HaMMR Digest

Stay current with economic and mortgage market trends.

August 31, 2026

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Game of Rates

- **Key Takeaway:** Constructive economic data took a back seat as Warsh's hawkish Jackson Hole speech sharply repriced the front end.
- **Macro Implications:** The bar for a September rate hike has been lowered with incoming inflation data now even more key to watch.
- **Housing Implications:** Multi-month stretch of near-7% mortgage rates continue to sideline buyers even as for-sale inventory drifts higher.

Macro: Onward and Upward, Mostly

- Real capital goods orders and imports remained strong in July.
- Preliminary payroll benchmark revision for the year ending Mar. '26 was just 79k.
- New restrictions on legal immigration will further constrain labor supply.

Rates: Warsh Stakes His Claim

- Warsh stressed above-target inflation, little evidence of restrictive conditions.
- 10y UST down 1bp while 2y yields jumped 12bps, sharply flattening the curve.
- Sept. hike odds surged to 60%+ from ~35% before Warsh's Jackson Hole speech.

Housing Market: Early Frost or New Balance?

- Affordability constraint becoming ever more binding for sale and refi volumes.
- Pending sales continue to lag listing growth, pushing inventory higher.
- Key to watch: Whether delistings rise or sellers resort to deeper price cuts.

Personal Spending: As Expected

- July real spending was flat, partly reflecting payback from June discounting.
- Real disposable income growth ticked up and is tracking 2.7% SAAR for 3Q.
- Savings rate rose to the highest level since March, still historically low.

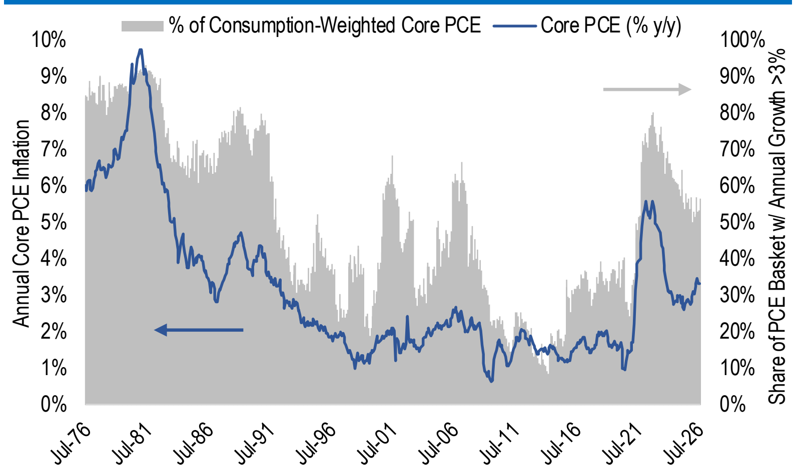
New Home Sales: Demand Under Duress

- July total sales fell -11% and sales of completed homes hit slowest since '24.
- Incentives aren't enough as builders increasingly restrain new supply.
- Months' supply of completed homes at upper end of 2017–2019 range.

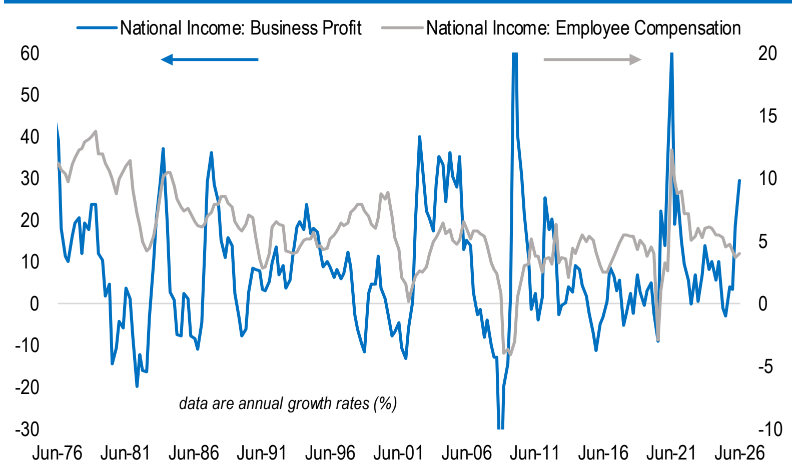
Consumer Confidence: Never Satisfied

- Consumer confidence dipped in August, driven by weaker expectations.
- Higher energy prices weighed, partly offset by improved job prospects.
- Income expectations nonetheless improved, a positive signal for future spending.

Warsh Flags Inflation Breadth in Jackson Hole Speech as More of the Core PCE Basket Runs above 3%

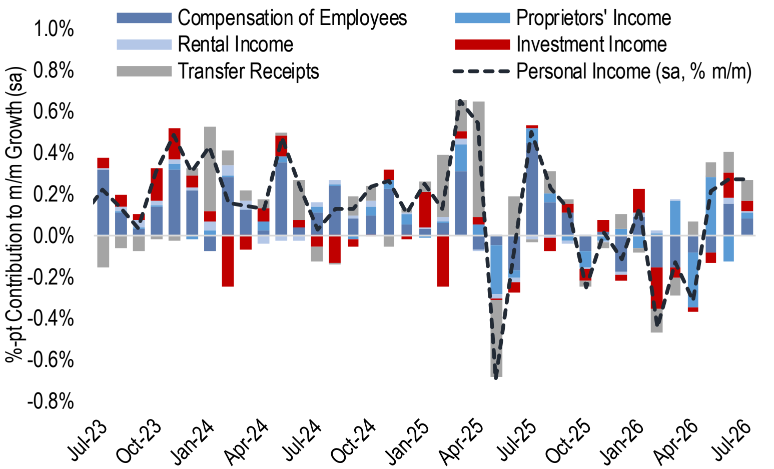


Profit Growth Has Reaccelerated; Compensation Has Room to Follow

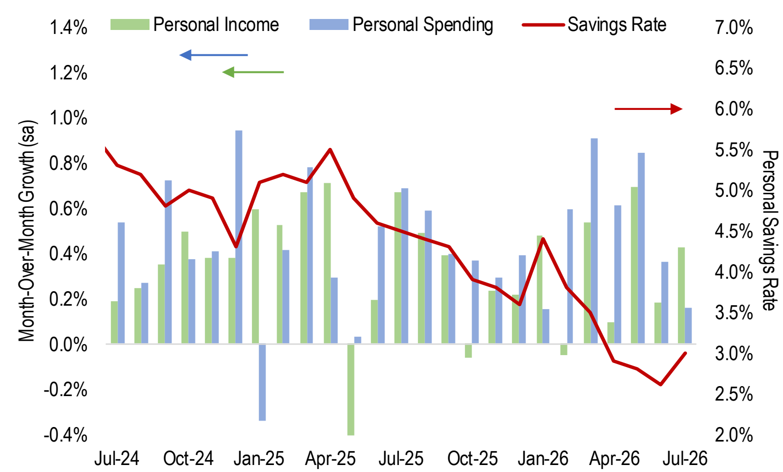


Sources: Bureau of Economic Analysis (BEA), Arch Global Economics

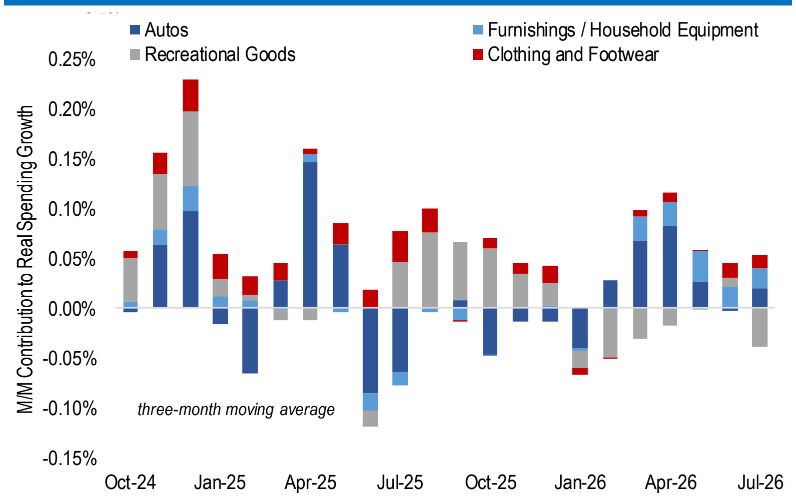
Real Labor Income Growth Remained Positive in July and Should Steadily Improve into Year End



