HaMMR Digest

Stay current with economic and mortgage market trends.

September 14, 2026

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Fed Pressure Cooker

- **Key Takeaway:** Inflation headlined last week, and although the underlying trend has mostly normalized, headline inflation remains uncomfortably elevated.
- **Macro Implications:** Given Warsh's hawkish talk, market odds and modest recession risk, the Fed may view a rate hike as the least risky option.
- **Housing Implications:** Mortgage rates likely stuck around 7% through year end, weighing on home sales activity yet again.

Macro: Can't We Just Get a Break

- Ongoing Middle East attacks put crude and refined product supply at risk.
- Fed's account of business activity continues to point to a sturdy economic profile.
- Prelim Sept. consumer sentiment came in weak across demographic groups.

Rates: Rocket Man

- 10y UST yields up 16bps while 2y jumped 25bps, sharply flattening the curve.
- Aside from the rate decision, new Fed economic projections will offer fodder.
- Sept. hike odds jump to >90% with almost 100bps worth of hikes priced for '27.

Housing Market: Early Frost Setting In

- With every move higher in mortgage rates (now ~7%), more buyers are priced out.
- New listings tick higher, possible sign of sellers trying to front-run higher rates.
- Share of homes selling above original list price has eased after peaking in June.

Consumer Inflation: Eye of the Beholder

- Aug. CPI rebounded as expected driven by another spike in energy prices.
- Core inflation hotter-than-expected due to firm hotel and wireless prices.
- Elevated producer prices remain an upside risk for consumer inflation.

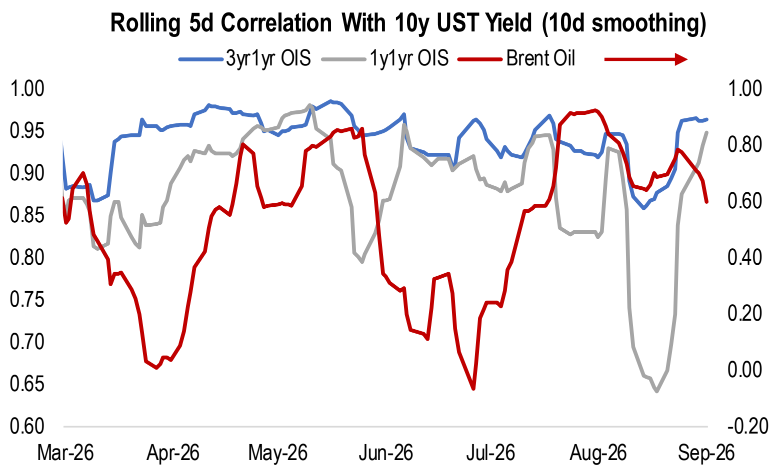
Jobs Report: Up and Around, We Go

- Aug. private payrolls rose 162k, above the prior 3- and 6-month avg.
- Unemployment up 5bps to 4.14%, down -18bps from a year ago.
- Through the noise, labor market remains steady with no signs of stress.

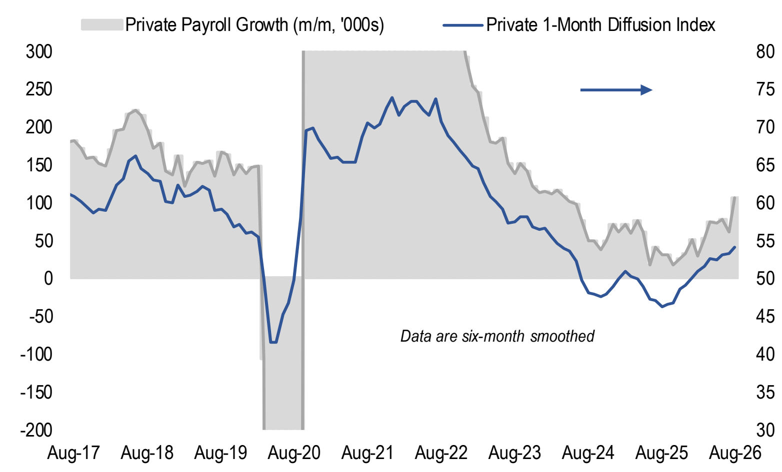
Existing Home Sales: Cooldown Continues

- Sales drop for third straight month in August to the slowest pace since 2024.
- Inventory rose 3.5% m/m, its largest monthly increase since March 2025.
- Single-family months' supply rose above 4, breaking prior tightening trend.

Move Over Oil, Fed Policy Outlook Is Back in the Driver's Seat for 10y UST Yields



Looking through the Monthly Jobs Whipsaw, Private Hiring Remains on Positive Trajectory

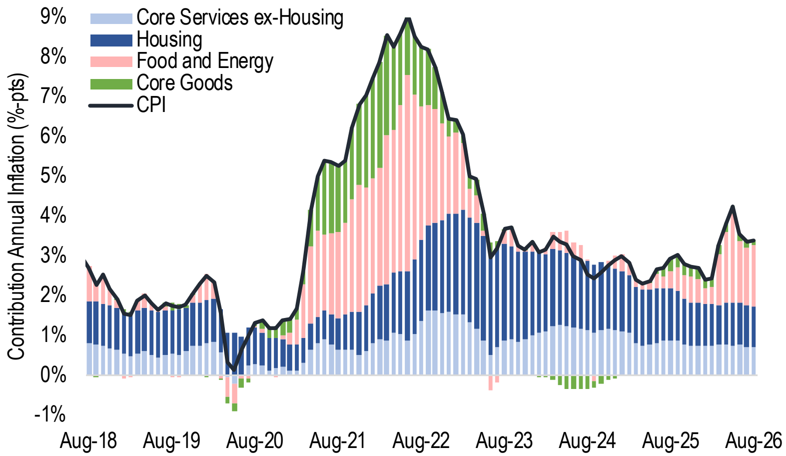


Sources: Bloomberg, BLS, Arch Global Economics

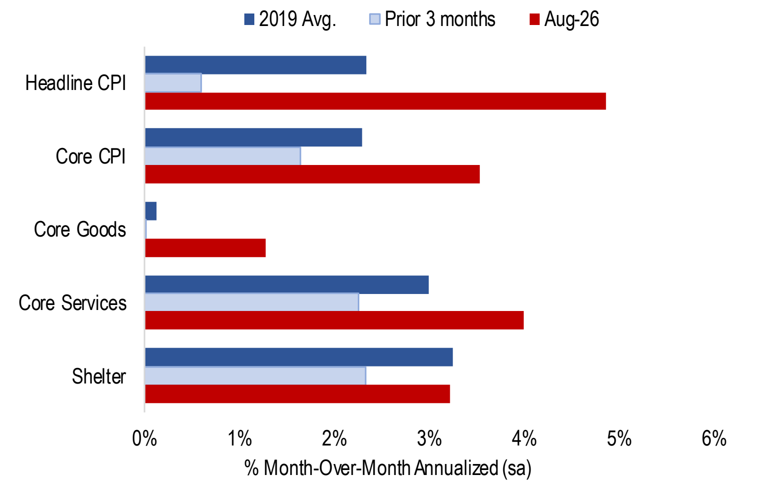
Last Week's Data in Charts

Consumer Price Inflation

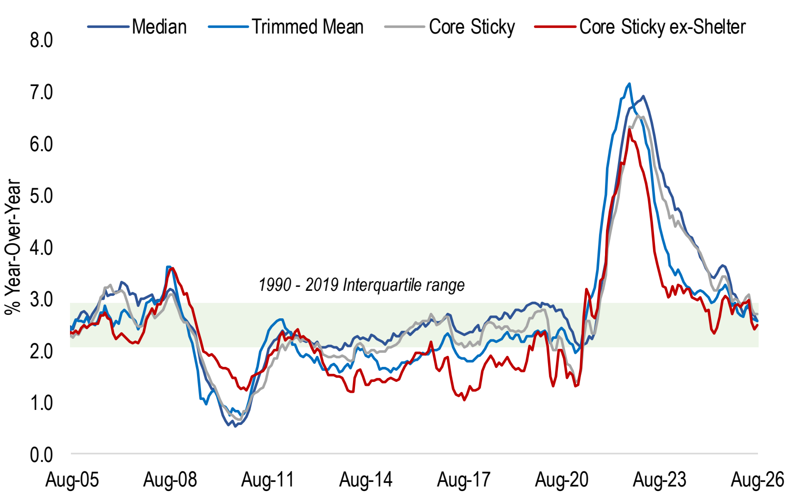
Annual Consumer Inflation Picked Up to 3.4% in Aug., Driven by Energy, Wireless Service and Hotel Prices



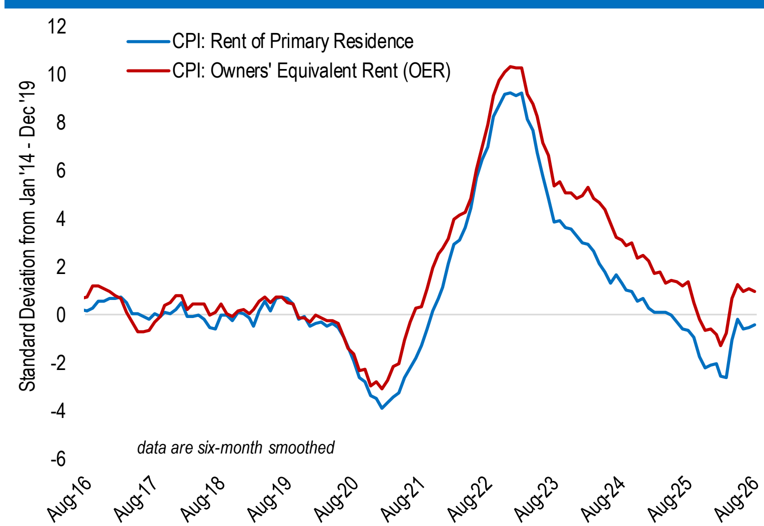
Core Goods Prices Pivoted Higher Aided by Used Vehicles and Tech-Related Products



Underlying Inflation Measures Remain Within Historical Range Despite Hot Aug. Core CPI



