

HaMMR Digest

Stay current with economic and mortgage market trends.

October 5, 2026

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Take a Breather

- **Key Takeaway:** Despite the miss on September's jobs report, the labor market appears to be settling into a slow job growth equilibrium.
- **Macro Implications:** Strong economic activity without firmer hiring suggests stronger productivity, keeping the Fed's next policy move focused on inflation.
- **Housing Implications:** Monitoring buyer and seller behavior in recent weeks, higher rates are translating into fewer sales rather than home price markdowns.

Macro: Improved Profile = More Resilience

- GDP revisions show a stronger growth profile in the first half of 2026...
- ... lifted by stronger structures spending, private capex, and consumer spending.
- Stronger profile adds to the resiliency of growth considering the energy shock.

Rates: Volatility Sets In

- UST volatility at 1-year high amid conflicting data, energy and central bank signals.
- 10y UST peaked at 5.34%, up 10bps w/w as the curve twist-steepened.
- Implied Fed path for '27 largely unchanged despite pushing out next rate hike.

Housing Market: Rates Up, Sales Down, Prices (Generally) Sideways

- Mortgage rates in mid-7% range, a multi-year high with few signs of easing.
- We track a weekly metro rollup of delistings, cancelled sales and price drops...
- ... and through Sept. 27, lower volumes, not prices, are absorbing the rate impact.

Jobs Report: Focus on the Forest, Not the Trees

- Sept. private payrolls rose just 46k, below the prior 3- and 6-month avg.
- Unemployment rate up 3bps to 4.18%, still below last year's level.
- Rising participation rate and fewer job losers imply steady labor market.

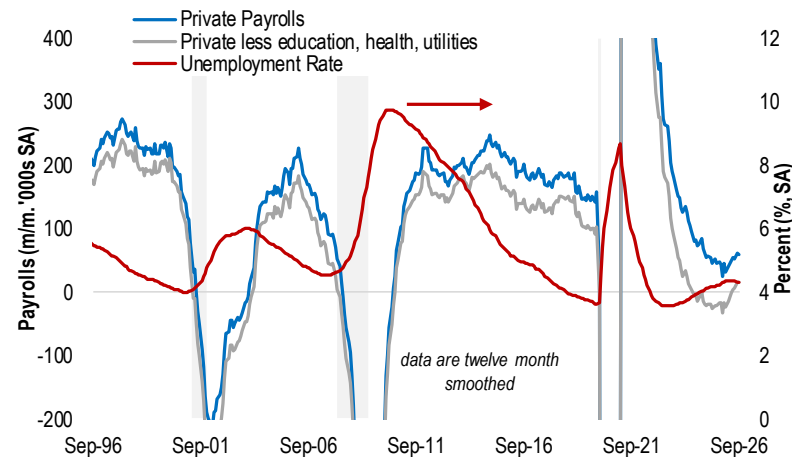
Personal Spending: Making Do

- Real spending up 0.6% in Aug. and 4% annualized over prior three months.
- Real disposable income flat in Aug. and gaining just 1.3% over a year ago.
- Upward adjustments to income over last year mostly due to asset income.

Consumer Confidence: Doldrums Yet Again

- Confidence sinks yet again on rising concerns about present conditions.
- Near-term inflation expectations pivot higher, tracking retail gas prices.
- Income expectations steady despite lingering concerns over job prospects.

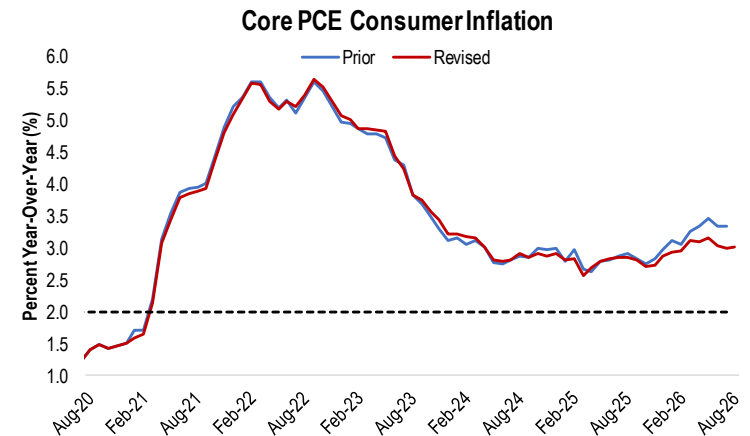
Ignore the Noise: A Low Breakeven Rate Helps Keep Unemployment Anchored with Only Modest Job Gains



