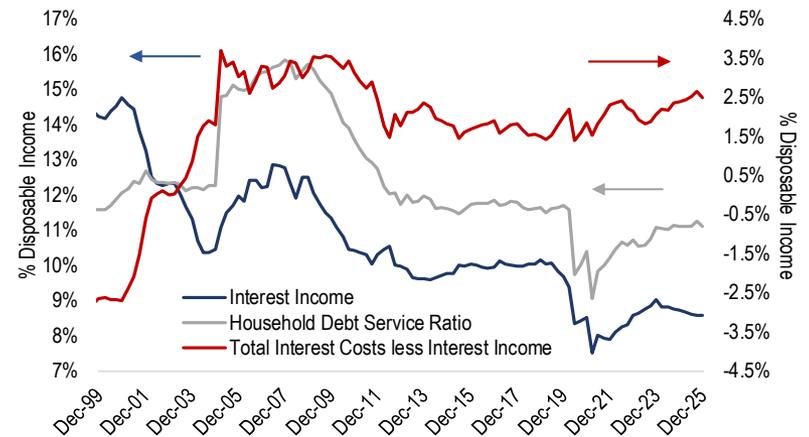
**Households Tapping Credit Likely Attributed In Part to Slowdown in Income Growth**



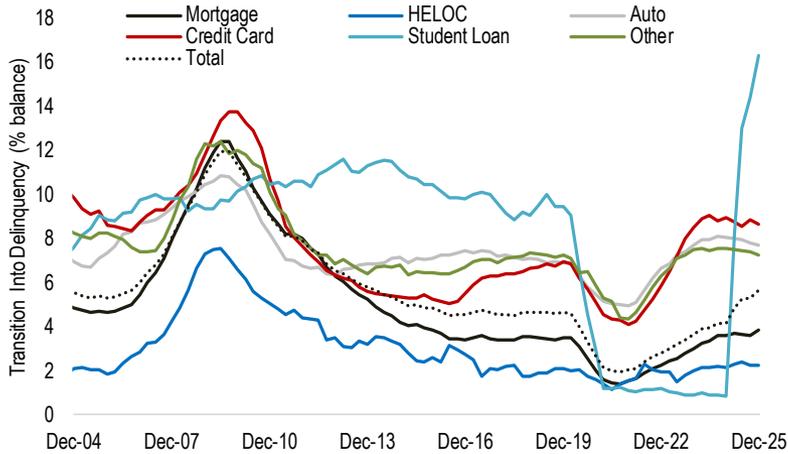
**Nonetheless, Total Revolving Credit as a Share of Income Remains Historically Low**



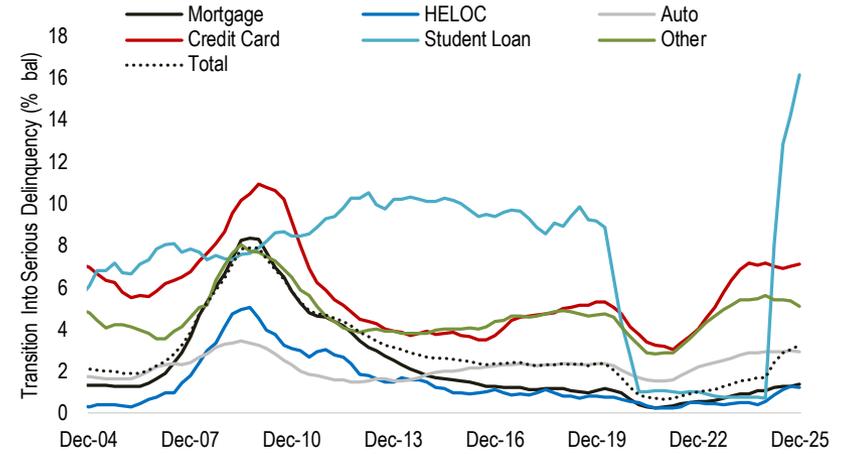
**Household Interest Costs Rolling Over, Leading to Similar Dynamic in Debt Service Costs**