Shelter Inflation (~35% of CPI) Has Mostly Normalized, Higher Rate Headwinds Likely to Keep Lid on Prices

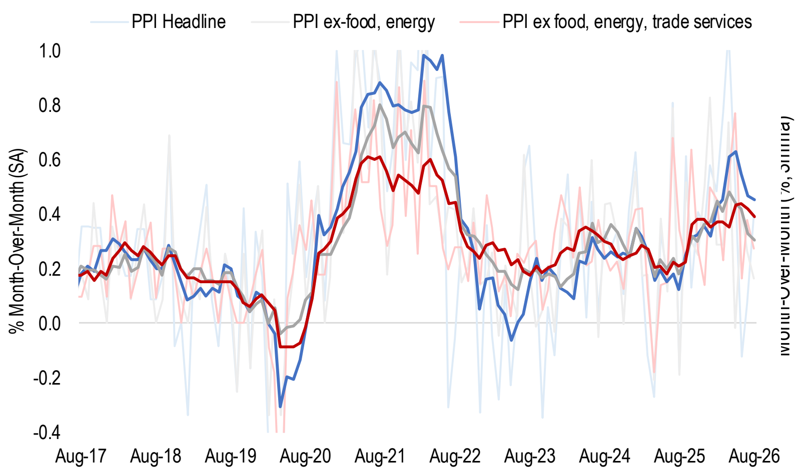


Sources: Bureau of Labor Statistics, Federal Reserve Bank of Atlanta, Arch Global Economics

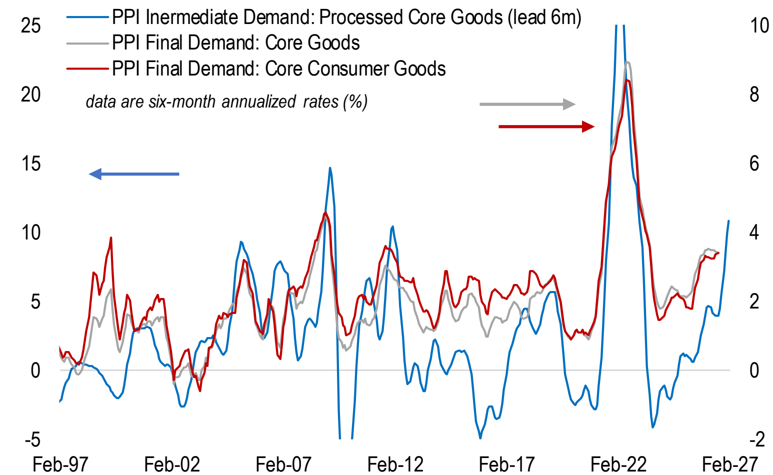
Last Week's Data in Charts

Producer Price Inflation

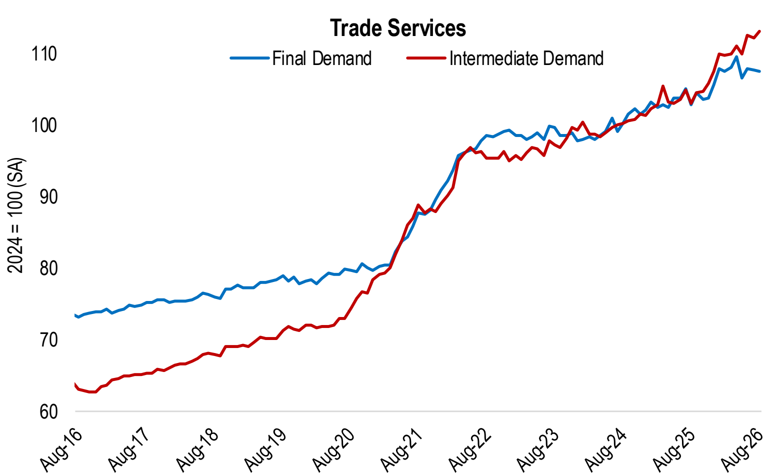
Energy Lifted Headline Producer Price Inflation While Underlying Prices Remained Firm



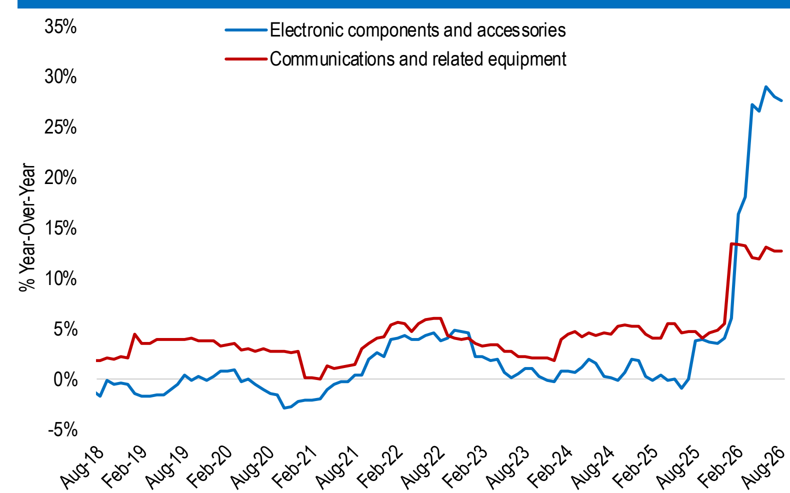
Goods Prices Unlikely to Ease Near Term as Firms Face Higher Energy Costs and Still Tight Supply Chains



Margin Pressure Building: Intermediate Demand Trade Services Prices Now Outpacing Final Demand Prices

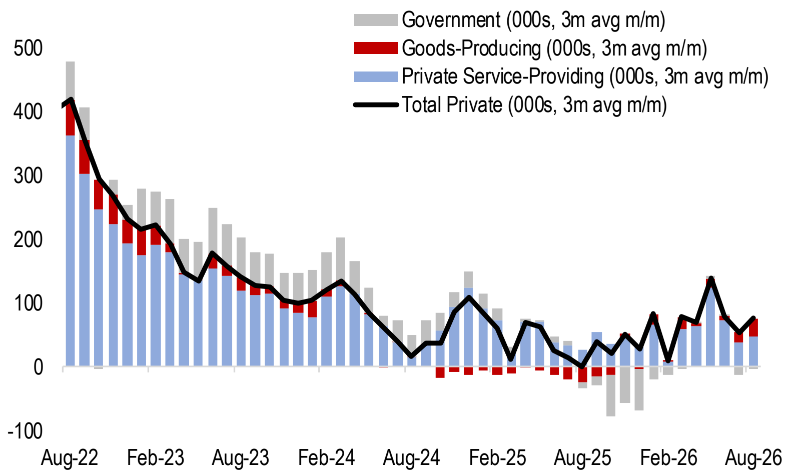


AI-Capex-Linked Equipment Prices Have Eased Slightly but Remain Elevated

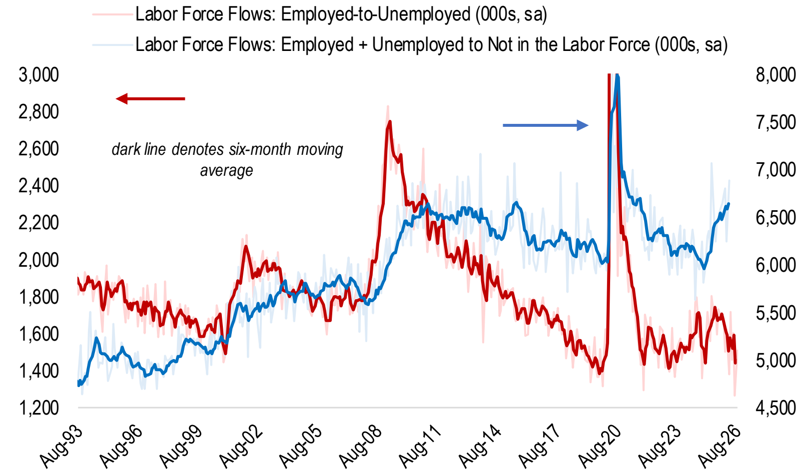


Sources: Bureau of Labor Statistics, Arch Global Economics

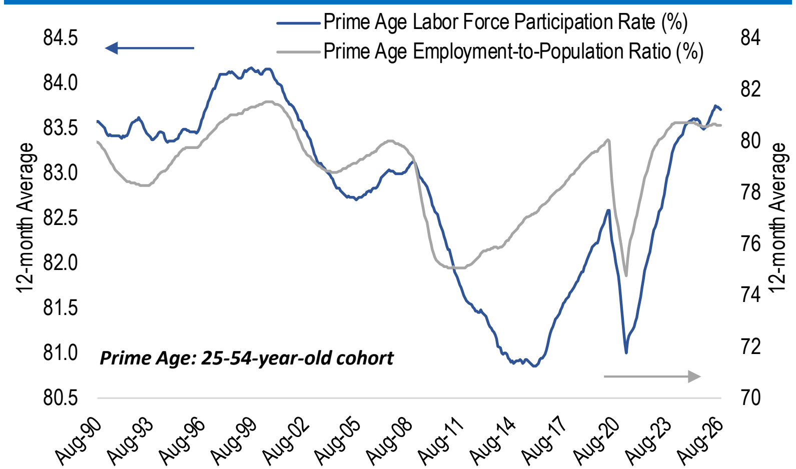
Private Job Growth Recovered in August on Back of Strong Gains in Goods Producing Sectors