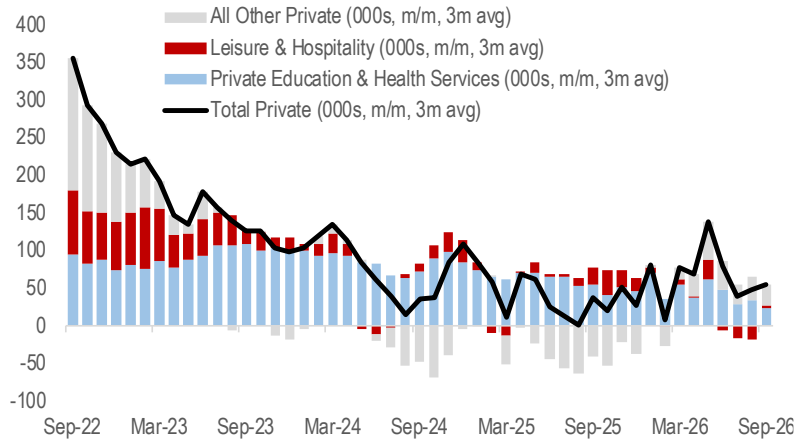
Breakeven Rate = Job growth needed to keep unemployment rate stable

Sources: U.S. Bureau of Labor Statistics (BLS), U.S. Bureau of Economic Analysis (BEA), Arch Global Economics

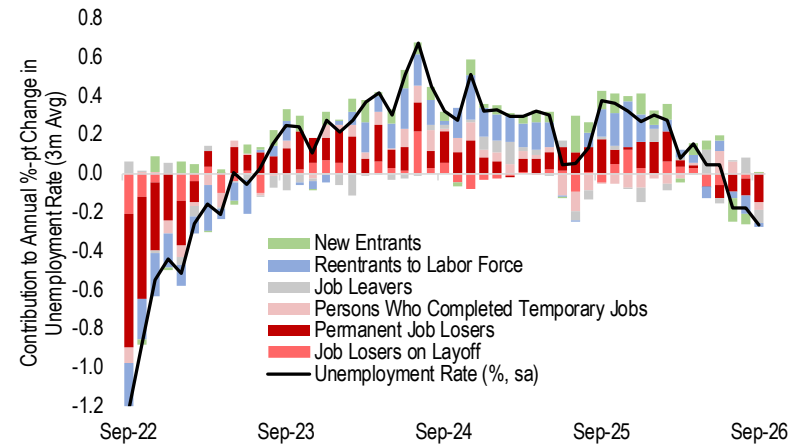
Revised PCE Inflation Data Makes Recent Path Look Less Concerning, but Recent Pace Remains Too Hot



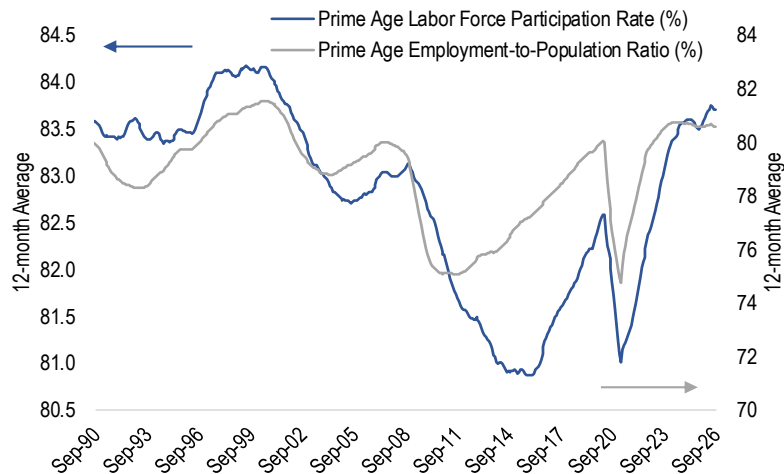
Private Job Growth Trend in Sept. More in Line with Cooler Recent Months than Early '26 Surge