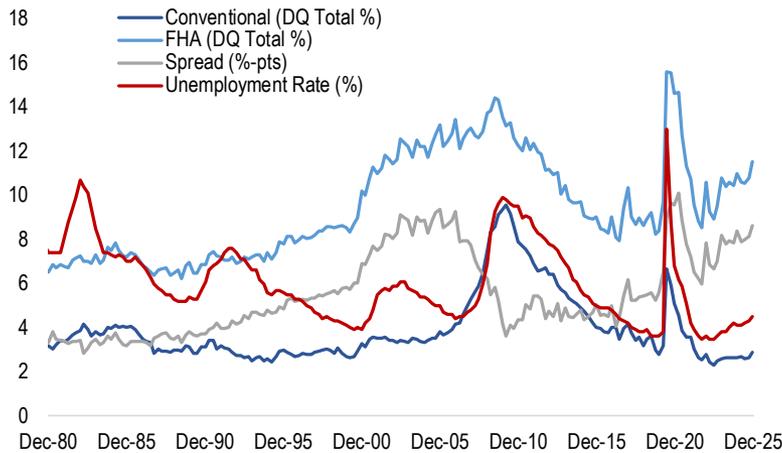
30-Day Delinquency Transition Rate Trends Have Trended Lower aside from Student Loans



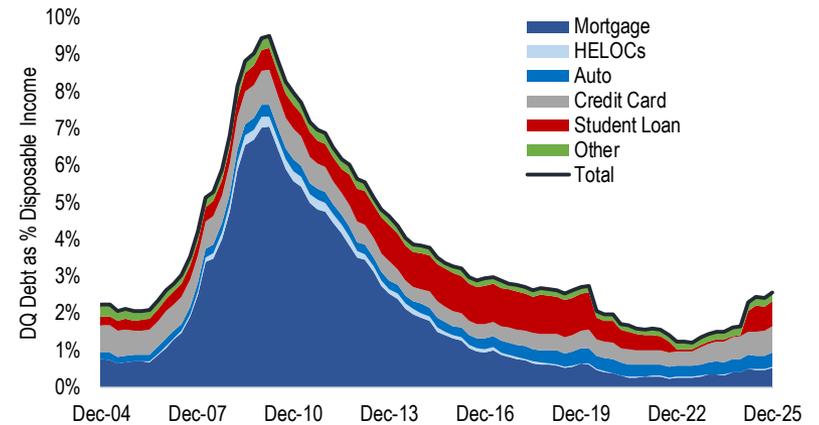
Student Loans an Outlier for Serious DQ (90+ days) Transition Rates aside from Slow Rise in Mortgages



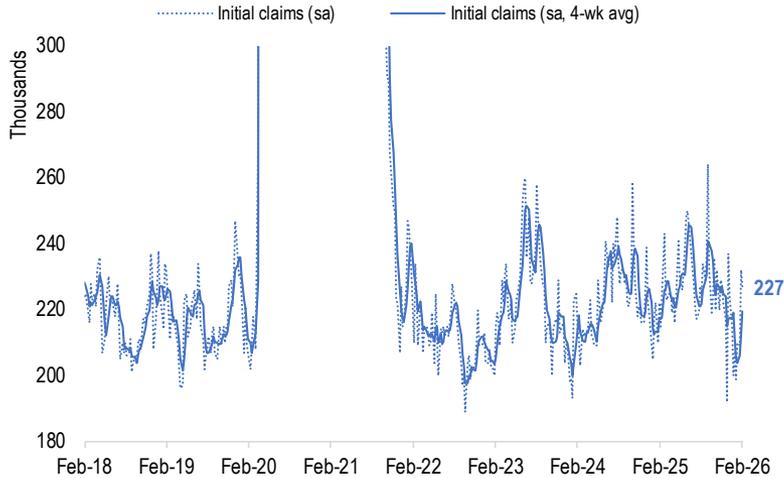
Mortgage DQs Concentrated in FHA / VA Loans, Lower Income and Areas with Home Price Declines