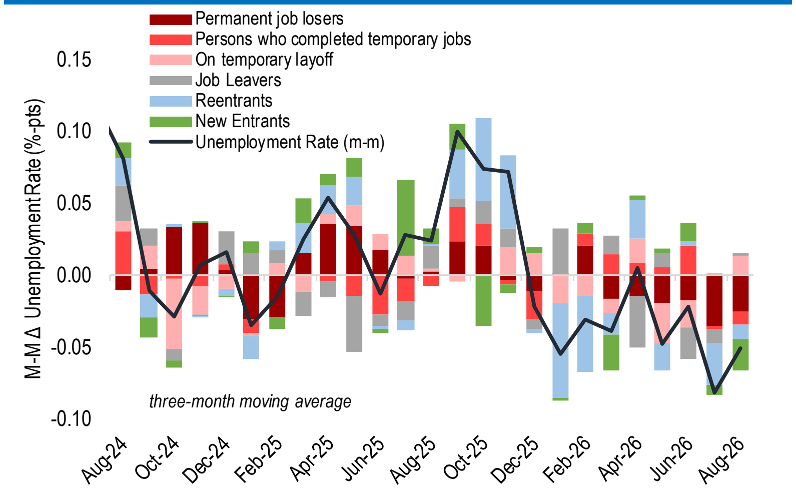
Bookends of the Age Distribution (<=24yrs and 55yrs+) Continue to Drive Rising Labor Force Exits



Prime-Age Participation Rates Stable in August, with the Employment Rate Roughly Flat for Three Years

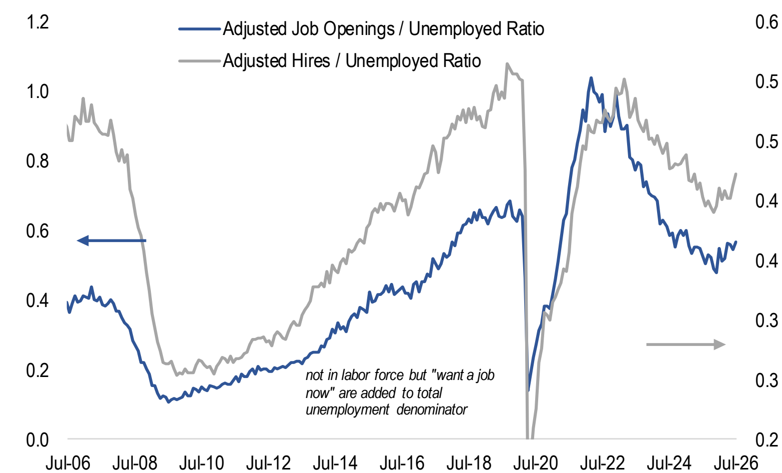


The Low Layoffs Narrative Holds as Permanent Job Losers Have Been in Decline since March

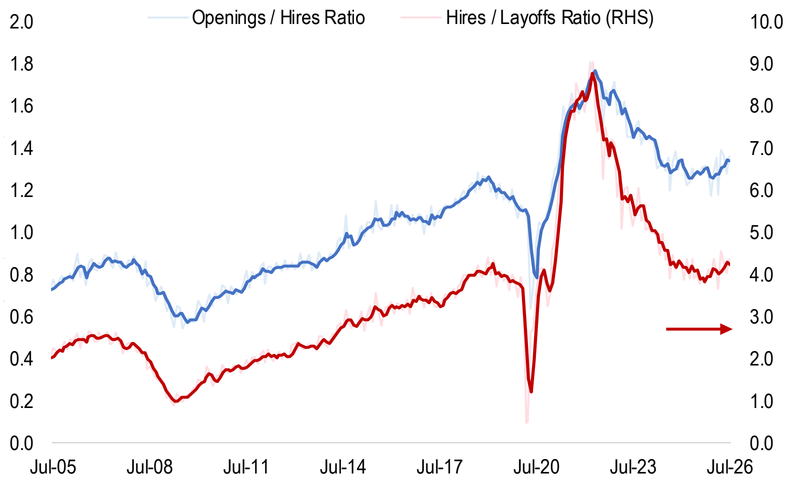


Sources: U.S. Bureau of Labor Statistics, Arch Global Economics

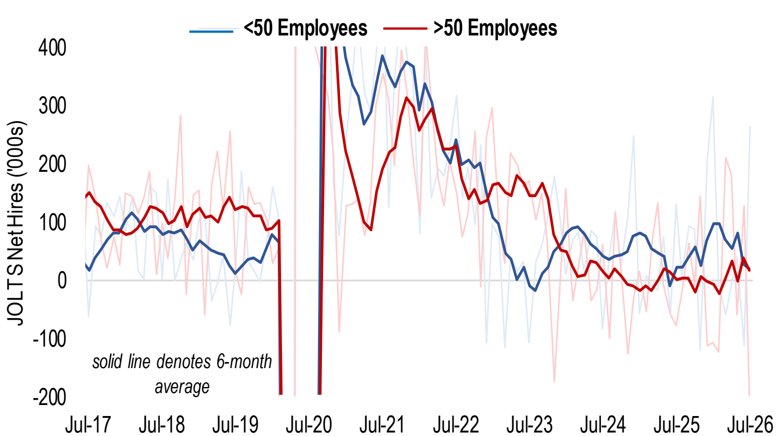
Latest JOLTS Data Showed a Modest Pickup in Openings Driven by Goods Related Sectors and Healthcare



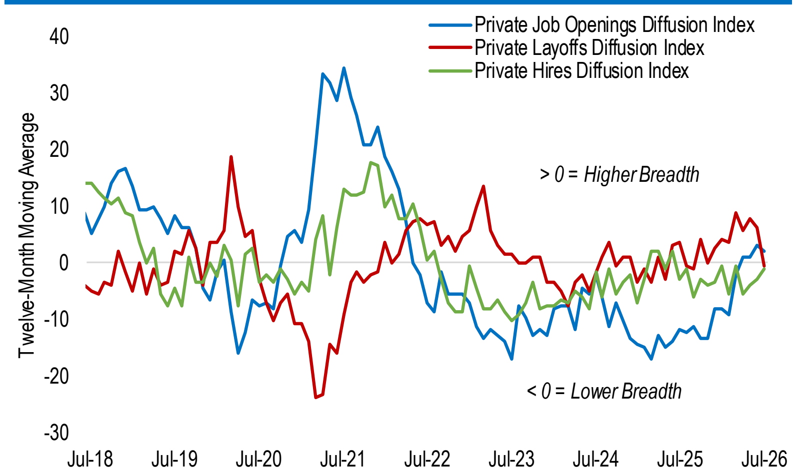
Turnover Data Has Bottomed and Started to Recover; Hiring Rate Increasingly Outpacing Layoffs



Net Hiring by Larger Firms Has Posted a Modest Rebound as Small Businesses Pull Back



Turnover Breadth Took a Modest Step in the Right Direction as Layoffs Sank

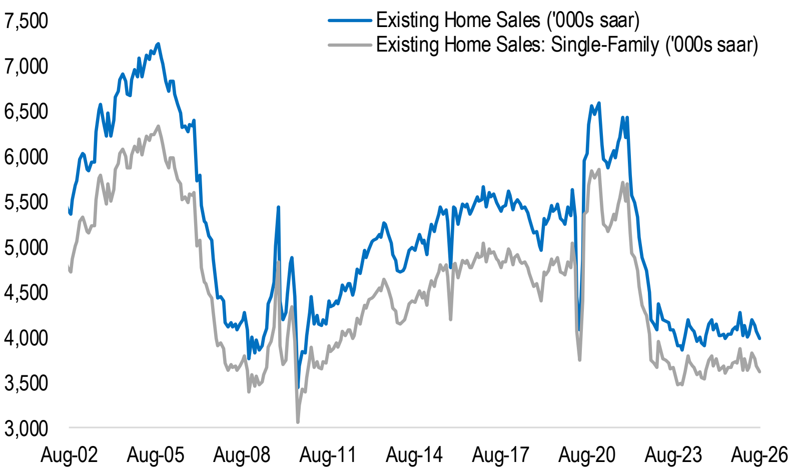


Sources: U.S. Bureau of Labor Statistics, Arch Global Economics

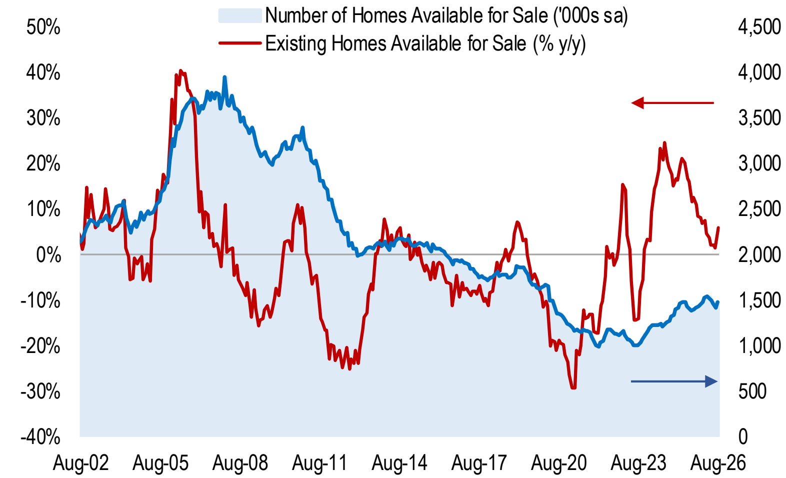
Last Week's Data in Charts

Existing Home Sales

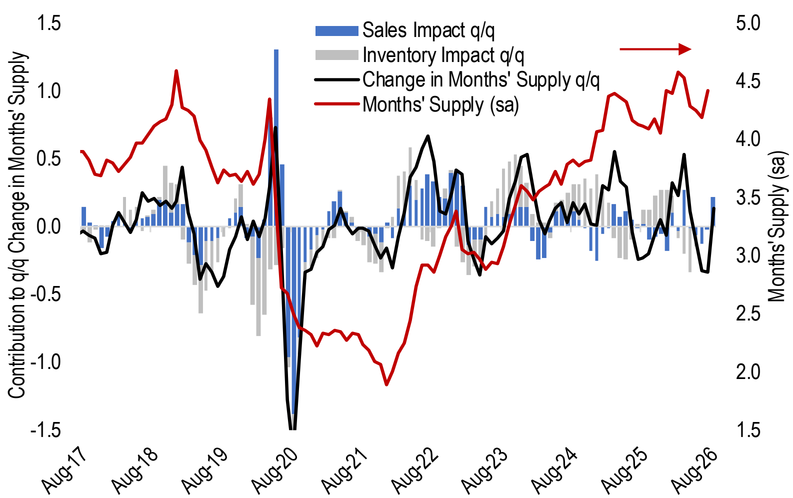
Home Sales Remain Stuck Near Multi-Year Lows, Declining -2.0% in August