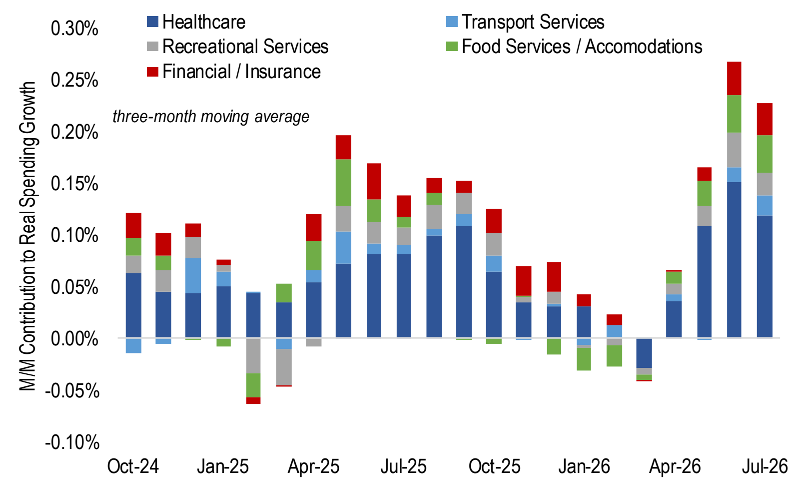
Cooler July Spending alongside Solid Income Growth Allowed Household Savings Rate to Drift Higher



Real Goods Spending Has Slowed Relative to Early Year Momentum, Driven by Recreational Goods Pullback

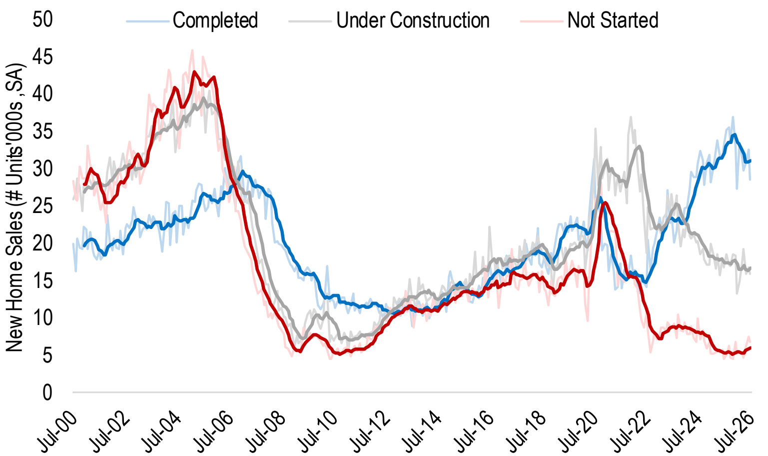


Healthcare Spending Led Services Spending Rebound alongside Steady Gains in Restaurants and Hotels

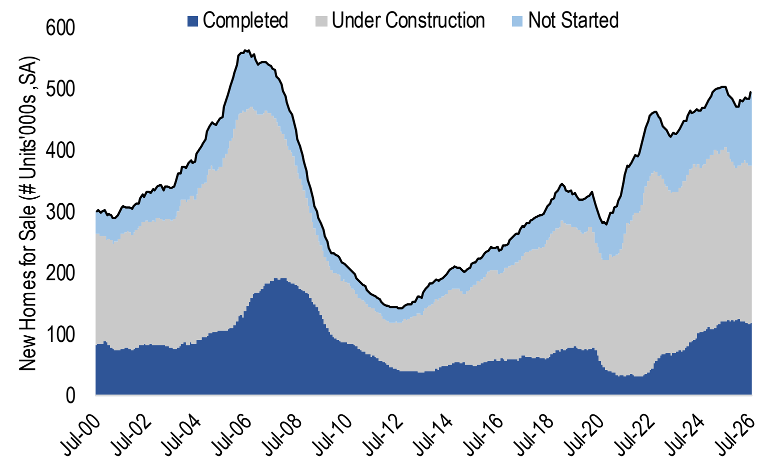


Sources: Bureau of Economic Analysis, Arch Global Economics

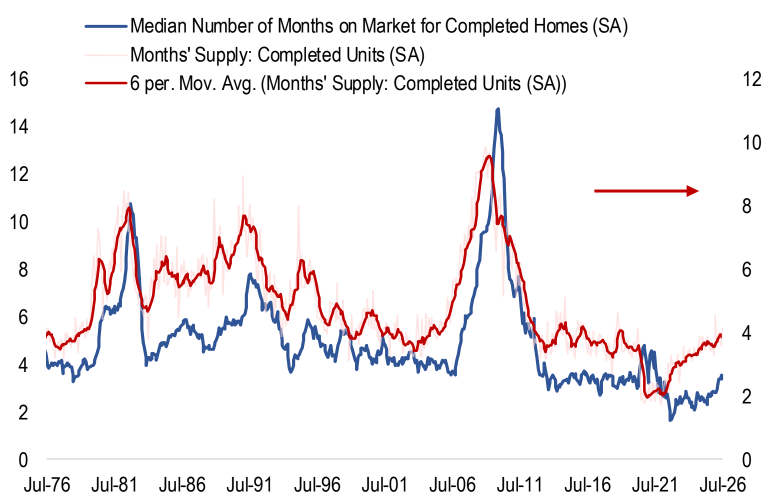
July New Home Sales Pace Slowed Again, Driven by Downshifts in Completed Homes and the Midwest



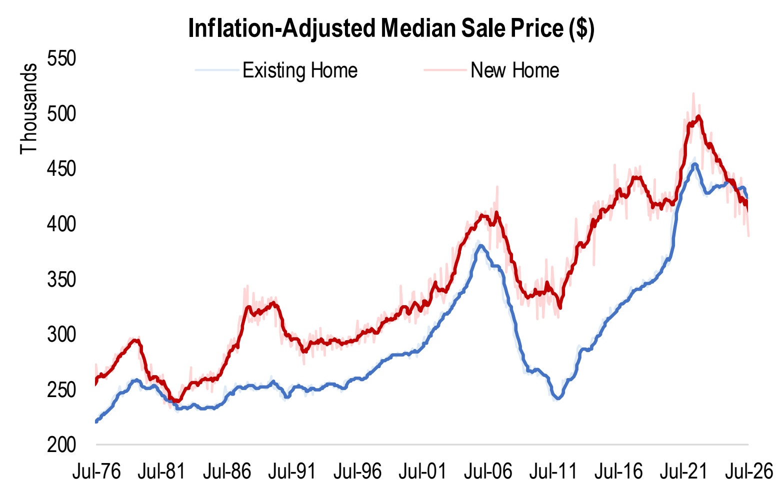
New Homes for Sale Slowly Creeping Higher Despite Builders Pulling Back on Adding New Supply



Demand Destruction Is Clearly Evident as Even with Incentives, It Is Taking Longer for Builders to Sell

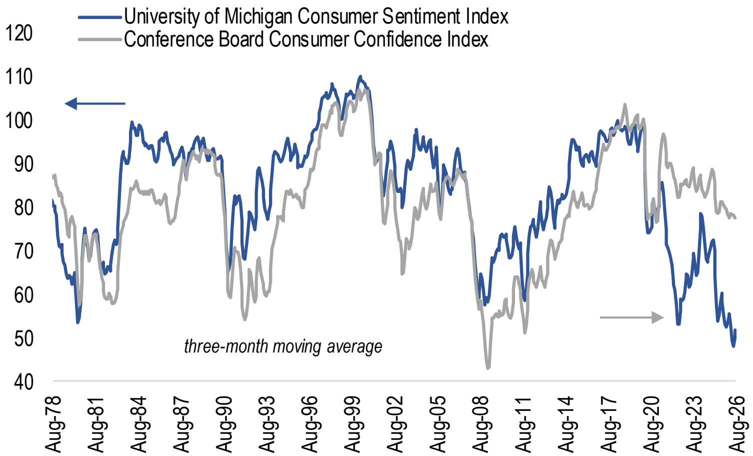


On an Inflation-Adjusted Basis, Median Sale Prices for New Homes Continue to Descend Below Existing Homes