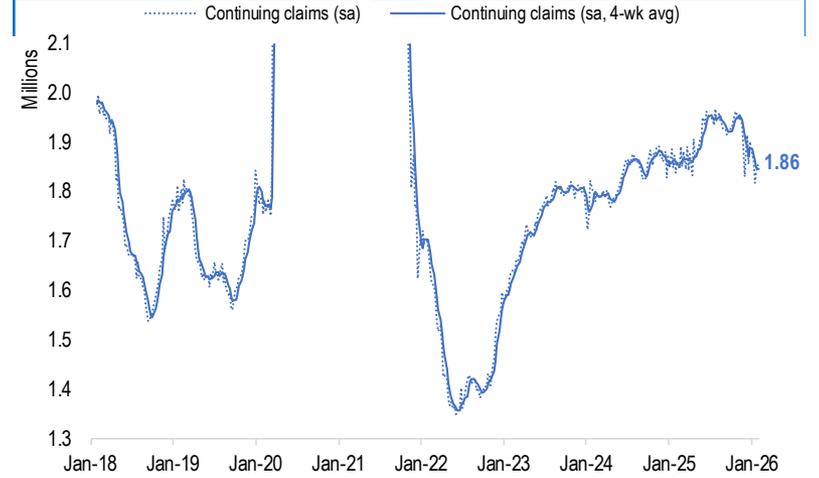
Total Delinquent Consumer and Mortgage Debt Remains Small Share of Income



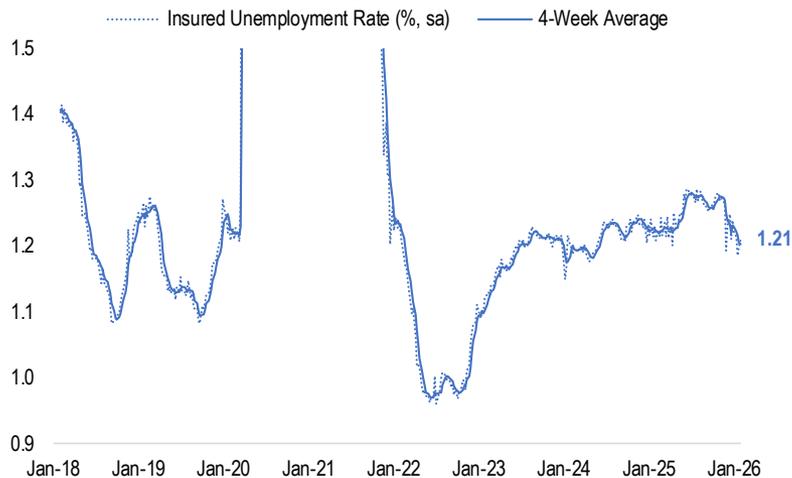
**Initial Claims Ticked Down to 227k (sa) in Week Ending Feb. 7, Likely Still Elevated by Lingering Weather Effects**



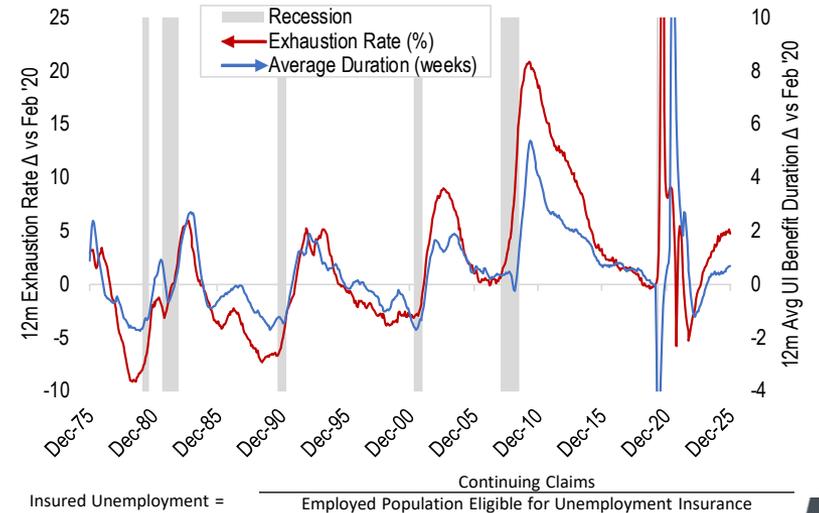
**Continuing Claims Inched Up to 1,862k (sa) during Week Ending Jan. 31, Two Weeks after Lowest Print**