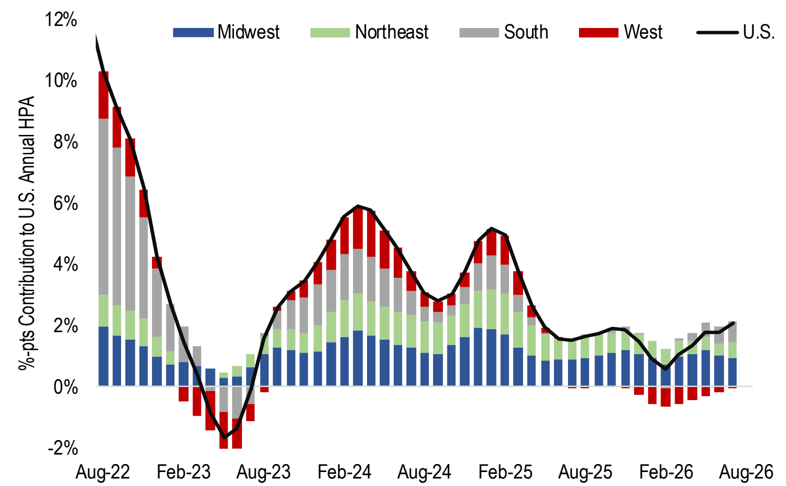
After a Multi-Month Slide in the Annual Growth Rate, Inventory Is Looking to Make a Move Higher



Months' Supply Pivoting Higher, Following the Uptick in Inventory as Sales Pace Remains Weak

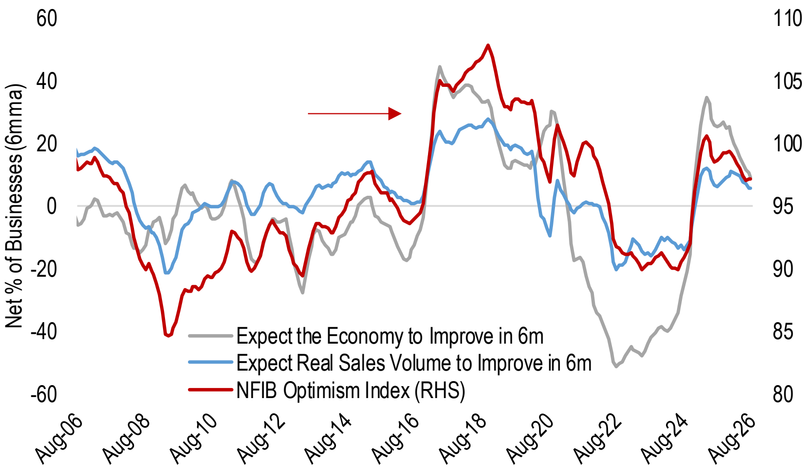


Inventory Still Tight, but the Home-Price Growth Rebound Should Fade as Affordability Worsens

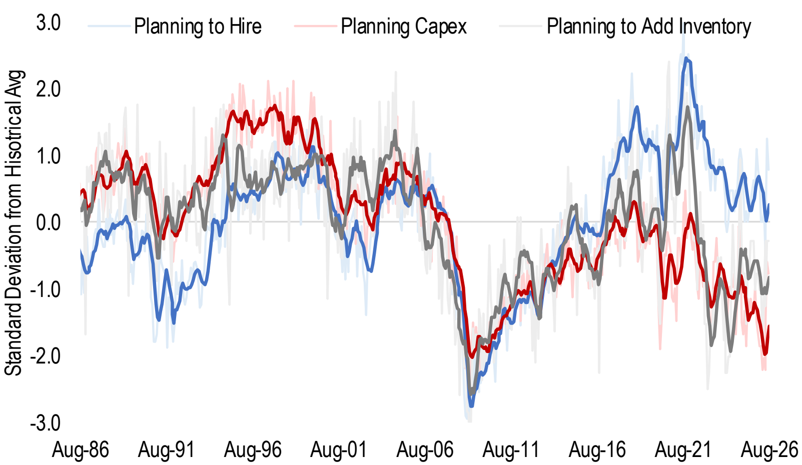


Sources: National Association of REALTORS® (NAR), Arch Global Economics

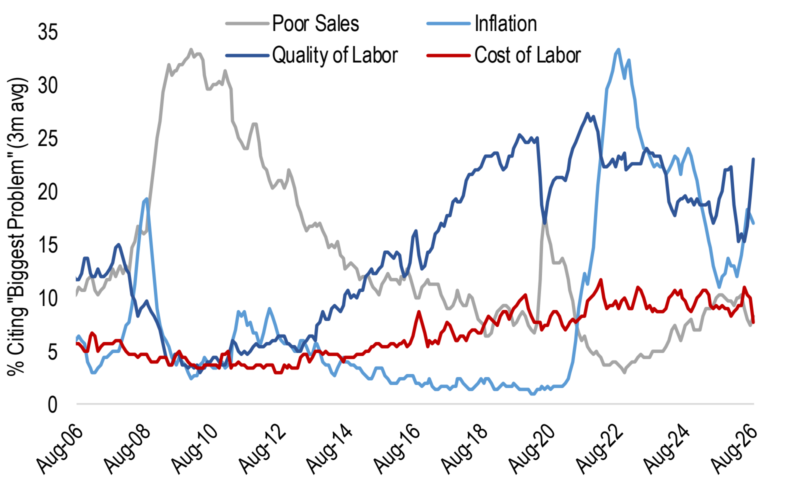
Despite Modest Pullback in August, Small Business Sentiment Still Trending Positively



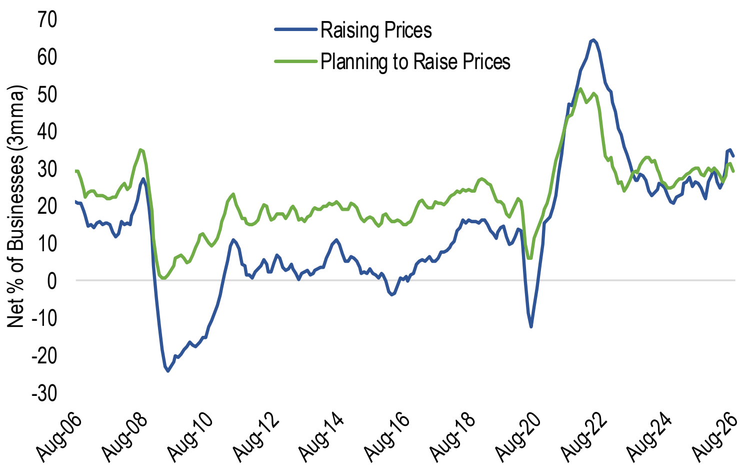
Importantly, Plans to Hire Remain Positive despite Weak Outlooks for Capex and Inventory



Quality of Labor Remains the Top-Cited Problem; Cost of Labor Has Overtaken Poor Sales

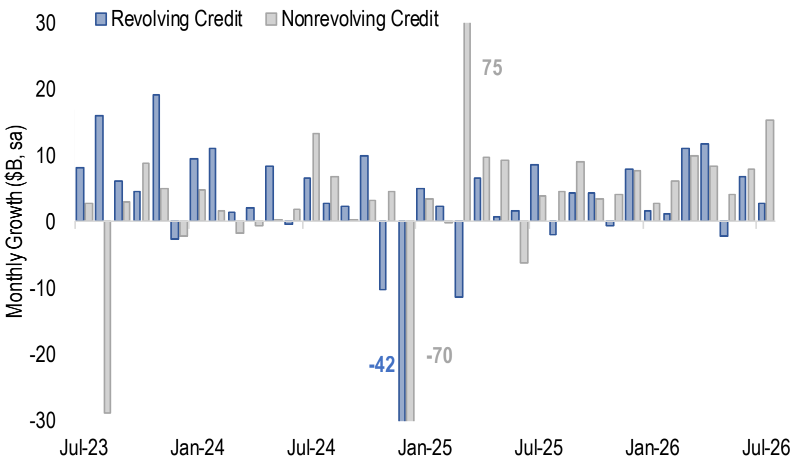


More Firms Are Raising Prices While Intentions to Continue Doing So in the Months Ahead Have Eased

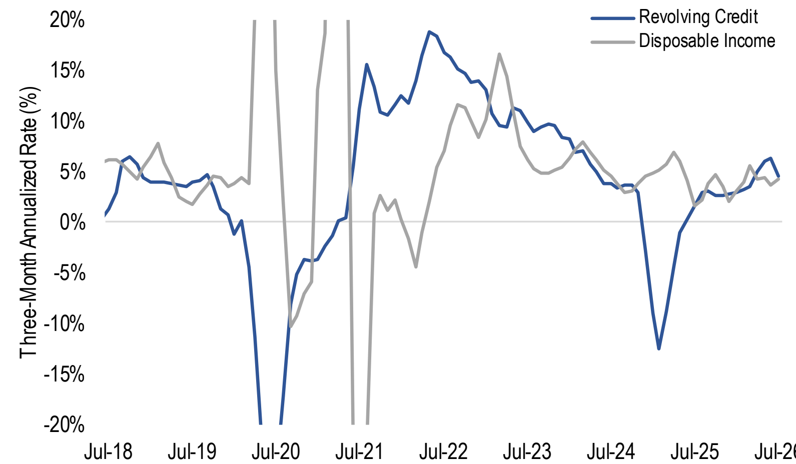


Sources: NFIB, Arch Global Economics

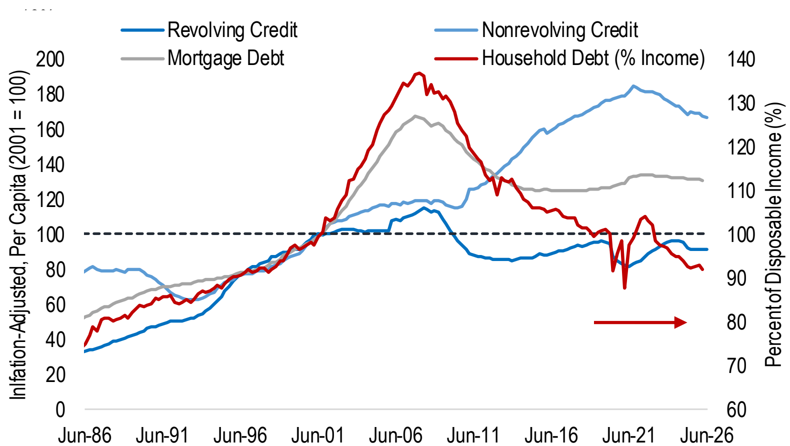
Consumer Credit Growth Has Picked Up Momentum Recently, Accompanying the Slide in the Savings Rate