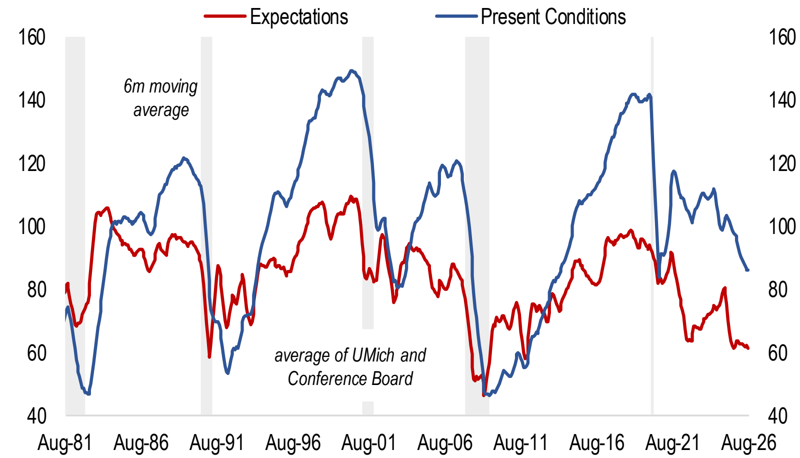


Sources: Census Bureau, National Association of REALTORS®, Arch Global Economics

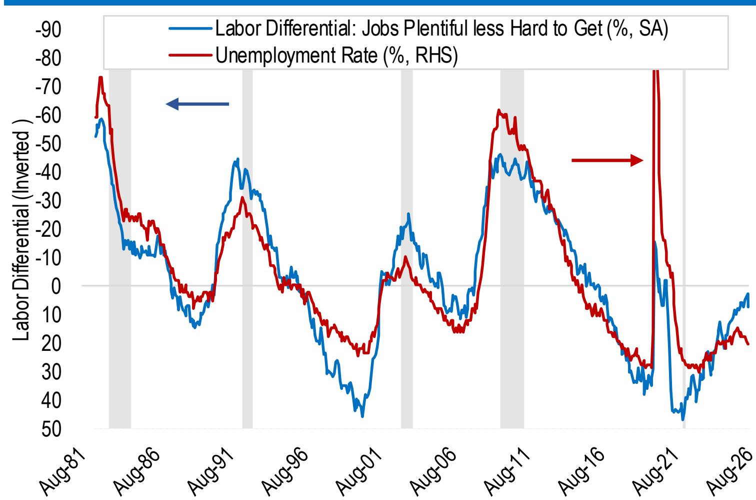
Consumer Sentiment Measures Continue to Meander around Historically Depressed Levels …



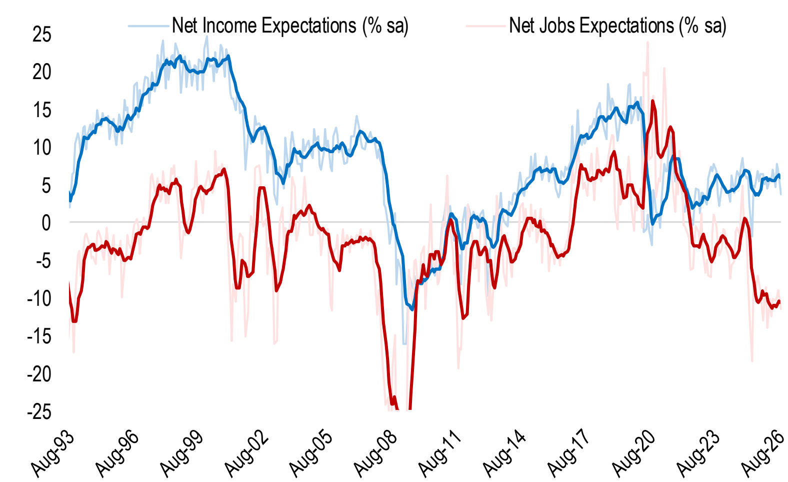
… Driven Primarily by Pessimism over Near-Term Expectations on the Labor Market and Inflation



Consumer Labor Market Perceptions Have Diverged Sharply from the Improving Unemployment Rate

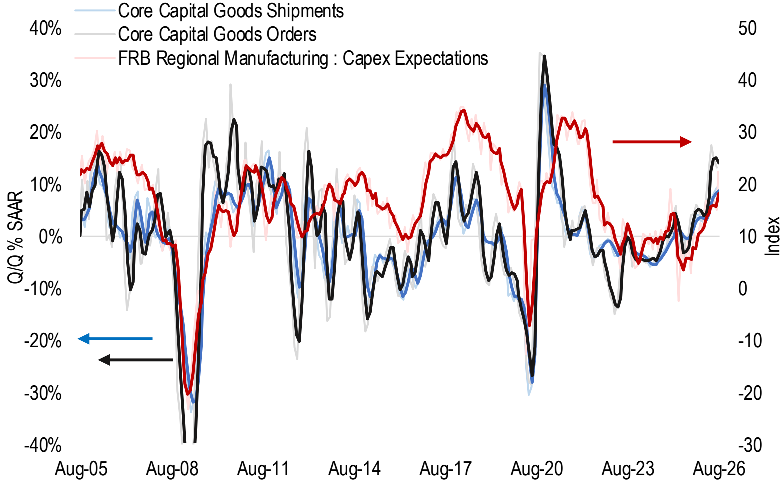


Despite Widespread Pessimism, Consumer Income Expectations Have Remained Resilient

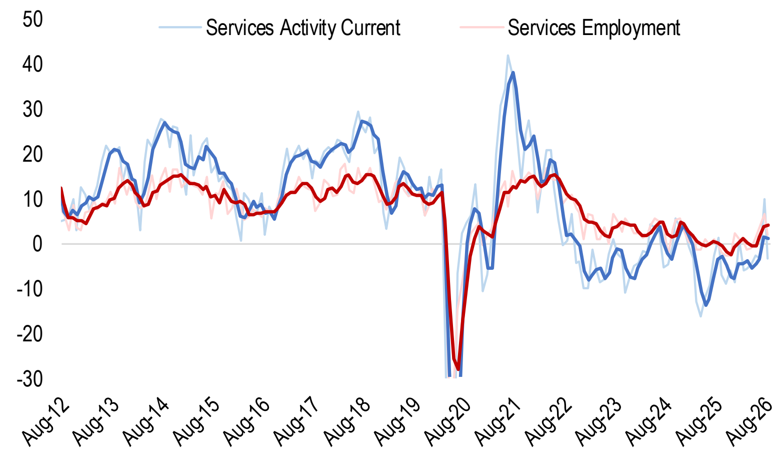


Sources: University of Michigan (UMICH), Conference Board, Federal Reserve Bank of New York (FRBNY), Arch Global Economics

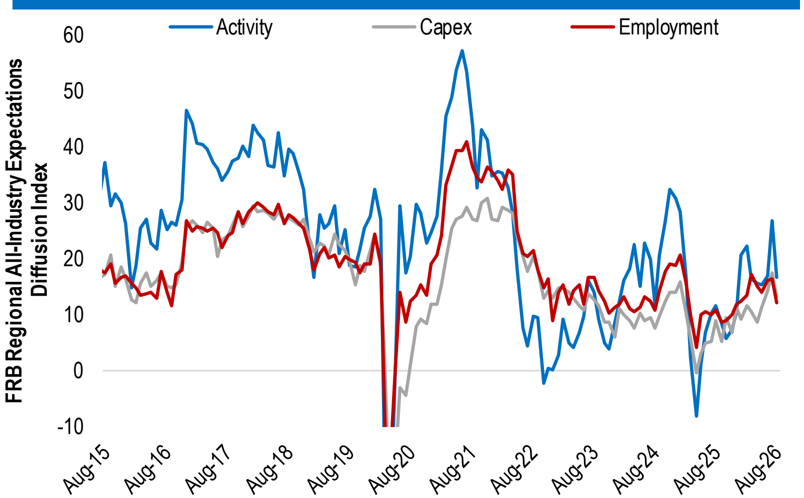
Goods Production Remains Firm, Driven by Tech, Electrical Components, Defense and Aerospace



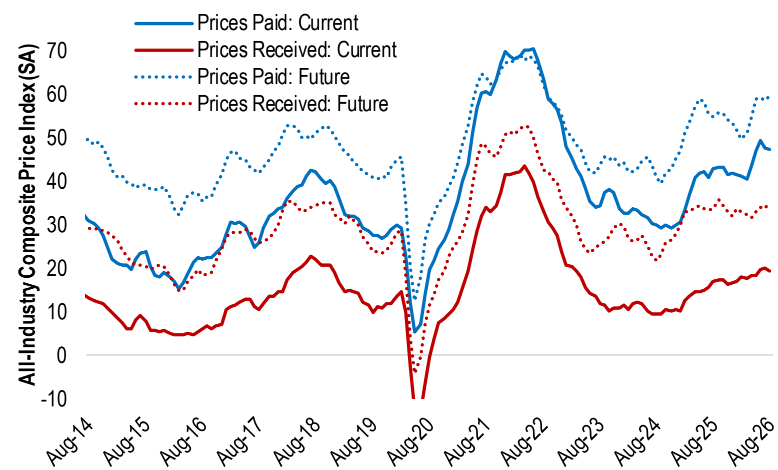
Services Industry Unable to Sustain July's Momentum with Firms Noting Cost-Pressured Consumers