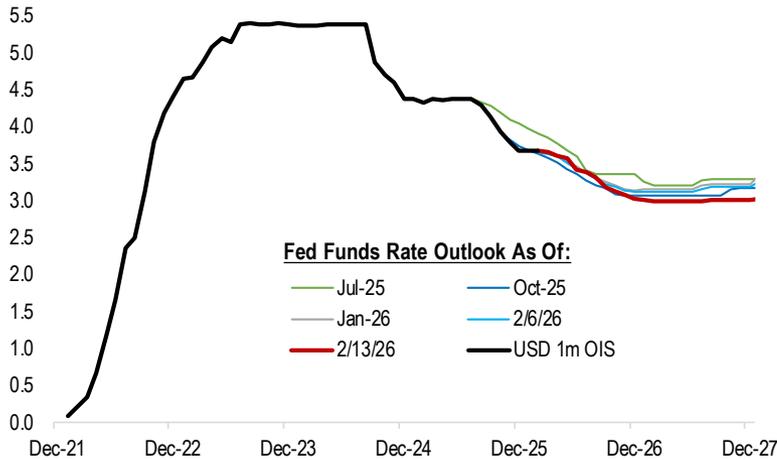
**Insured Unemployment Rate Also Inched Higher to 1.21%, Also Just Above Lowest Level Since 2024**



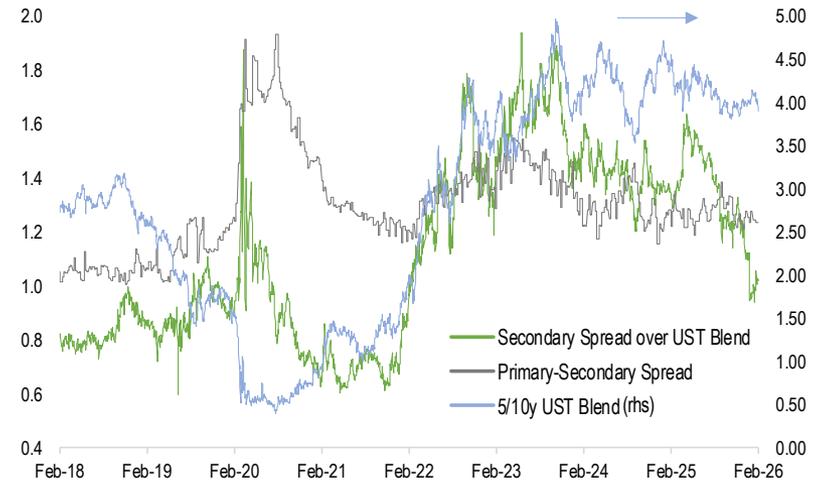
**Claims Data Would Look Worse, If Not for Multi-Year High Exhaustion Rate and Duration of Unemployment**



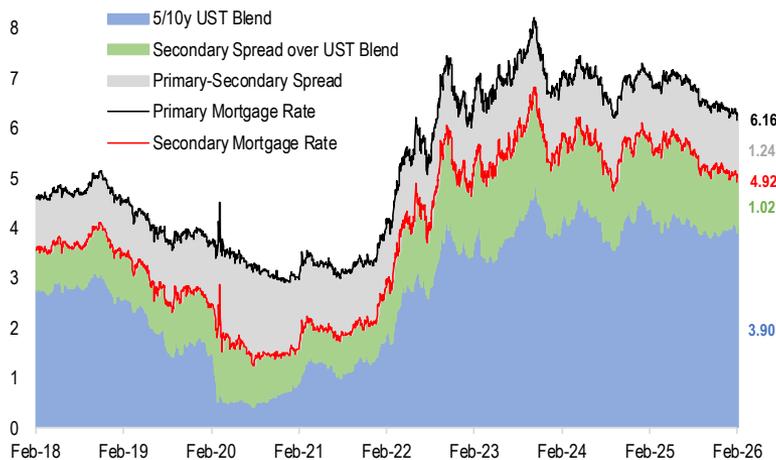
Market Odds of Three 25bps Rate Cuts in '26  
Remain Close to a Toss-Up



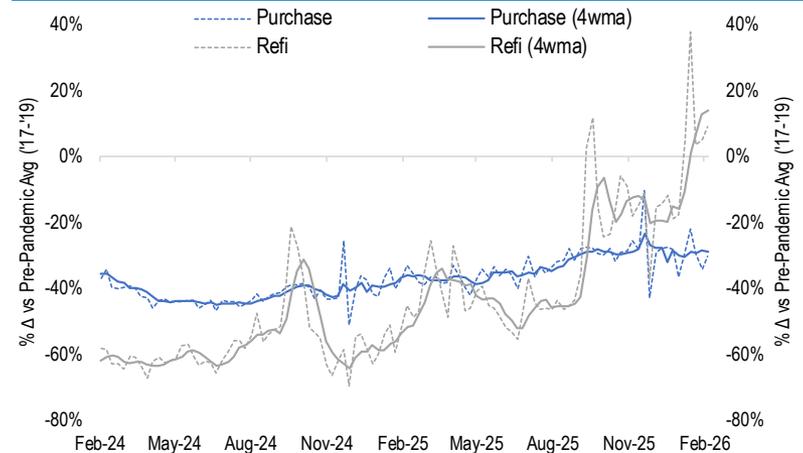
Mortgage Spreads Held Steady Again Last Week  
While UST Yields Marched Lower ...