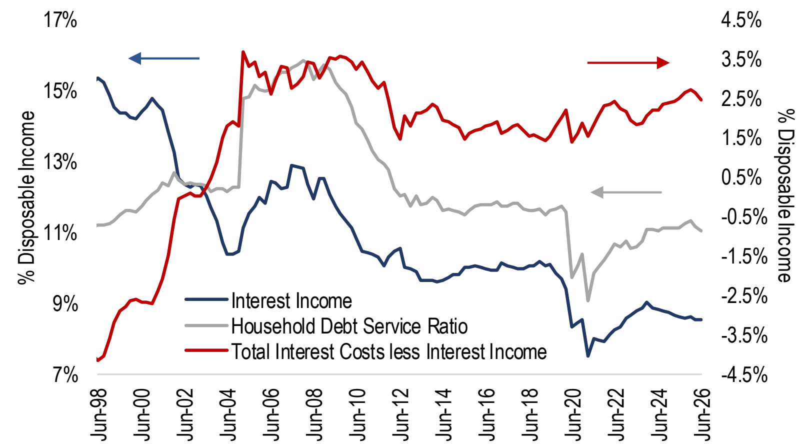
Households Have Leaned on Credit Recently, but Borrowing Remains Modest Relative to Income



Overall, Aggregate Household Credit Profile Remains Healthy by Historical Standards

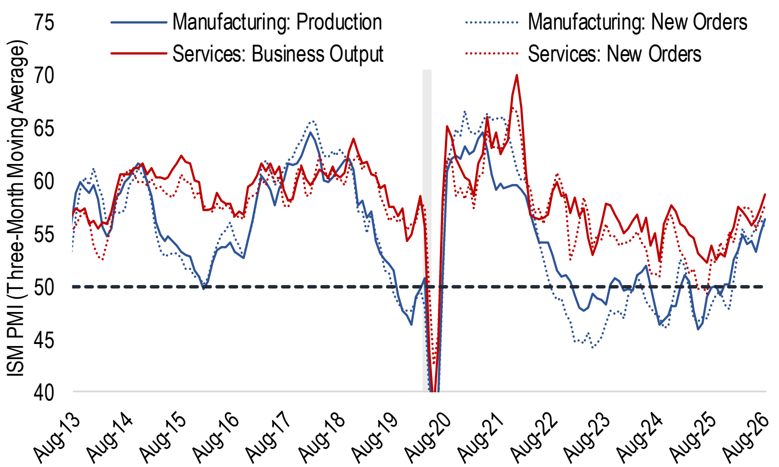


Household Interest Costs Have Been Falling but Will Rise Again as Rates Climb

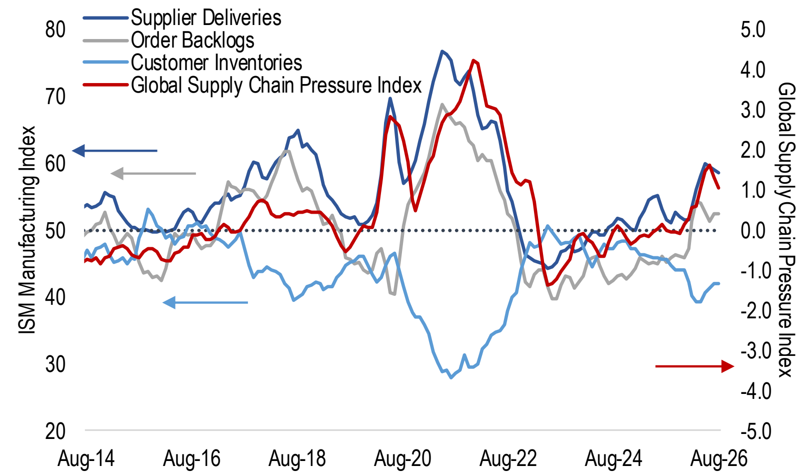


Sources: Federal Reserve Board, BEA, Arch Global Economics

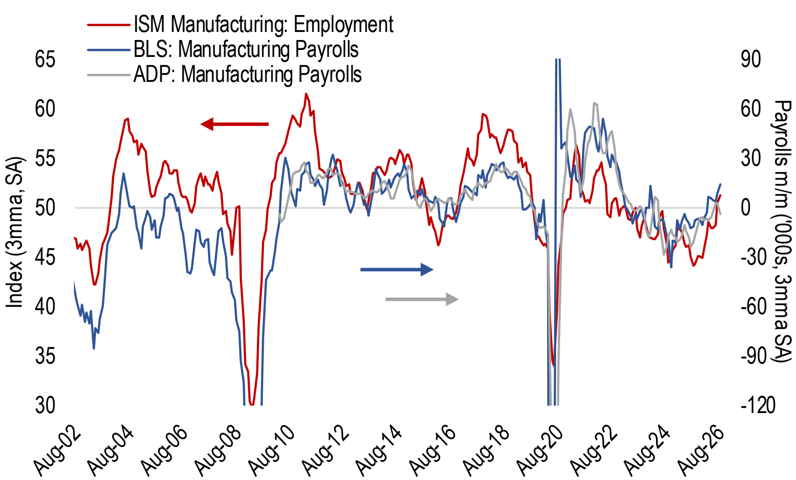
Solid Economy-Wide Activity Is Broadening Out beyond Tech-Related Capex



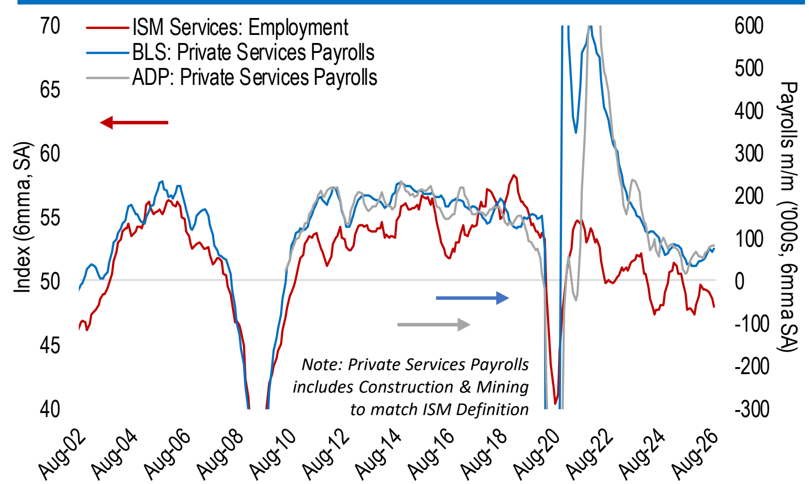
Manufacturing Supply Chains Look to Be on the Mend as Supplier Delivery Times Begin Normalizing



Multiple Measures of Manufacturing Employment Trending in Same (Positive) Direction

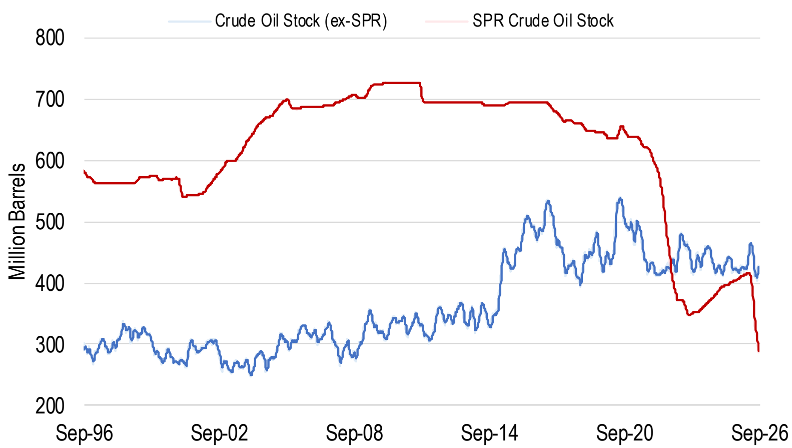


ISM Services Employment Weaker Than Payrolls as Firms Hold Headcount Flat Rather Than Cut