Business Expectations Firmed for Goods Producers While Service Providers Trimmed Outlooks Slightly



All-Industry Pricing Impulse Remains Elevated; Energy Driving Goods Side and Healthcare, Utilities for Services

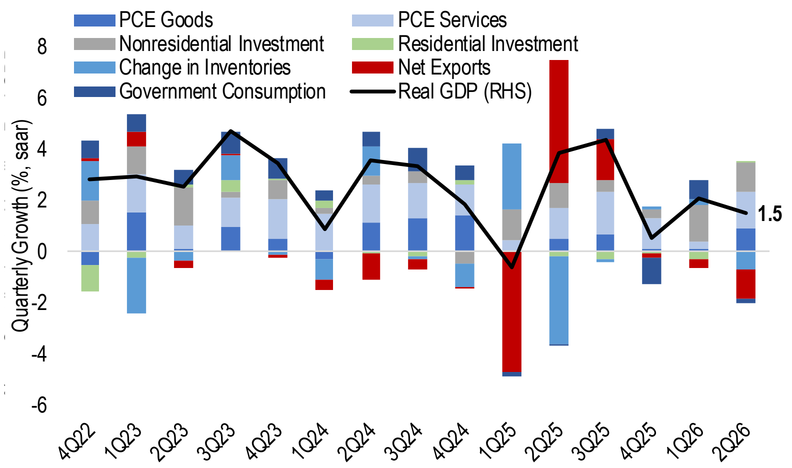


Sources: Federal Reserve Board, Regional Federal Reserve Banks, Arch Global Economics

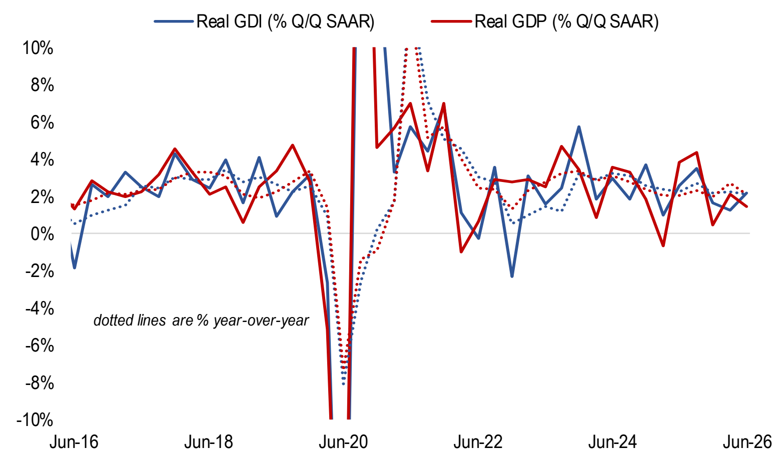
Last Week's Data in Charts

Real GDP — Second Estimate (GDI and Profits)

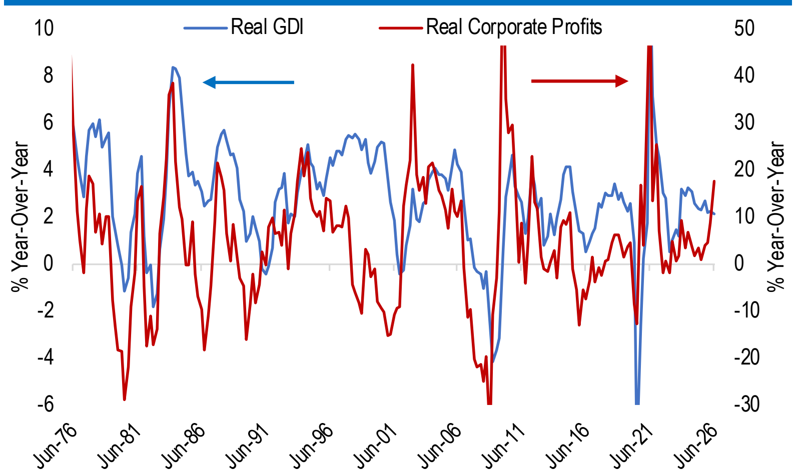
Second Estimate of 2Q26 Real GDP: Stronger Consumer Spending Offset by Trade



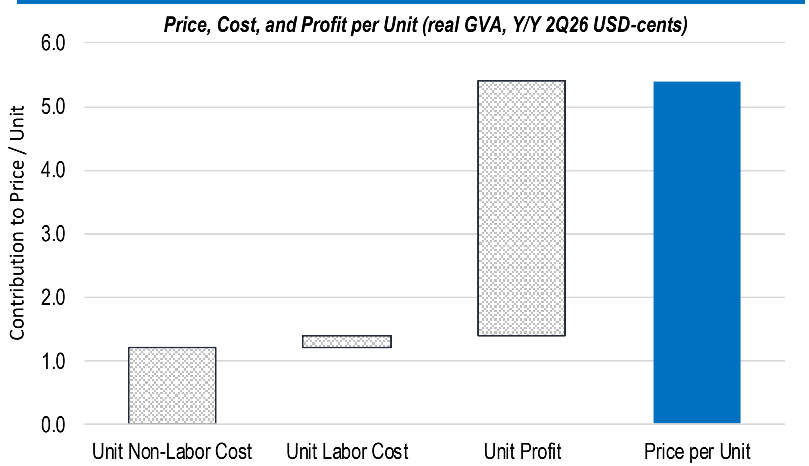
Quarterly Gross Domestic Income (GDI) and GDP Growth Softened in 2Q, but Annual Growth Remains Solid



Real GDI Growth Has Been Supported by a Recent Surge in Corporate Profits



Profit Growth, Not Costs, Drove Most of the Increase in Sales Prices



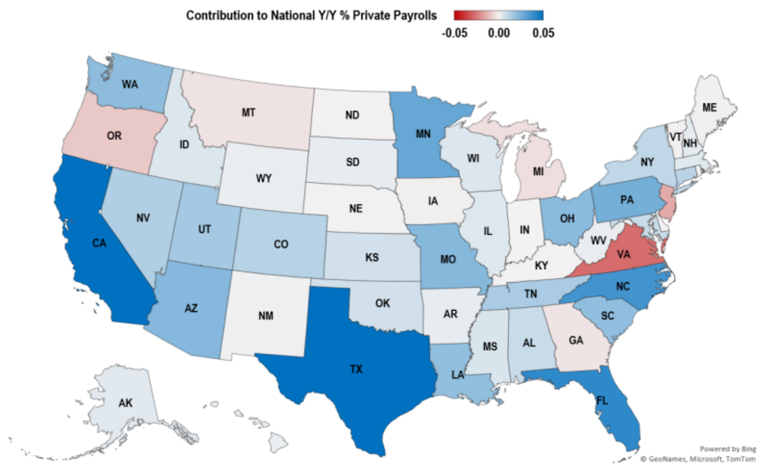
Sources: BEA, Arch Global Economics

GDI = Gross Domestic Income
SAAR = Seasonally Adjusted Annual Rate

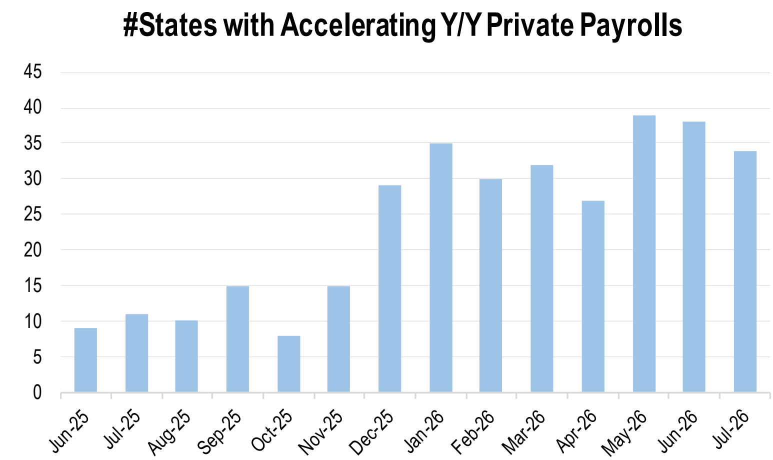
Last Week's Data in Charts

State Jobs Report

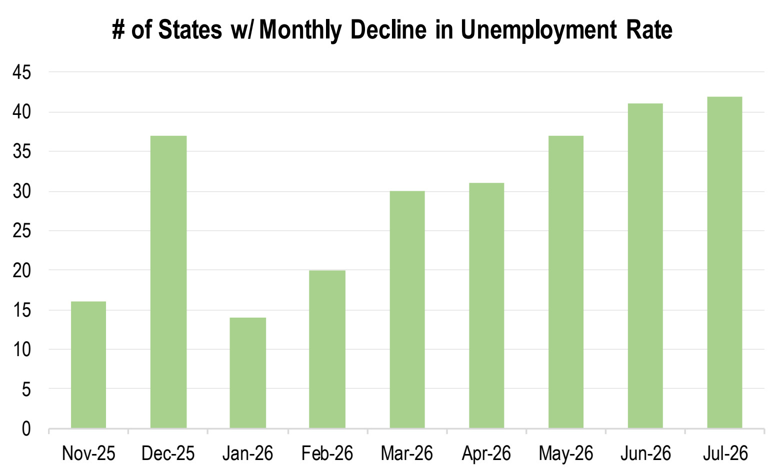
National Job Growth Has Been Driven by More Than Just the Larger States