... Which Brought Mortgage Rates Closer to 6%,  
Extending Gradual Downtrend



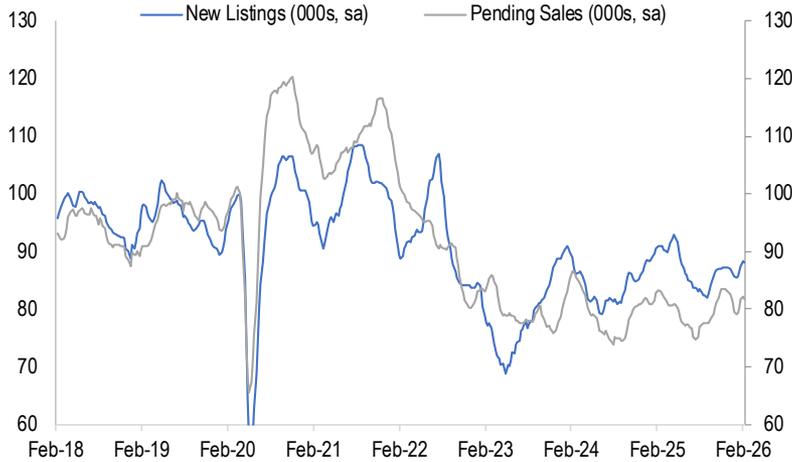
Mortgage Purchase Apps Holding Steady, but Refi Apps  
Still Elevated despite Pulling Back from Prior Spike



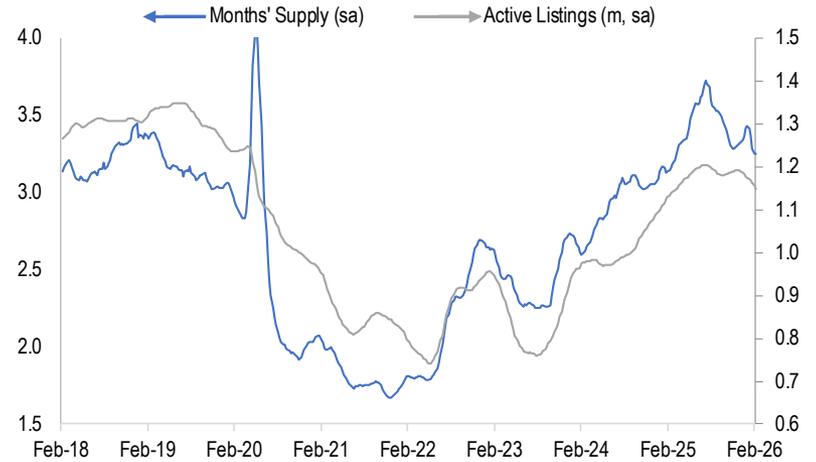
Sources: Bloomberg, FRB, Mortgage Bankers Association, Arch Global Economics

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

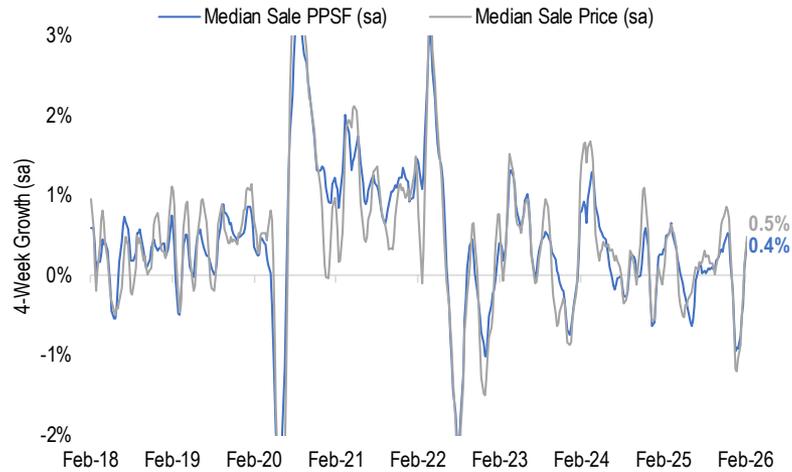
**Pending Sales Downturn Appears to Be Pivoting Higher into Early January ...**