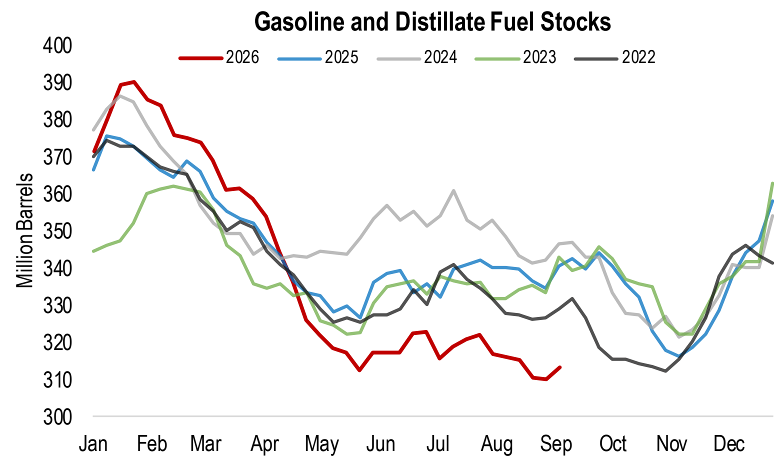


Sources: ISM, FRB, Census Bureau, BLS, Arch Global Economics

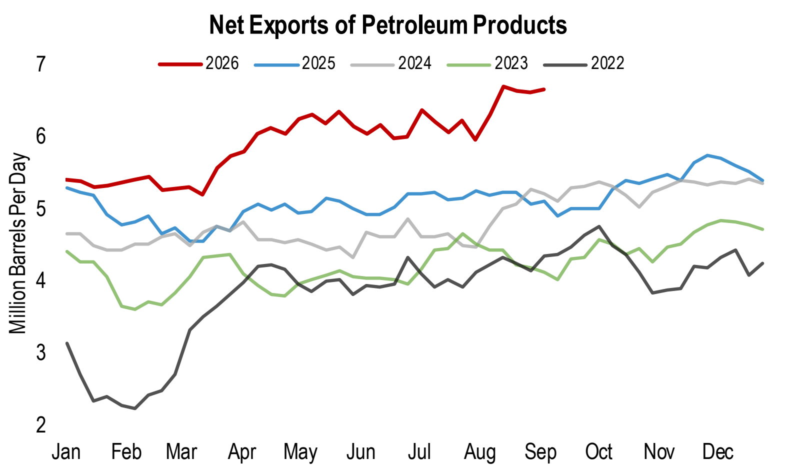
SPR Drawn Down Another 1.2m Barrels in Week Ending Sept. 4, While Commercial Crude Inventories Held Flat



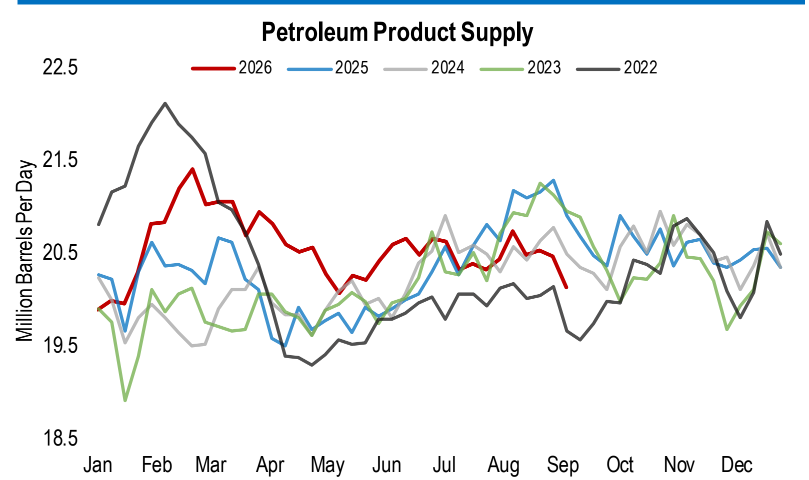
Gasoline Stocks Edge Slightly Higher While Distillates Remain near Record Lows



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



Petroleum Product Demand Eased Slightly Largely on the Back of Easing Gasoline Demand in the U.S.



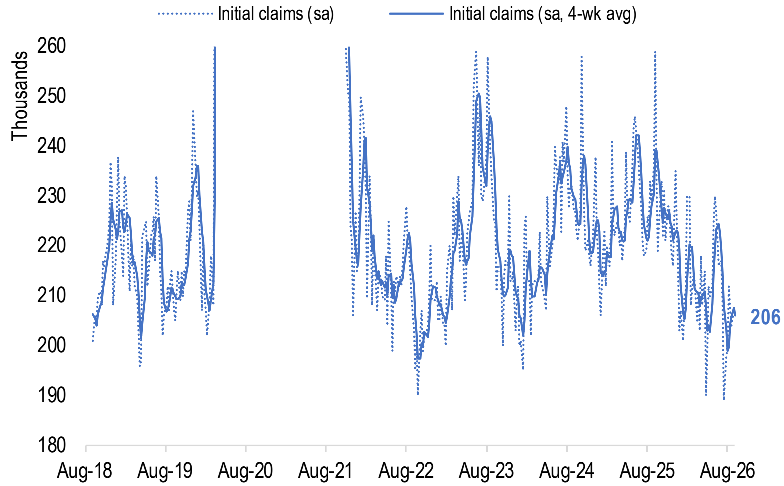
SPR = Strategic Petroleum Reserve
mb/d = million barrels / day

Sources: Energy Information Administration, Arch Global Economics

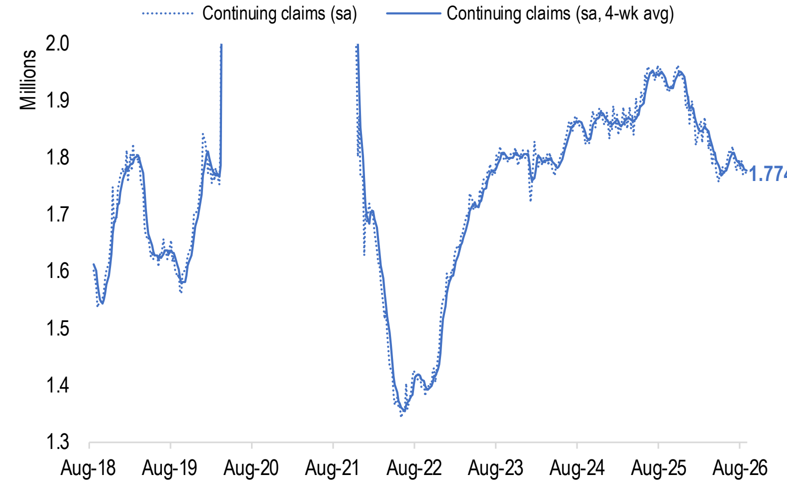
Last Week's Data in Charts

Jobless Claims

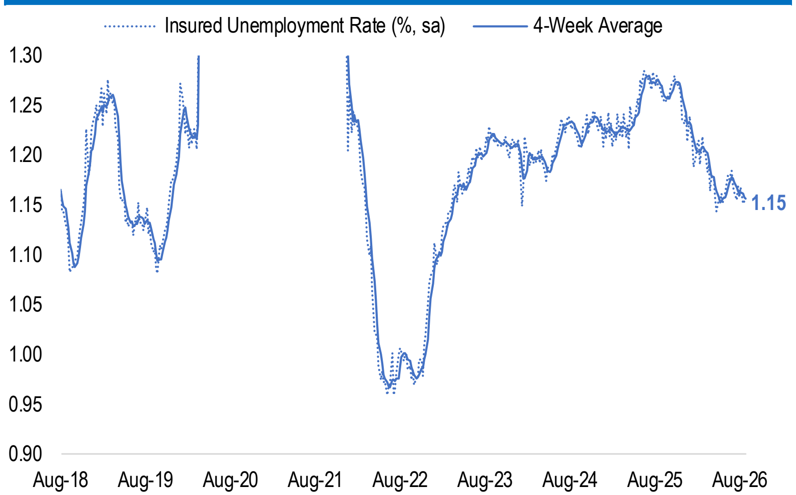
Initial Claims Moved Down to 206k (SA) in Week Ending Sept. 5, Just Above Multi-Year Low



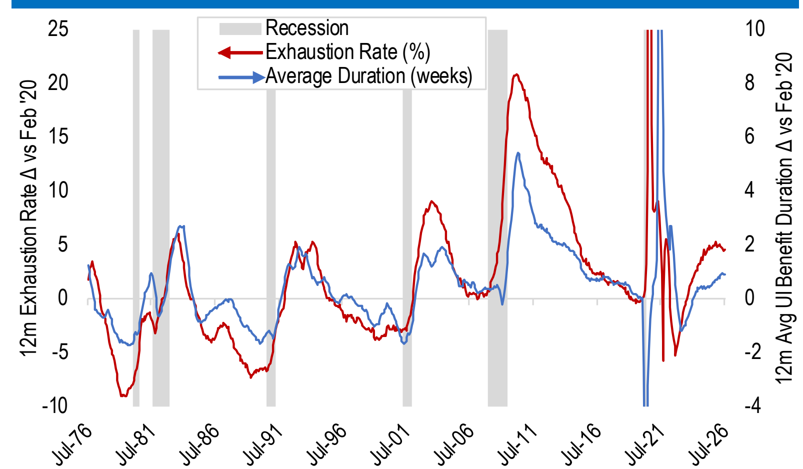
Continuing Claims Cooled to 1,774k (SA) in Week Ending Aug. 29, Extending the Recent Plateau



Insured Unemployment Rate Ticked Down to 1.15% in Week Ending Aug. 29, Just Above Multi-Year Low



Share of Unemployed Workers Exhausting Benefits Continued to Ease through July

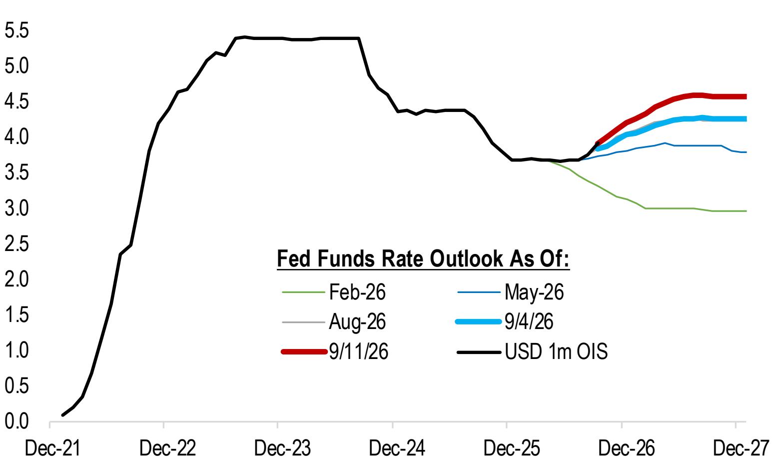


$$\text{Insured Unemployment} = \frac{\text{Continuing Claims}}{\text{Employed Population Eligible for Unemployment Insurance}}$$