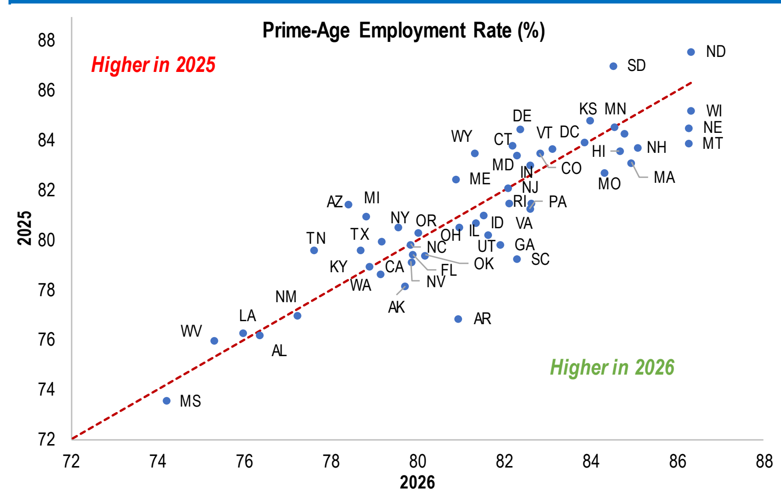
The Number of States with Accelerating Private Job Growth Moderated but Is Up Relative to Last Year



Falling State Unemployment Rates Have Become More Widespread

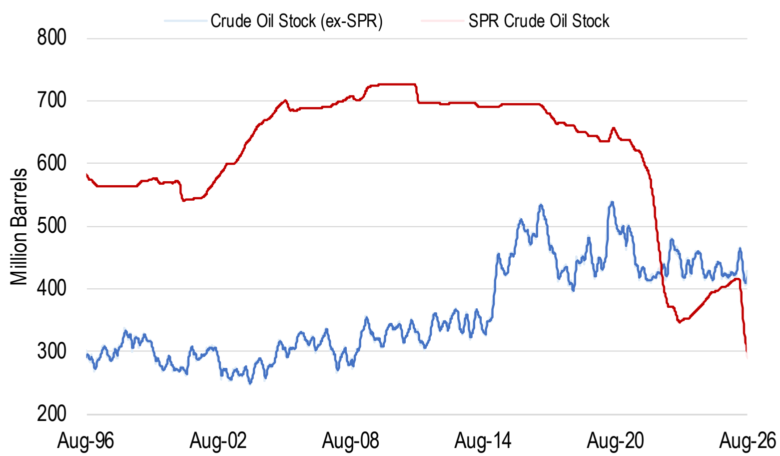


Prime-Age (25–54yrs) Employment Stable Nationally, Masking Pockets of Weakness in Northeast and South

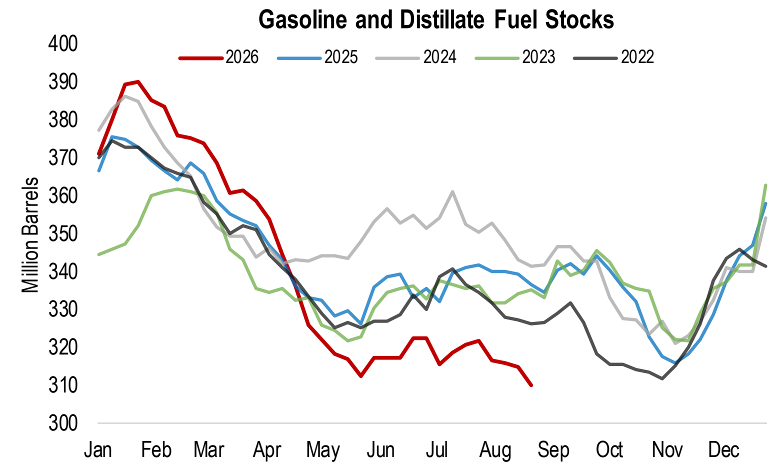


Sources: Bureau of Labor Statistics, Arch Global Economics

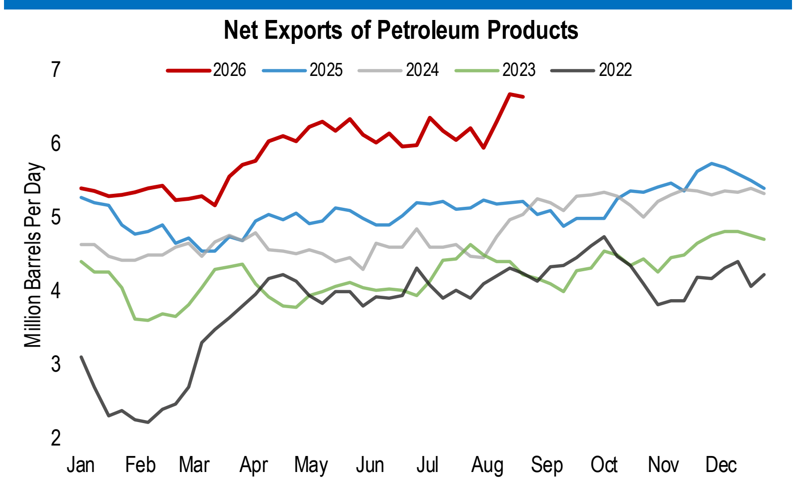
SPR Drawn Down Another 3.7m Barrels in Week Ending Aug. 21, While Commercial Crude Inventories Held Flat



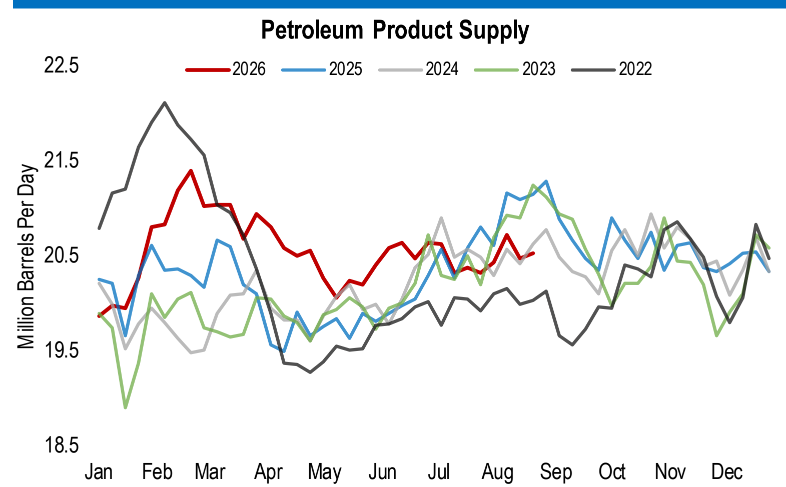
Gasoline Stocks Lowest Seasonally since 2012; Distillates at a Record Seasonal Low