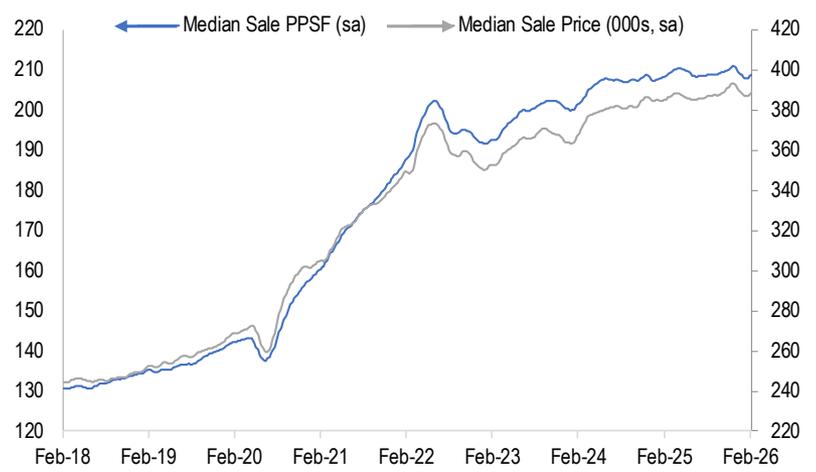
**... Which Has Turned Months' Supply Lower after Rising for More Than Two Months**



**Pace of Seasonally Adjusted Home-Price Growth Has Rebounded after Falling Sharply through Year-End**



**Prior Downshift in Home Prices Appears to Be Cooling and Turning into a Potential Rebound in Feb.**



## 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 (v/v)	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	0.3%	-0.7%	2.2%	1.2%	5.2%	0.5%	97.7%	-0.3%	-4.0	-11.0	-1%	1%	-4%
Atlanta	-3.1%	-1.2%	3.3%	3.1%	5.3%	0.9%	97.3%	-0.4%	23.5	13.7	0%	18%	7%
Austin	-6.8%	-5.5%	-2.9%	-0.4%	6.9%	1.3%	96.7%	-0.4%	58.3	44.7	2%	77%	61%
Baltimore	2.2%	0.0%	0.5%	-1.4%	4.9%	0.4%	99.9%	-0.2%	-4.4	-16.9	16%	-17%	-36%
Boston	2.6%	0.0%	4.5%	2.6%	3.4%	0.4%	99.4%	-0.7%	8.5	-0.5	8%	-1%	-8%
Chicago	2.7%	-2.0%	5.2%	-0.7%	2.9%	0.6%	98.4%	-0.3%	2.3	1.5	-8%	-23%	-26%
Dallas	-4.0%	1.5%	-0.8%	2.1%	6.6%	0.4%	97.1%	-0.1%	39.5	27.8	-4%	50%	42%
Denver	-1.7%	1.6%	3.8%	3.0%	7.0%	0.5%	98.1%	-0.5%	39.4	29.6	3%	87%	64%
Houston	-1.8%	0.3%	0.3%	0.3%	7.0%	1.7%	96.0%	-0.5%	22.8	3.4	0%	23%	18%
Los Angeles	-1.5%	-0.3%	-5.1%	-7.6%	3.9%	1.4%	99.0%	-0.4%	14.8	5.7	-4%	23%	23%
Miami	1.9%	0.6%	0.5%	4.1%	4.2%	0.3%	94.6%	-0.7%	33.5	19.3	-5%	24%	19%
Minneapolis	1.1%	-0.5%	1.8%	0.2%	5.1%	1.7%	98.6%	-0.1%	3.2	1.7	-3%	6%	-5%
Nashville	1.6%	0.4%	1.7%	-0.3%	3.2%	-0.1%	97.4%	-0.4%	22.8	15.2	9%	44%	25%
New York	2.1%	-3.4%	5.0%	1.8%	3.3%	0.5%	99.3%	-0.2%	-52.0	-60.0	-3%	-27%	-34%
Phoenix	-2.9%	-0.7%	0.5%	2.8%	7.0%	0.1%	97.6%	-0.3%	19.7	14.5	2%	38%	39%
Portland	-1.7%	-1.0%	1.9%	1.5%	6.5%	1.1%	98.8%	-0.3%	27.3	20.1	-1%	51%	39%
Riverside	-0.4%	0.5%	-0.9%	-1.3%	5.1%	1.3%	98.5%	-0.2%	2.8	-5.5	-9%	8%	16%
San Diego	-3.5%	0.6%	-1.7%	-2.0%	5.1%	1.6%	98.6%	-0.3%	7.3	1.3	-6%	2%	1%
Seattle	-3.0%	-2.8%	-2.2%	-2.9%	5.1%	0.9%	98.8%	-0.8%	18.3	1.2	17%	69%	23%
Tampa	2.6%	1.8%	3.2%	2.1%	7.9%	0.2%	96.4%	-0.1%	12.6	7.1	-5%	46%	36%
Washington DC	-2.9%	-2.3%	-2.5%	-3.6%	3.7%	0.4%	99.1%	-0.6%	15.4	-4.5	12%	17%	-9%