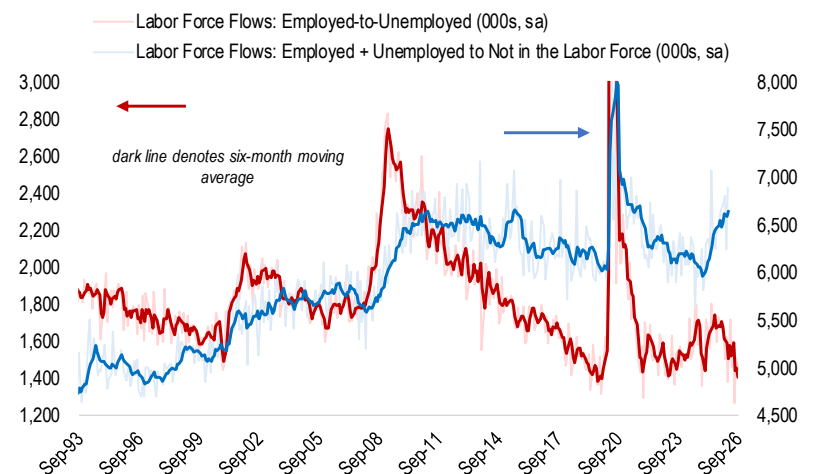
Despite Modest Uptick in Sept. Unemployment Rate, Fewer Job Losers Kept Year-Over-Year Trend Lower



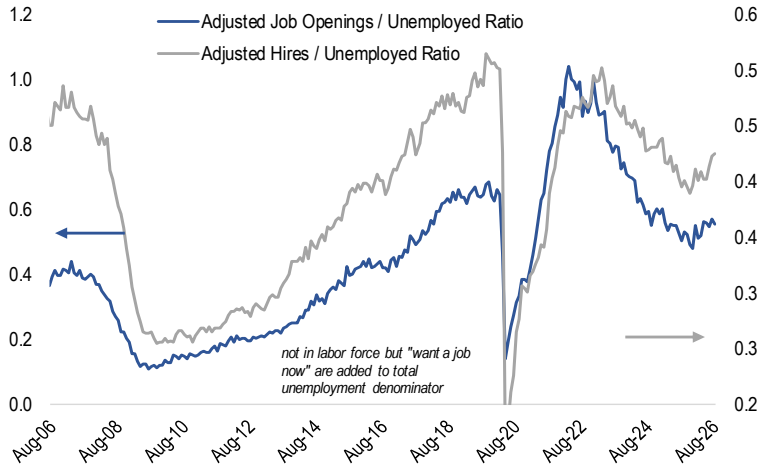
Prime-Age (25–54) Participation Rate Inched Higher in Sept., Employment Rate Stable since 2023



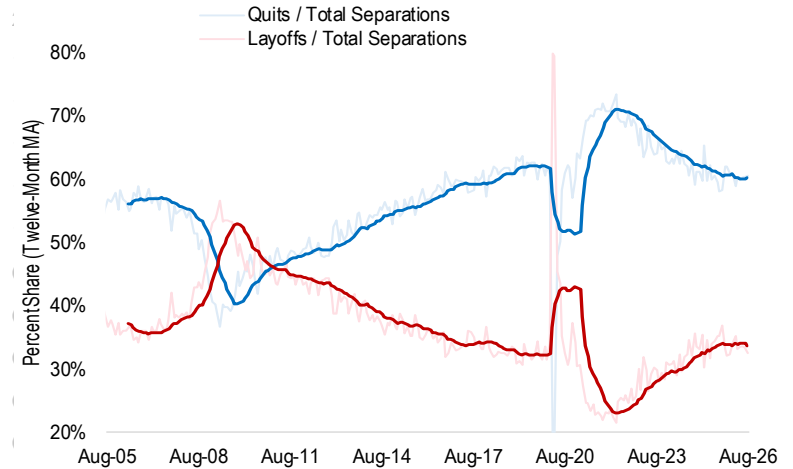
Labor Force Exits Continue to Rise, Led by Bookends of the Age Distribution (<=24yrs and 55yrs+)