U.S. Petroleum Product Net Exports Remain Elevated above 6mb/d



Petroleum Product Demand Firmed Slightly, Led by Distillates



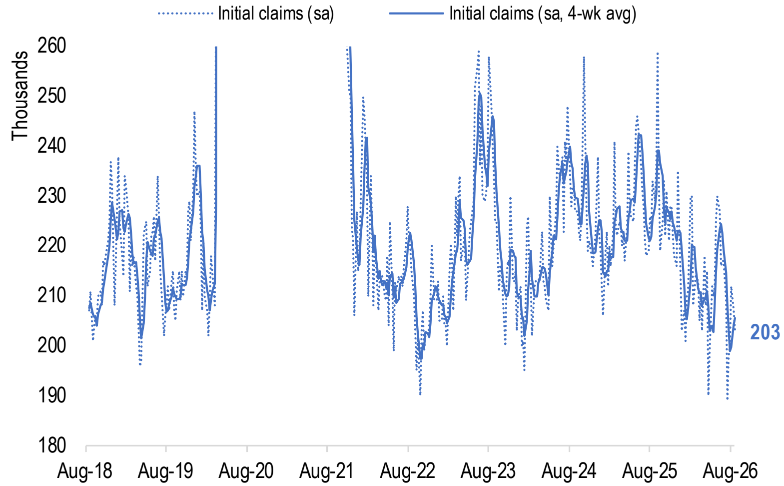
Sources: Energy Information Administration, Arch Global Economics

SPR = Strategic Petroleum Reserve

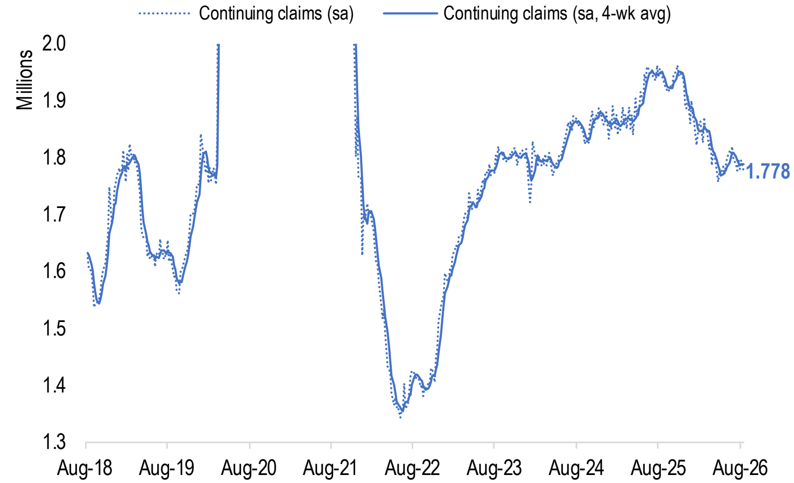
Last Week's Data in Charts

Jobless Claims

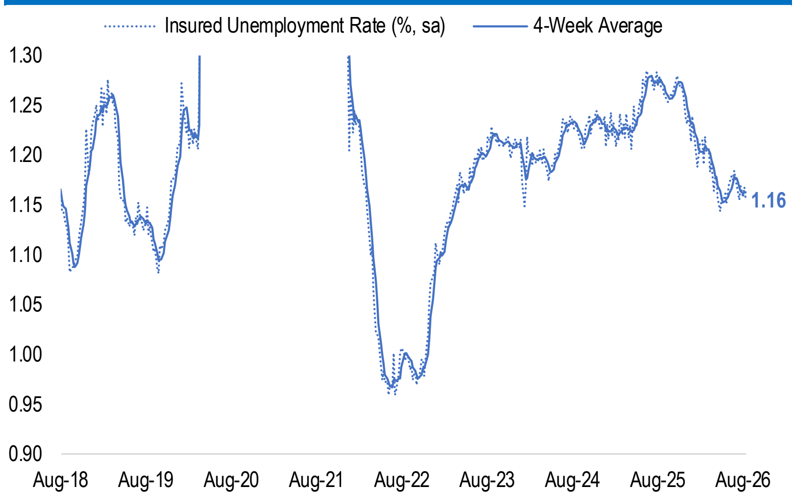
Initial Claims Moved Down to 203k (SA) in Week Ending Aug. 22, Just Above Low End of Multi-Year Range



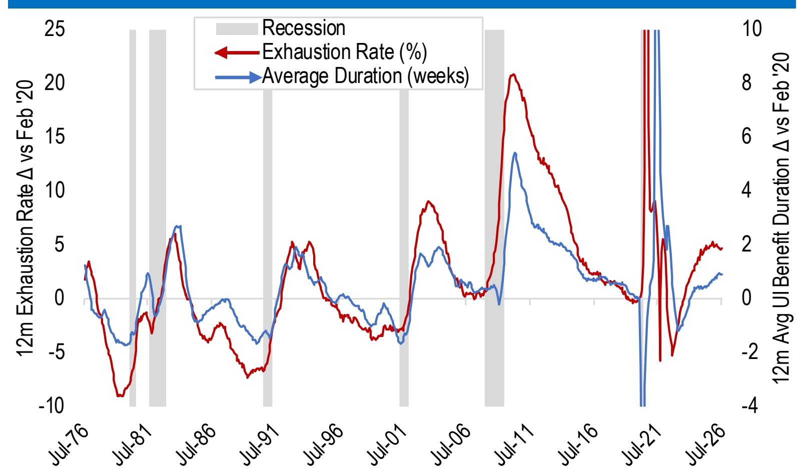
Continuing Claims Cooled to 1,778k (SA) in Week Ending Aug. 15, Leveling Off Recent Trend



Insured Unemployment Rate Ticked Down to 1.16% in Week Ending Aug. 15, Just Above Multi-Year Low



Share of Unemployed Workers Exhausting Benefits Continued to Ease through July

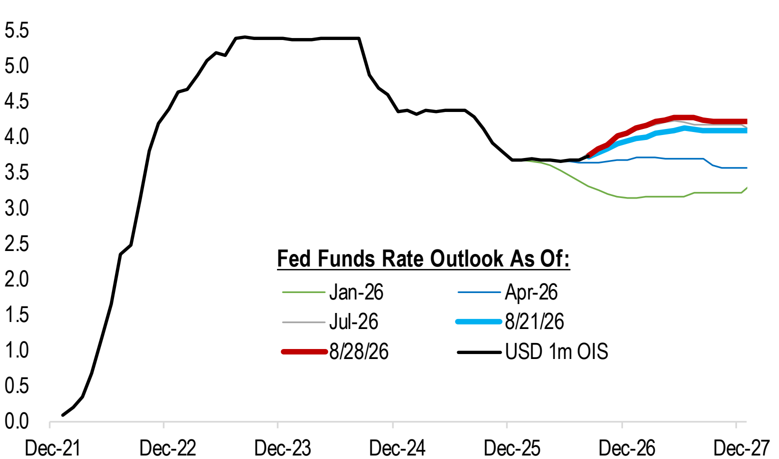


Insured Unemployment = $\frac{\text{Continuing Claims}}{\text{Employed Population Eligible for Unemployment Insurance}}$

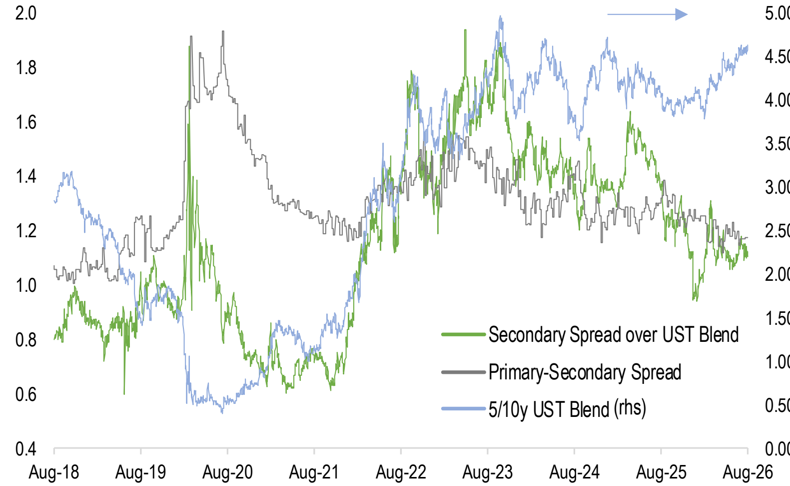
Sources: U.S. Department of Labor, Arch Global Economics