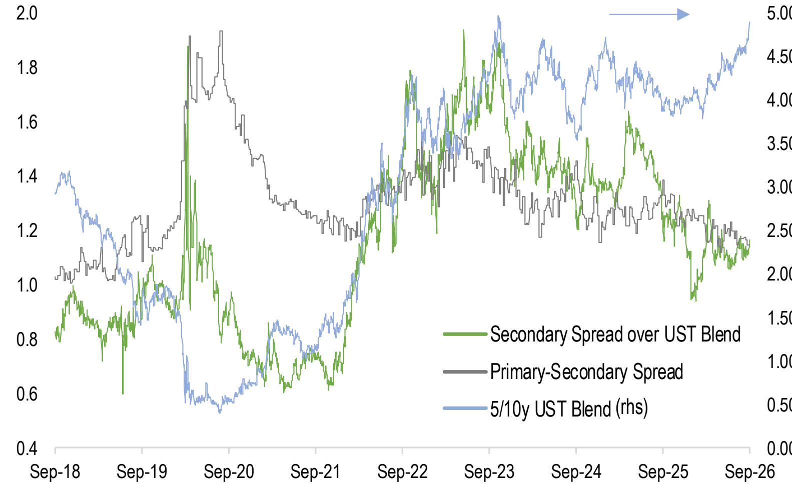
Sources: U.S. Department of Labor, Arch Global Economics

SA = Seasonally Adjusted

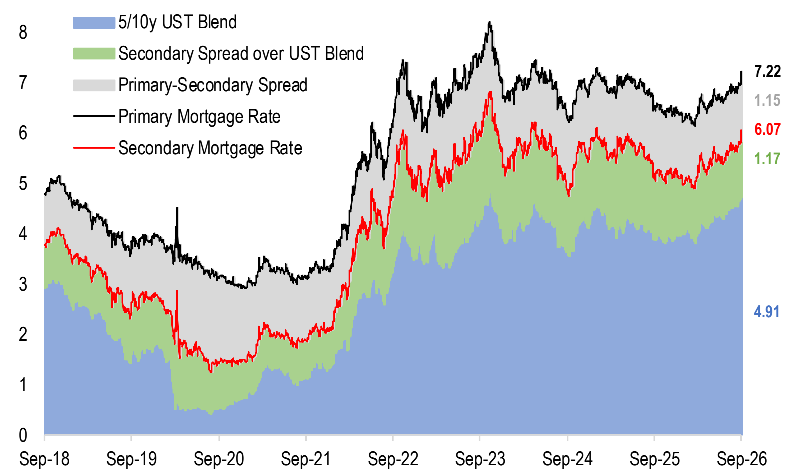
Sept. Rate Hike Odds Surged to > 90% in Response to Hotter-Than-Expected Aug. Core CPI Inflation



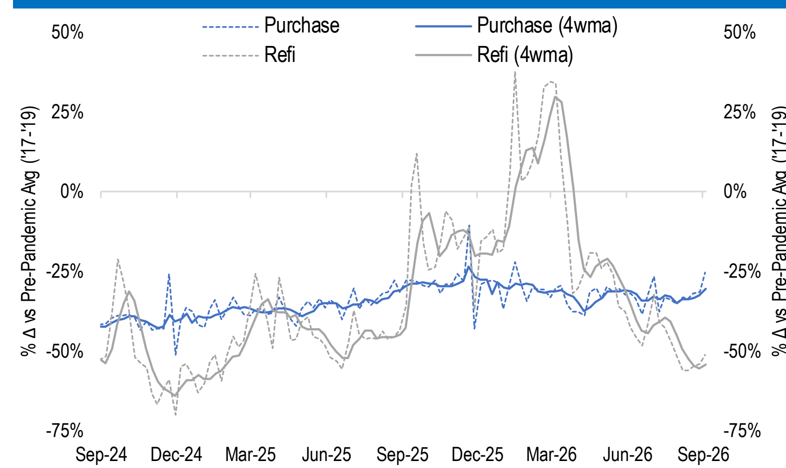
Mortgage Spreads Rose 5bps on the Week as 5/10y U.S. Treasury Yields Spiked 20bps Higher …



… Pushing Mortgage Rates Solidly above 7% to the Highest Level since Jan. 2025



Mortgage Apps Ticked Higher Again during Week Ending Sep. 4, prior to Rate Surge

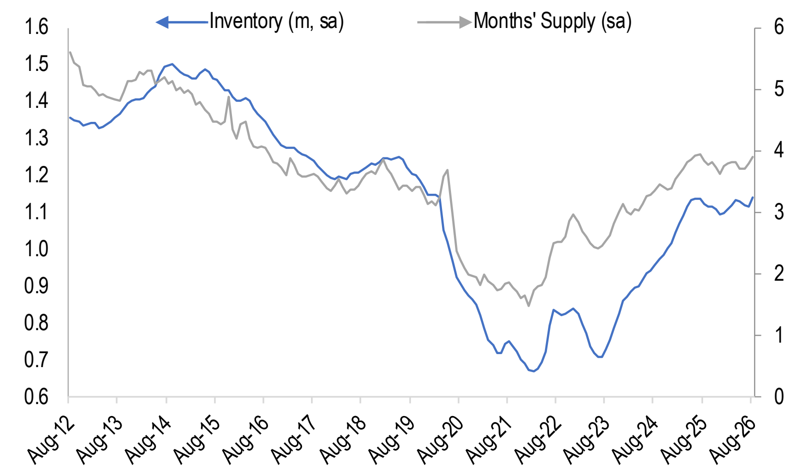


Sources: Bloomberg, FRB, Mortgage Bankers Association, Arch Global Economics

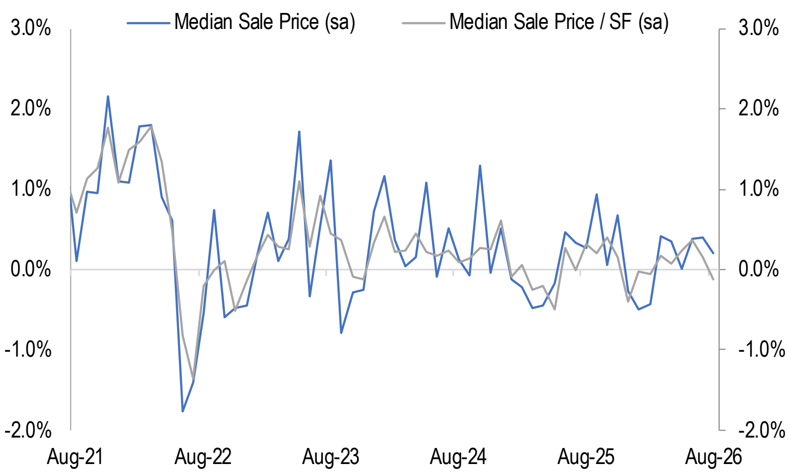
Secondary Spread: Current Coupon Option-Adjusted Spread over 5/10y UST Blend
Primary-Secondary Spread: Primary Mortgage Rate - Secondary Mortgage Rate

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

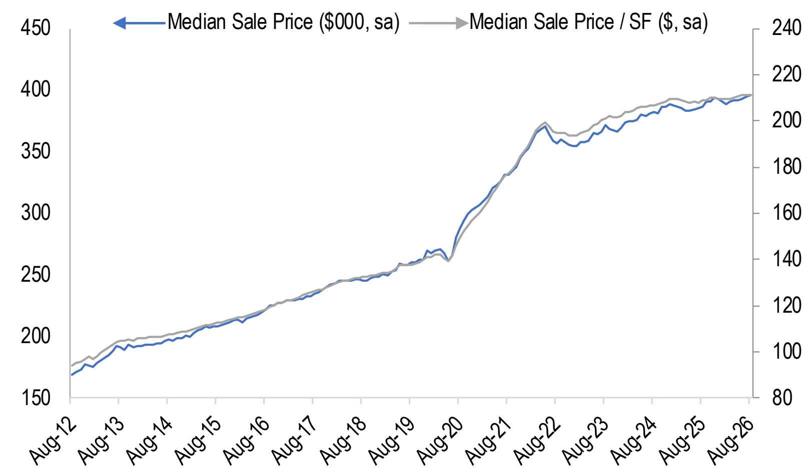
… Which Has Kept Inventory and Months' Supply in Check



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 Sep. 3, 2026

Location Matters: Some Markets Remain Tight with Solid HPA, While Others Have Seen Outright Price Declines

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	1.3%	0.2%	-0.1%	-0.8%	20.9%	0.5%	98.8%	0.2%	-3.3	-3.5	2%	21%	16%
Atlanta	-1.0%	-0.5%	0.0%	-1.8%	22.7%	0.2%	97.9%	0.2%	24.3	25.0	3%	56%	58%
Austin	-5.0%	-2.2%	-1.4%	3.4%	26.5%	-0.7%	97.3%	0.3%	44.0	48.5	-2%	147%	143%
Baltimore	0.8%	-1.5%	0.7%	2.3%	21.6%	1.1%	100.6%	0.2%	-0.8	-3.8	9%	7%	-10%
Boston	1.5%	0.9%	0.5%	0.2%	17.0%	1.3%	100.6%	-0.2%	1.8	-0.8	14%	17%	-1%
Chicago	3.8%	-1.0%	5.3%	0.9%	12.7%	-0.6%	100.3%	0.4%	-13.3	-13.8	-1%	-33%	-33%
Dallas	-2.6%	-0.8%	0.6%	2.8%	27.4%	0.9%	97.4%	0.0%	18.5	17.8	-6%	61%	62%
Denver	-3.2%	-4.8%	-1.2%	0.8%	29.8%	0.2%	98.6%	0.1%	14.0	17.5	-2%	119%	100%
Houston	-2.1%	0.7%	-1.4%	-0.1%	26.0%	0.7%	97.2%	0.8%	17.5	16.0	-1%	62%	47%
Los Angeles	-1.2%	0.2%	-2.0%	-0.3%	16.2%	0.3%	99.6%	0.3%	1.8	4.5	-2%	41%	44%
Miami	2.5%	2.9%	1.8%	4.2%	13.3%	-0.9%	95.5%	0.3%	22.3	24.8	-15%	18%	36%
Minneapolis	0.8%	-0.1%	1.4%	-0.3%	24.2%	3.1%	99.8%	-0.1%	4.3	3.8	9%	22%	14%
Nashville	-0.5%	-0.8%	0.0%	-2.2%	20.6%	1.4%	98.0%	0.1%	8.8	7.5	6%	65%	43%
New York	5.9%	2.8%	1.0%	-2.3%	13.1%	1.5%	100.7%	0.3%	-43.0	-40.5	-3%	-33%	-28%
Phoenix	-0.7%	0.3%	1.4%	1.9%	22.0%	1.1%	97.9%	0.0%	26.8	29.5	-3%	121%	115%
Portland	0.4%	1.4%	0.7%	0.6%	26.6%	1.2%	99.5%	0.4%	5.0	12.8	-2%	52%	51%
Riverside	-0.7%	-0.4%	1.4%	2.6%	18.0%	0.4%	99.0%	0.3%	1.0	7.5	-8%	27%	39%
San Diego	1.3%	4.5%	-1.6%	-0.5%	21.0%	0.2%	99.2%	0.5%	1.8	12.5	-5%	28%	30%
Seattle	-6.0%	-3.4%	-4.0%	-0.8%	24.2%	2.6%	98.8%	-0.4%	7.0	4.3	19%	104%	46%
Tampa	0.4%	-0.5%	-1.8%	-3.0%	23.9%	-2.4%	97.1%	0.4%	32.5	19.0	1%	113%	88%
Washington DC	-0.7%	-3.3%	-0.2%	0.2%	18.7%	0.9%	99.6%	0.1%	15.0	11.5	8%	56%	35%