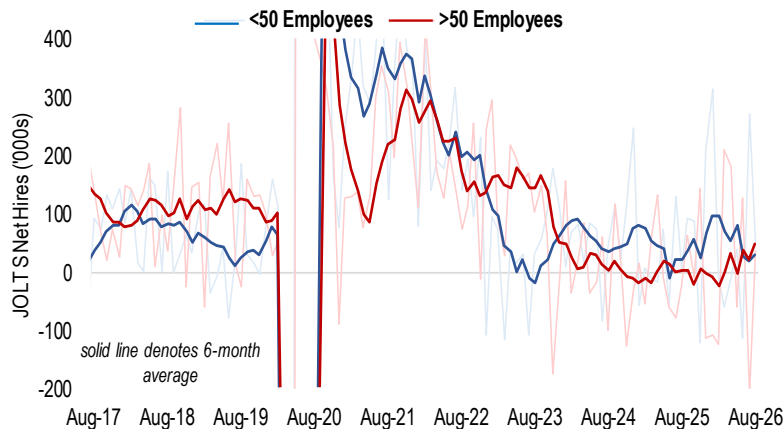
Latest JOLTS Data Showed a Modest Cooling in Openings Driven Largely by Professional Services



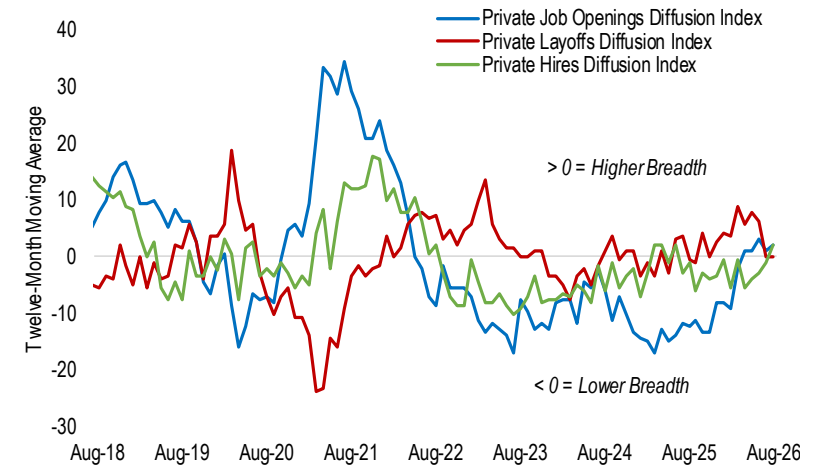
Quits Still Account for ~60% of Separations, with the Layoff Share Steady near One Third



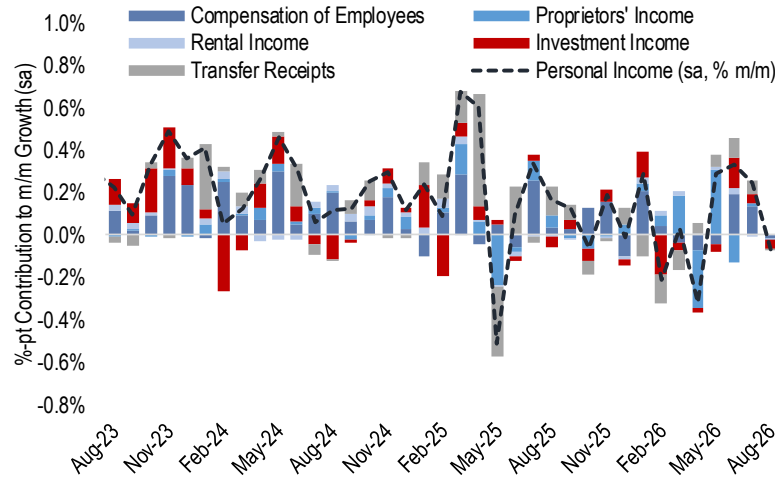
Net Hiring by Larger Firms Has Posted Modest Rebound as Small Businesses Look to Turn the Corner



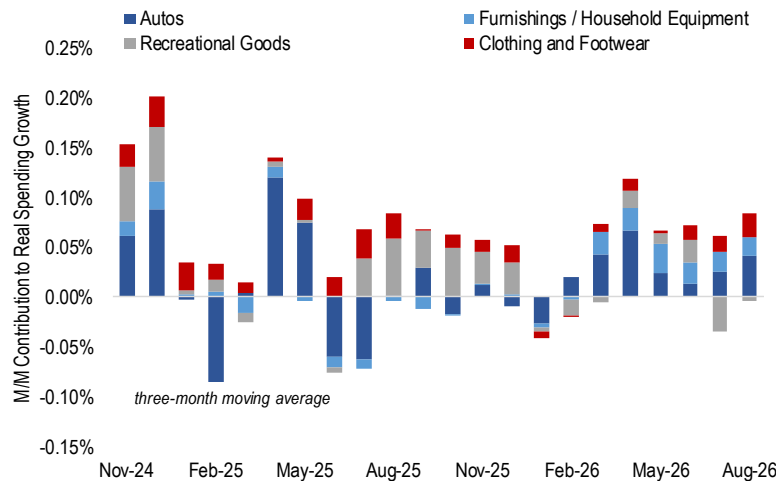
Turnover Breadth Took a Modest Step Back with the Services Sector Dominating Decline in Openings