SA = Seasonally Adjusted

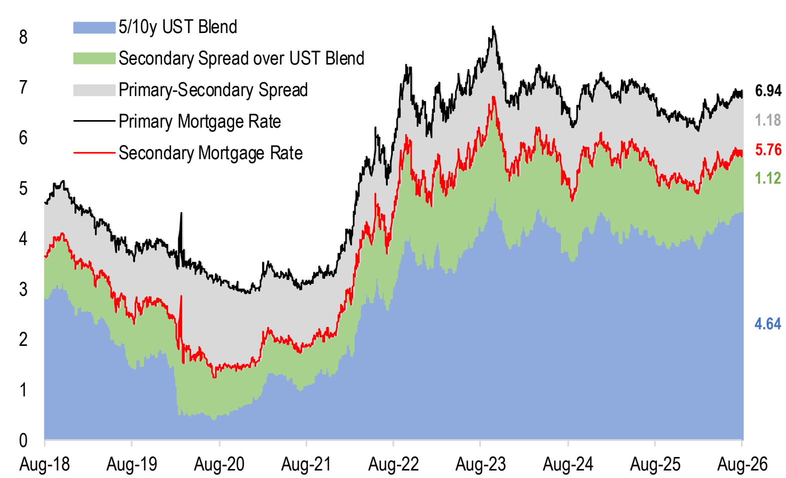
Sept. Rate Hike Odds Surged to 60% from 35% in Response to Warsh's Hawkish Jackson Hole Speech



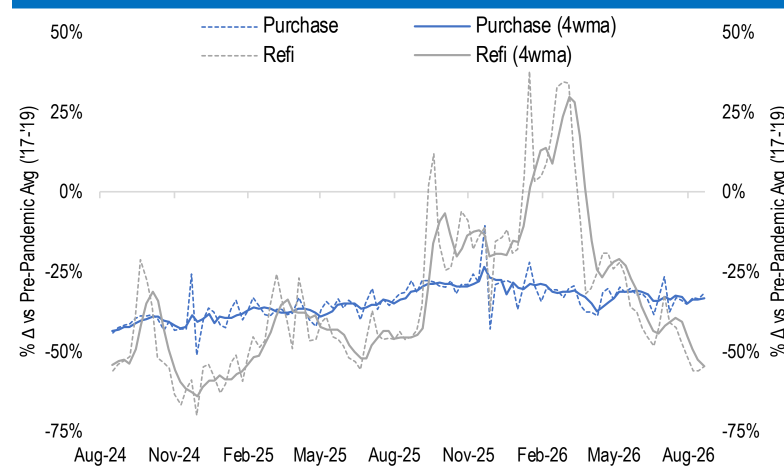
Mortgage Spreads Were Flat on the Week as 5/10y U.S. Treasury Yields Inched Higher by 1bps …



… Keeping Mortgage Rates Just Below 7% after Last Week's 9bps Increase



Mortgage Purchase Apps Inching Higher; Refi Apps Starting to Rebound from Slowest Pace since Jan. '25

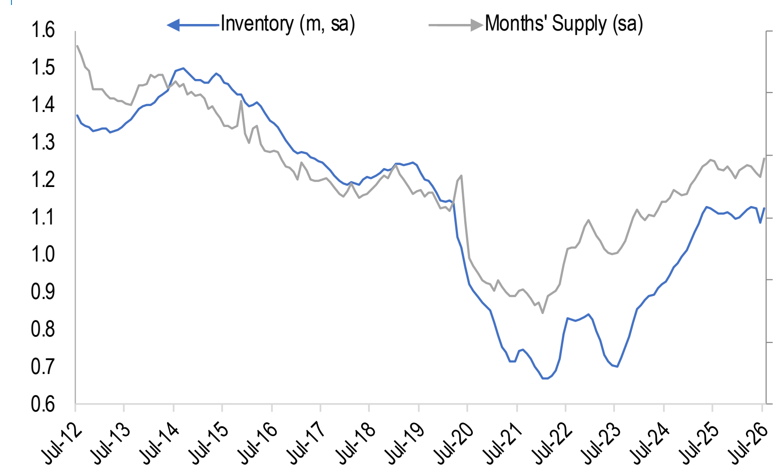


Sources: Bloomberg, FRB, Mortgage Bankers Association, Arch Global Economics

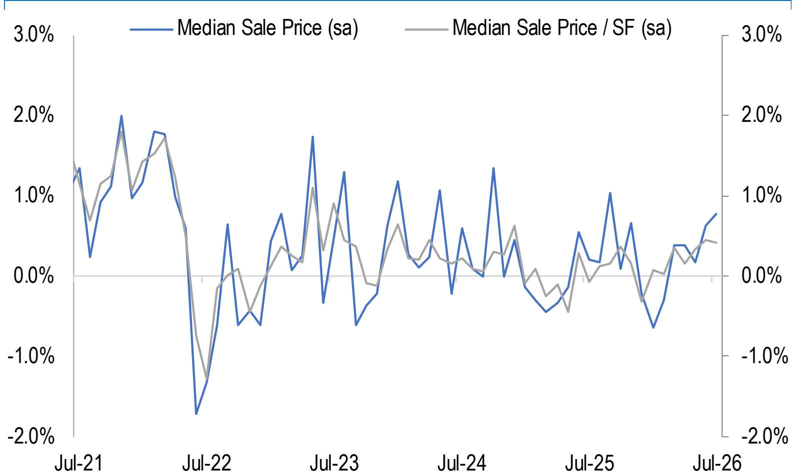
Secondary Spread: Current Coupon Option-Adjusted Spread over 5/10y UST Blend
Primary-Secondary Spread: Primary Mortgage Rate - Secondary Mortgage Rate

Pending Sales Have Cooled Since Mortgage Rates Spiked, but New Listings Have Also Slowed …

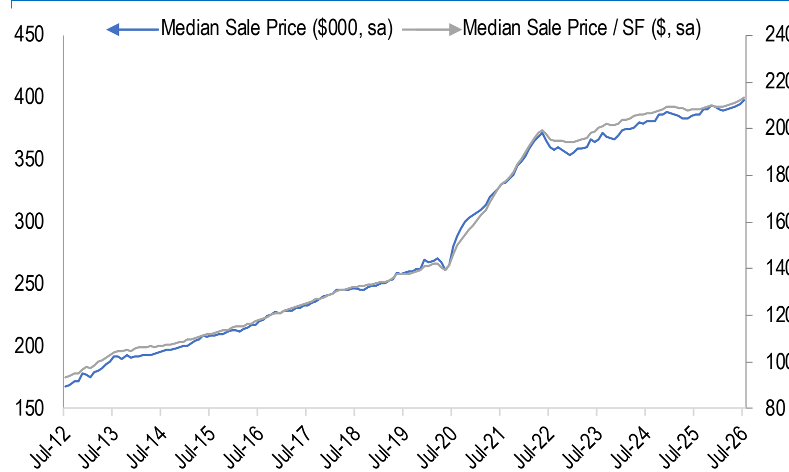
… Which Has Kept Inventory and Months' Supply in Check



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



National Median Home Sale Price Climbed to a New Record High in July



Sources: Redfin, Arch Global Economics

SA = Seasonally Adjusted
SF = Square Foot

Monthly data as of Aug. 3, 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	**1.5%**	**0.8%**	**-0.2%**	**-0.8%**	**21.0%**	**0.1%**	**98.9%**	**0.2%**	**-4.3**	**-4.3**	**1%**	**18%**	**17%**
Atlanta	-0.2%	0.9%	-0.6%	-2.3%	23.0%	-0.7%	98.0%	0.1%	25.0	24.3	2%	48%	58%
Austin	-4.4%	-1.1%	-2.0%	3.0%	27.2%	-1.6%	97.4%	0.3%	43.0	47.3	-3%	144%	160%
Baltimore	0.1%	-1.9%	-0.4%	0.4%	21.4%	0.6%	100.5%	0.1%	-1.3	-4.8	10%	4%	-8%
Boston	0.5%	0.2%	1.2%	1.0%	18.0%	0.9%	101.0%	-0.1%	3.0	1.5	14%	12%	1%
Chicago	4.3%	0.3%	5.0%	0.3%	12.2%	-1.0%	100.6%	0.6%	-11.5	-11.8	-1%	-31%	-32%
Dallas	-2.6%	0.4%	0.2%	2.6%	28.1%	0.1%	97.5%	0.1%	16.0	16.3	-6%	60%	64%
Denver	-2.4%	-2.6%	-2.0%	-0.1%	29.9%	-1.4%	98.8%	0.2%	12.8	16.5	-4%	109%	103%
Houston	-1.9%	1.4%	-1.8%	-0.3%	26.2%	0.1%	97.3%	0.5%	19.3	15.8	-2%	53%	50%
Los Angeles	-1.8%	-0.3%	-0.9%	0.2%	16.3%	-0.4%	99.9%	0.4%	1.3	5.3	-2%	33%	43%
Miami	3.3%	2.9%	3.1%	4.9%	13.5%	-0.8%	95.5%	0.3%	22.5	22.8	-17%	19%	41%
Minneapolis	2.0%	1.4%	0.9%	-0.6%	24.1%	2.3%	100.0%	-0.1%	3.5	4.0	9%	24%	20%
Nashville	0.1%	-0.4%	0.6%	-1.4%	20.8%	0.6%	98.1%	0.2%	11.0	7.5	6%	63%	45%
New York	6.9%	4.2%	2.7%	-1.8%	13.7%	1.1%	100.9%	0.3%	-43.0	-40.8	-2%	-31%	-27%
Phoenix	-0.7%	0.6%	1.0%	2.1%	22.0%	0.3%	97.9%	0.0%	24.0	26.5	-4%	113%	120%
Portland	-0.1%	1.0%	-0.3%	0.4%	27.7%	1.2%	99.6%	0.4%	5.0	9.0	-3%	47%	55%
Riverside	-1.2%	-0.5%	0.5%	1.7%	18.2%	0.0%	99.1%	0.3%	-0.8	6.0	-9%	25%	42%
San Diego	0.5%	2.1%	-1.7%	-0.7%	21.0%	-1.4%	99.3%	0.6%	2.8	10.5	-6%	21%	36%
Seattle	-4.6%	-1.5%	-2.6%	0.5%	25.3%	2.5%	99.0%	-0.2%	5.8	4.3	17%	99%	46%
Tampa	1.3%	-0.4%	-1.1%	-1.3%	24.9%	-2.0%	97.1%	0.2%	23.8	16.3	-4%	109%	94%
Washington DC	-0.9%	-2.4%	-0.2%	0.0%	18.8%	0.7%	99.6%	0.2%	15.0	11.8	8%	52%	35%