Data as of Feb. 8, 2026, 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
2/17/26	10:00 AM	NAHB Housing Market Index	Feb	<b>36</b>	38	--	37	index, sa
2/18/26	7:00 AM	MBA Mortgage Applications w/w	Feb 13	--	--	--	-0.3	%, sa
2/18/26	8:30 AM	Durable Goods Orders m/m	Dec P	--	-2.0	--	5.3	%, sa
2/18/26	8:30 AM	Cap Goods Orders Nondef Ex Air m/m	Dec P	--	0.4	--	0.4	%, sa
2/18/26	8:30 AM	Cap Goods Ship Nondef Ex Air m/m	Dec P	--	0.3	--	0.2	%, sa
2/18/26	8:30 AM	Housing Starts	Dec	--	1,310	--	--	k, saar
2/18/26	8:30 AM	Building Permits	Dec P	--	1,400	--	--	k, saar
2/18/26	9:15 AM	Industrial Production m/m	Jan	--	0.4	--	0.4	%, sa
2/18/26	9:15 AM	Capacity Utilization	Jan	--	76.5	--	76.3	sa
2/18/26	2:00 PM	FOMC Meeting Minutes	Jan 28	--	--	--	--	
2/19/26	8:30 AM	Wholesale Inventories m/m	Dec P	--	0.2	--	0.2	%, sa
2/19/26	8:30 AM	Philadelphia Fed Business Outlook	Feb	--	7.3	--	12.6	index, sa
2/19/26	8:30 AM	Initial Jobless Claims	Feb 14	--	225	--	227	k, sa
2/19/26	8:30 AM	Continuing Claims	Feb 7	--	1,860	--	1,862	k, sa
2/19/26	10:00 AM	Conference Board Leading Index m/m	Dec	--	-0.2	--	-0.3	%, sa
2/19/26	10:00 AM	Pending Home Sales m/m	Jan	--	2.0	--	-9.3	%, sa
2/19/26	10:00 AM	Pending Home Sales y/y	Jan	--	4.0	--	-1.3	%, nsa
2/20/26	8:30 AM	Personal Income m/m	Dec	--	0.3	--	0.3	%, sa
2/20/26	8:30 AM	Personal Spending m/m	Dec	--	0.4	--	0.5	%, sa
2/20/26	8:30 AM	Real Personal Spending m/m	Dec	--	0.1	--	0.3	%, sa
2/20/26	8:30 AM	PCE Inflation m/m	Dec	--	0.3	--	0.2	%, sa
2/20/26	8:30 AM	PCE Inflation y/y	Dec	--	2.8	--	2.8	%, nsa
2/20/26	8:30 AM	PCE Core Inflation (ex Food and Energy) m/m	Dec	--	0.3	--	0.2	%, sa
2/20/26	8:30 AM	PCE Core Inflation (ex Food and Energy) y/y	Dec	--	2.9	--	2.8	%, nsa
2/20/26	8:30 AM	GDP Annualized q/q	4Q A	--	3.0	--	4.4	%, saar
2/20/26	8:30 AM	Personal Consumption q/q	4Q A	--	2.5	--	3.5	%, saar
2/20/26	8:30 AM	Core PCE Deflator q/q	4Q A	--	2.6	--	2.9	%, saar
2/20/26	9:45 AM	S&P Global US Manufacturing PMI	Feb P	--	52.4	--	52.4	index, sa
2/20/26	9:45 AM	S&P Global US Services PMI	Feb P	--	53.0	--	52.7	index, sa
2/20/26	9:45 AM	S&P Global US Composite PMI	Feb P	--	52.9	--	53.0	index, sa