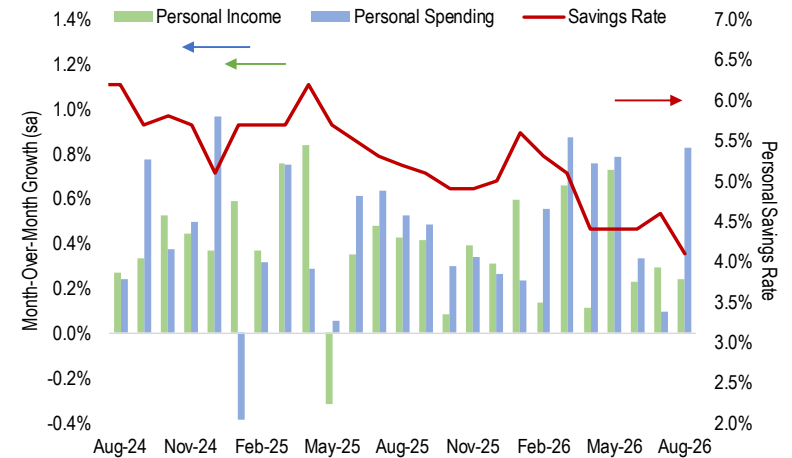
Real Labor Income Growth Pinched in August by Energy-Induced Inflation



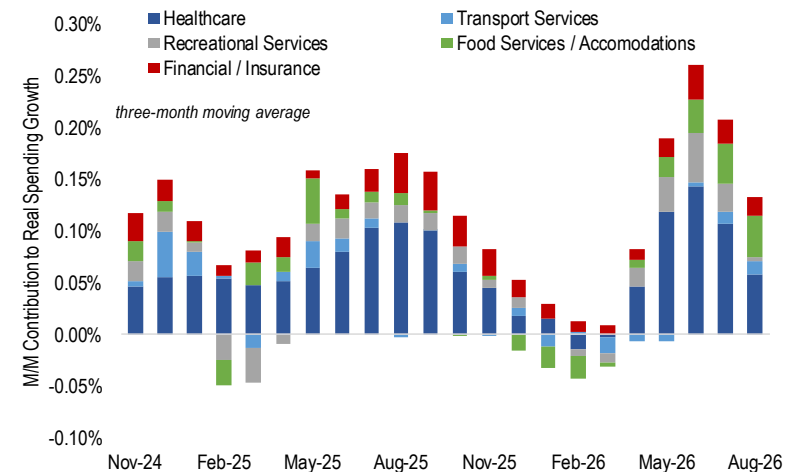
Real Goods Spending Remains on Solid Trajectory with Outlays Broadening outside of Autos



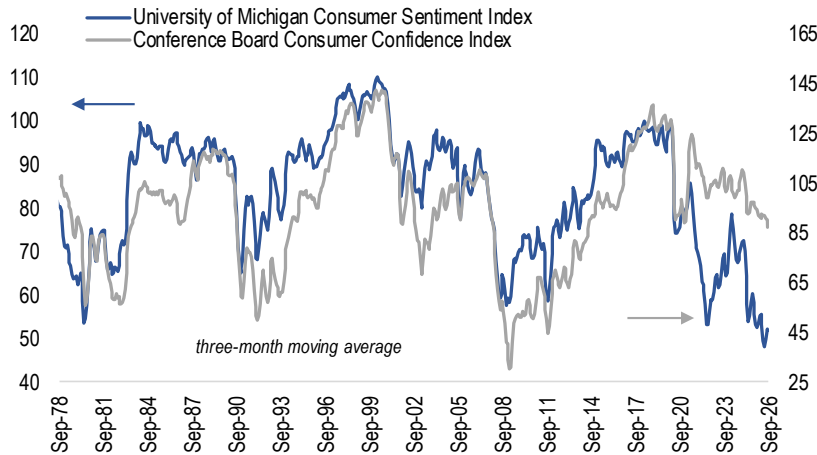
Upward Revision to Savings Rate Does Not Negate the Longer-Term Downward Slide