Data as of Aug. 23, 2026, and reflect 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
9/1/26	-	Wards Total Vehicle Sales	Aug	--	16.3	--	16.3	m, saar
9/1/26	9:45 AM	S&P Global US Manufacturing PMI	Aug F	--	53.3	--	53.2	index, sa
9/1/26	10:00 AM	ISM Manufacturing	Aug	--	55.2	--	55.6	index, sa
9/1/26	10:00 AM	ISM Prices Paid	Aug	--	70.8	--	71.1	index, nsa
9/1/26	10:00 AM	JOLTS Job Openings	Jul	--	7,313	--	7,359	k, sa
9/1/26	10:00 AM	JOLTS Quits	Jul	--	3,208	--	3,232	%, sa
9/1/26	10:00 AM	JOLTS Quits Rate	Jul	--	2.0	--	2.0	%, sa
9/1/26	10:00 AM	JOLTS Layoffs Rate	Jul	--	1.1	--	1.1	%, sa
9/2/26	7:00 AM	MBA Mortgage Applications w/w	Aug 28	--	--	--	-1.0	%, sa
9/2/26	8:15 AM	ADP Employment m/m	Aug	--	47	--	44	k, sa
9/2/26	10:00 AM	Durable Goods Orders m/m	Jul F	--	1.1	--	1.1	%, sa
9/2/26	10:00 AM	Cap Goods Orders Nondef Ex Air m/m	Jul F	--	0.2	--	0.2	%, sa
9/2/26	10:00 AM	Cap Goods Ship Nondef Ex Air m/m	Jul F	--	1.4	--	1.4	%, sa
9/3/26	8:30 AM	Nonfarm Productivity q/q	2Q F	--	1.4	--	1.4	%, saar
9/3/26	8:30 AM	Unit Labor Costs q/q	2Q F	--	1.3	--	1.3	%, saar
9/3/26	8:30 AM	Initial Jobless Claims	Aug 29	--	205	--	203	k, sa
9/3/26	8:30 AM	Continuing Claims	Aug 22	--	1,787	--	1,778	k, sa
9/3/26	9:45 AM	S&P Global US Services PMI	Aug F	--	56.8	--	56.8	index, sa
9/3/26	9:45 AM	S&P Global US Composite PMI	Aug F	--	--	--	56.0	index, sa
9/3/26	10:00 AM	ISM Services Index	Aug	--	54.1	--	54.1	index, nsa
9/4/26	8:30 AM	Nonfarm Payrolls m/m	Aug	--	55.0	--	-23.0	k, sa
9/4/26	8:30 AM	Private Payrolls m/m	Aug	--	52.5	--	30.0	k, sa
9/4/26	8:30 AM	Average Hourly Earnings m/m	Aug	--	0.3	--	0.1	%, sa
9/4/26	8:30 AM	Average Hourly Earnings y/y	Aug	--	3.0	--	3.2	%, nsa
9/4/26	8:30 AM	Average Weekly Hours All Employees	Aug	--	34.3	--	34.3	sa
9/4/26	8:30 AM	Unemployment Rate	Aug	--	4.1	--	4.1	%, sa
9/4/26	8:30 AM	Labor Force Participation Rate	Aug	--	61.4	--	61.4	%, 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
8/25/26	8:00 AM	Building Permits	Jul F	**1,433**	1,443	--	1,443	k, saar
8/25/26	8:00 AM	Building Permits m/m	Jul F	**4.3**	--	--	5.0	%, sa
8/25/26	9:00 AM	FHFA House Price Index m/m	Jun	**0.0**	0.2	--	0.3	%, sa
8/25/26	9:00 AM	S&P CoreLogic CS 20-City m/m SA	Jun	**0.2**	0.1	0.2	0.1	%, sa
8/25/26	9:00 AM	S&P CoreLogic CS 20-City y/y NSA	Jun	**2.1**	1.8	1.7	1.6	%, nsa
8/25/26	10:00 AM	New Home Sales	Jul	**607**	620	678	628	k, saar
8/25/26	10:00 AM	New Home Sales m/m	Jul	**-10.5**	-1.4	7.6	1.6	%, sa
8/25/26	10:00 AM	Conf. Board Consumer Confidence	Aug	**89.4**	90.2	90.2	90.8	index, sa
8/26/26	7:00 AM	MBA Mortgage Applications w/w	Aug 21	**-1.0**	--	--	-0.4	%, sa
8/26/26	8:30 AM	Personal Income m/m	Jul	**0.4**	0.2	--	0.2	%, sa
8/26/26	8:30 AM	Personal Spending m/m	Jul	**0.2**	0.1	--	0.3	%, sa
8/26/26	8:30 AM	Real Personal Spending m/m	Jul	**0.0**	0.0	--	0.4	%, sa
8/26/26	8:30 AM	PCE Inflation m/m	Jul	**0.2**	0.1	--	-0.1	%, sa
8/26/26	8:30 AM	PCE Inflation y/y	Jul	**3.7**	3.6	--	3.7	%, nsa
8/26/26	8:30 AM	PCE Core Inflation (ex Food and Energy) m/m	Jul	**0.2**	0.2	--	0.1	%, sa
8/26/26	8:30 AM	PCE Core Inflation (ex Food and Energy) y/y	Jul	**3.3**	3.3	--	3.3	%, nsa
8/26/26	8:30 AM	Durable Goods Orders m/m	Jul P	**1.1**	0.5	--	0.5	%, sa
8/26/26	8:30 AM	Cap Goods Orders Nondef Ex Air m/m	Jul P	**0.2**	0.7	1.7	1.2	%, sa
8/26/26	8:30 AM	Cap Goods Ship Nondef Ex Air m/m	Jul P	**1.4**	1.0	2.4	2.0	%, sa
8/26/26	8:30 AM	GDP Annualized q/q	2Q S	**1.5**	1.5	--	1.5	%, saar
8/26/26	8:30 AM	Personal Consumption q/q	2Q S	**3.4**	3.2	--	3.2	%, saar
8/26/26	8:30 AM	Core PCE Deflator q/q	2Q S	**3.6**	3.4	--	3.4	%, saar
8/27/26	8:30 AM	Retail Inventories m/m	Jul	**0.7**	0.2	-0.2	0.0	%, sa
8/27/26	8:30 AM	Wholesale Inventories m/m	Jul P	**1.3**	0.2	0.3	0.2	%, sa
8/27/26	8:30 AM	Initial Jobless Claims	Aug 22	**203**	208	207	206	k, sa
8/27/26	8:30 AM	Continuing Claims	Aug 15	**1,778**	1,792	1,796	1,799	k, sa
8/28/26	10:00 AM	U. of Mich. Sentiment	Aug F	**51.7**	51.0	--	51.0	index, nsa
8/28/26	10:00 AM	U. of Mich. 1 Yr Inflation	Aug F	**4.0**	4.4	--	4.3	nsa
8/28/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	Aug F	**3.3**	3.3	--	3.3	nsa

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

Sources: Bloomberg Consensus Survey of Economists, Arch Global Economics