Data as of Sept. 6, 2026, and reflect 4-week averages.

Sources: Redfin, 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
9/8/26	6:00 AM	NFIB Small Business Optimism	Aug	**98.7**	99.3	--	99.8	index, sa
9/8/26	11:00 AM	NY Fed 1-Yr Inflation Expectations	Aug	**3.6**	3.6	--	3.6	%
9/8/26	3:00 PM	Consumer Credit m/m	Jul	**18.1**	11.3	14.6	14.2	$B, sa
9/9/26	7:00 AM	MBA Mortgage Applications w/w	Sep 4	**-2.7**	--	--	0.8	%, sa
9/10/26	8:30 AM	Initial Jobless Claims	Sep 5	**206**	205	207	206	k, sa
9/10/26	8:30 AM	Continuing Claims	Aug 29	**1,774**	1,780	1,775	1,779	k, sa
9/10/26	8:30 AM	PPI Final Demand m/m	Aug	**0.4**	0.4	0.1	0.0	%, sa
9/10/26	8:30 AM	PPI Core (ex Food and Energy) m/m	Aug	**0.2**	0.3	0.3	0.2	%, sa
9/10/26	8:30 AM	PPI Final Demand y/y	Aug	**5.4**	5.3	4.8	4.7	%, nsa
9/10/26	8:30 AM	PPI Core (ex Food and Energy) y/y	Aug	**4.6**	4.6	4.3	4.2	%, nsa
9/10/26	10:00 AM	Existing Home Sales	Aug	**4.0**	4.0	--	4.1	m, saar
9/10/26	10:00 AM	Existing Home Sales m/m	Aug	**-2.0**	-1.7	--	-1.7	%, sa
9/10/26	10:00 AM	Wholesale Inventories m/m	Jul F	**1.3**	1.3	--	1.3	%, sa
9/10/26	10:00 AM	Wholesale Trade Sales m/m	Jul	**0.8**	--	-2.9	-3.0	%, sa
9/11/26	8:30 AM	CPI m/m	Aug	**0.4**	0.4	--	0.1	%, sa
9/11/26	8:30 AM	CPI Core (ex Food and Energy) m/m	Aug	**0.3**	0.2	--	0.2	%, sa
9/11/26	8:30 AM	CPI y/y	Aug	**3.4**	3.4	--	3.4	%, nsa
9/11/26	8:30 AM	CPI Core (ex Food and Energy) y/y	Aug	**2.4**	2.4	--	2.5	%, nsa
9/11/26	10:00 AM	U. of Mich. Sentiment	Sep P	**47.8**	51.0	--	51.7	index, nsa
9/11/26	10:00 AM	U. of Mich. 1 Yr Inflation	Sep P	**4.6**	4.2	--	4.0	nsa
9/11/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	Sep P	**3.4**	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

Recent Data Releases

Key economic and housing data releases over the prior week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
9/1/26	11:00 AM	Wards Total Vehicle Sales	Aug	**16.8**	16.3	--	16.3	m, saar
9/1/26	9:45 AM	S&P Global US Manufacturing PMI	Aug F	**53.9**	53.4	--	53.2	index, sa
9/1/26	10:00 AM	ISM Manufacturing	Aug	**54.6**	55.2	--	55.6	index, sa
9/1/26	10:00 AM	ISM Prices Paid	Aug	**71.1**	70.8	--	71.1	index, nsa
9/1/26	10:00 AM	JOLTS Job Openings	Jul	**7,271**	7,313	7,182	7,359	k, sa
9/1/26	10:00 AM	JOLTS Quits	Jul	**3,056**	3,208	3,213	3,232	%, sa
9/1/26	10:00 AM	JOLTS Quits Rate	Jul	**1.9**	2.0	--	2.0	%, sa
9/1/26	10:00 AM	JOLTS Layoffs Rate	Jul	**1.0**	1.1	--	1.1	%, sa
9/2/26	7:00 AM	MBA Mortgage Applications w/w	Aug 28	**0.8**	--	--	-1.0	%, sa
9/2/26	8:15 AM	ADP Employment m/m	Aug	**38**	47	46	44	k, sa
9/2/26	10:00 AM	Durable Goods Orders m/m	Jul F	**1.1**	1.1	--	1.1	%, sa
9/2/26	10:00 AM	Cap Goods Orders Nondef Ex Air m/m	Jul F	**0.0**	0.3	--	0.2	%, sa
9/2/26	10:00 AM	Cap Goods Ship Nondef Ex Air m/m	Jul F	**1.2**	1.4	--	1.4	%, sa
9/3/26	8:30 AM	Nonfarm Productivity q/q	2Q F	**1.4**	1.4	--	1.4	%, saar
9/3/26	8:30 AM	Unit Labor Costs q/q	2Q F	**1.2**	1.3	--	1.3	%, saar
9/3/26	8:30 AM	Initial Jobless Claims	Aug 29	**206**	205	204	203	k, sa
9/3/26	8:30 AM	Continuing Claims	Aug 22	**1,779**	1,784	1,771	1,778	k, sa
9/3/26	9:45 AM	S&P Global US Services PMI	Aug F	**56.5**	56.8	--	56.8	index, sa
9/3/26	9:45 AM	S&P Global US Composite PMI	Aug F	**56.0**	56.1	--	56.0	index, sa
9/3/26	10:00 AM	ISM Services Index	Aug	**55.4**	54.1	--	54.1	index, nsa
9/4/26	8:30 AM	Nonfarm Payrolls m/m	Aug	**162**	55	21	-23	k, sa
9/4/26	8:30 AM	Private Payrolls m/m	Aug	**127**	50	71	30	k, sa
9/4/26	8:30 AM	Average Hourly Earnings m/m	Aug	**0.3**	0.3	0.2	0.1	%, sa
9/4/26	8:30 AM	Average Hourly Earnings y/y	Aug	**3.1**	3.1	--	3.2	%, nsa
9/4/26	8:30 AM	Average Weekly Hours All Employees	Aug	**34.4**	34.3	--	34.3	sa
9/4/26	8:30 AM	Unemployment Rate	Aug	**4.1**	4.1	--	4.1	%, sa
9/4/26	8:30 AM	Labor Force Participation Rate	Aug	**61.6**	61.5	--	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

Upcoming Data Releases

Key economic and housing data releases for the coming week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
9/15/26	8:30 AM	Empire Manufacturing	Sep	--	15.0	--	20.6	index, sa
9/16/26	7:00 AM	MBA Mortgage Applications w/w	Sep 11	--	--	--	-2.7	%, sa
9/16/26	8:30 AM	Advance Retail Sales m/m	Aug	--	0.8	--	-0.6	%, sa
9/16/26	8:30 AM	Retail Sales Control Group m/m	Aug	--	0.4	--	-0.4	%, sa
9/16/26	8:30 AM	Import Price Index m/m	Aug	--	0.5	--	-0.4	%, nsa
9/16/26	8:30 AM	Import Price Index y/y	Aug	--	6.5	--	5.9	%, nsa
9/16/26	10:00 AM	Business Inventories m/m	Jul	--	0.8	--	0.0	%, sa
9/16/26	10:00 AM	NAHB Housing Market Index	Sep	--	34	--	35	index, sa
9/16/26	2:00 PM	FOMC Rate Decision (Upper Bound)	Sep 16	--	3.75	--	3.75	%
9/17/26	8:30 AM	Philadelphia Fed Business Outlook	Sep	--	32.1	--	47.4	index, sa
9/17/26	8:30 AM	Initial Jobless Claims	Sep 12	--	208	--	206	k, sa
9/17/26	8:30 AM	Continuing Claims	Sep 5	--	1,780	--	1,774	k, sa
9/17/26	8:30 AM	Housing Starts	Aug	--	1,315	--	1,239	k, saar
9/17/26	8:30 AM	Housing Starts m/m	Aug	--	6.9	--	-12.4	%, sa
9/17/26	8:30 AM	Building Permits	Aug P	--	1,405	--	1,433	k, saar
9/17/26	8:30 AM	Building Permits m/m	Aug P	--	-1.5	--	4.3	%, sa
9/17/26	10:00 AM	Pending Home Sales m/m	Aug	--	0.0	--	-2.3	%, sa
9/18/26	9:15 AM	Industrial Production m/m	Aug	--	0.3	--	0.2	%, sa
9/18/26	9:15 AM	Capacity Utilization	Aug	--	76.4	--	76.3	sa
9/18/26	10:00 AM	Conference Board Leading Index m/m	Aug	--	0.1	--	0.2	%, sa

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

Sources: Bloomberg Consensus Survey of Economists, Arch Global Economics