2/20/26	10:00 AM	New Home Sales	Dec	--	732	--	--	k, saar
2/20/26	10:00 AM	U. of Mich. Sentiment	Feb F	--	57.3	--	57.3	index, nsa
2/20/26	10:00 AM	U. of Mich. 1 Yr Inflation	Feb F	--	--	--	3.5	nsa
2/20/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	Feb F	--	3.4	--	3.4	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
2/9/26	11:00 AM	NY Fed 1-Yr Inflation Expectations	Jan	<b>3.1</b>	3.4	--	3.4	%
2/10/26	6:00 AM	NFIB Small Business Optimism	Jan	<b>99.3</b>	99.8	--	99.5	index, sa
2/10/26	8:30 AM	Import Price Index m/m	Dec	<b>0.1</b>	0.1	--	--	%, nsa
2/10/26	8:30 AM	Import Price Index y/y	Dec	<b>0.0</b>	0.1	-0.1	0.1	%, nsa
2/10/26	8:30 AM	Employment Cost Index q/q	4Q	<b>0.7</b>	0.8	--	0.8	%, sa
2/10/26	8:30 AM	Advance Retail Sales m/m	Dec	<b>0.0</b>	0.4	--	0.6	%, sa
2/10/26	8:30 AM	Retail Sales Control Group m/m	Dec	<b>-0.1</b>	0.4	0.2	0.4	%, sa
2/10/26	10:00 AM	Business Inventories m/m	Nov	<b>0.1</b>	0.2	0.2	0.3	%, sa
2/11/26	7:00 AM	MBA Mortgage Applications w/w	Feb 6	<b>-0.3</b>	--	--	-8.9	%, sa
2/11/26	8:30 AM	Nonfarm Payrolls m/m	Jan	<b>130</b>	65	48	50.0	k, sa
2/11/26	8:30 AM	Private Payrolls m/m	Jan	<b>172</b>	68	64	37.0	k, sa
2/11/26	8:30 AM	Average Hourly Earnings m/m	Jan	<b>0.4</b>	0.3	0.1	0.3	%, sa
2/11/26	8:30 AM	Average Hourly Earnings y/y	Jan	<b>3.7</b>	3.7	3.7	3.8	%, nsa
2/11/26	8:30 AM	Average Weekly Hours All Employees	Jan	<b>34.3</b>	34.2	--	34.2	sa
2/11/26	8:30 AM	Unemployment Rate	Jan	<b>4.3</b>	4.4	--	4.4	%, sa
2/11/26	8:30 AM	Labor Force Participation Rate	Jan	<b>62.5</b>	62.4	--	62.4	%, sa
2/12/26	8:30 AM	Initial Jobless Claims	Feb 7	<b>227</b>	223	232	231	k, sa
2/12/26	8:30 AM	Continuing Claims	Jan 31	<b>1,862</b>	1,850	1,841	1,844	k, sa
2/12/26	10:00 AM	Existing Home Sales	Jan	<b>3.9</b>	4.2	4.3	4.4	m, saar
2/12/26	10:00 AM	Existing Home Sales m/m	Jan	<b>-8.4</b>	-4.6	4.4	5.1	%, sa
2/13/26	8:30 AM	CPI m/m	Jan	<b>0.2</b>	0.3	--	0.3	%, sa
2/13/26	8:30 AM	CPI Core (ex Food and Energy) m/m	Jan	<b>0.3</b>	0.3	--	0.2	%, sa
2/13/26	8:30 AM	CPI y/y	Jan	<b>2.4</b>	2.5	--	2.7	%, nsa
2/13/26	8:30 AM	CPI Core (ex Food and Energy) y/y	Jan	<b>2.5</b>	2.5	--	2.6	%, nsa

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