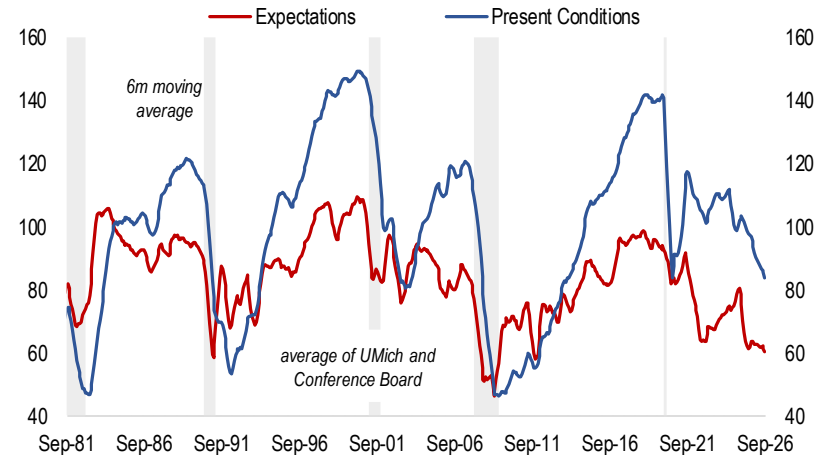
Services Spending Cooling Following Strong Rebound in 2Q26



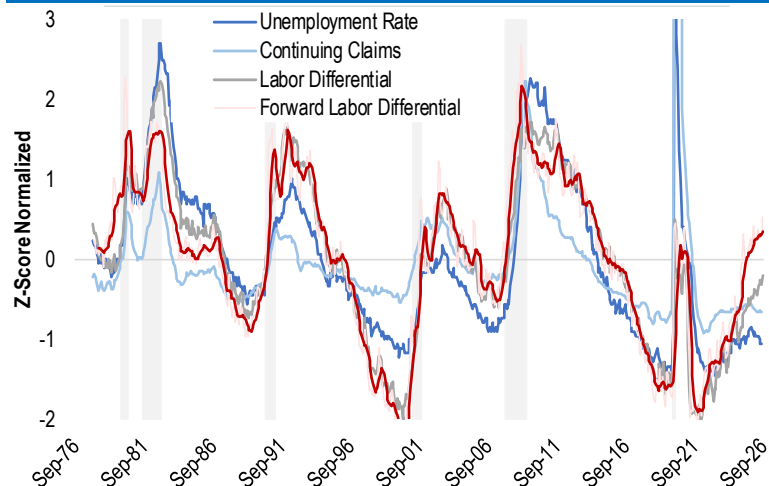
Consumer Sentiment Measures Continue to Meander around Historically Depressed Levels ...



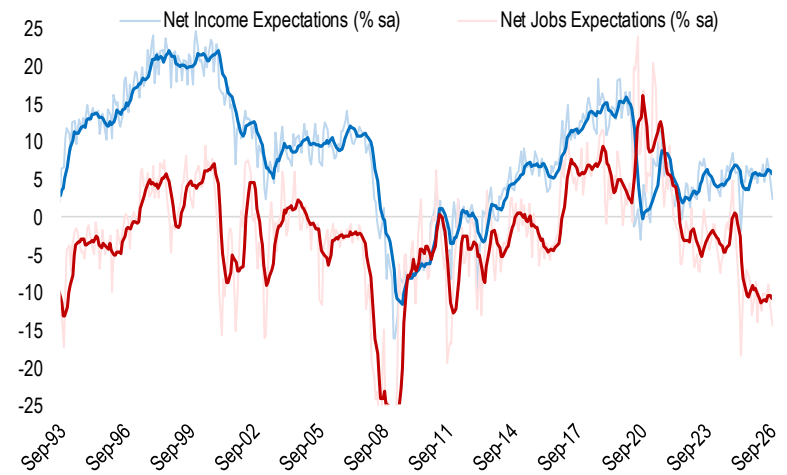
... Driven Primarily by Pessimism over Near-Term Expectations on the Labor Market and Inflation



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

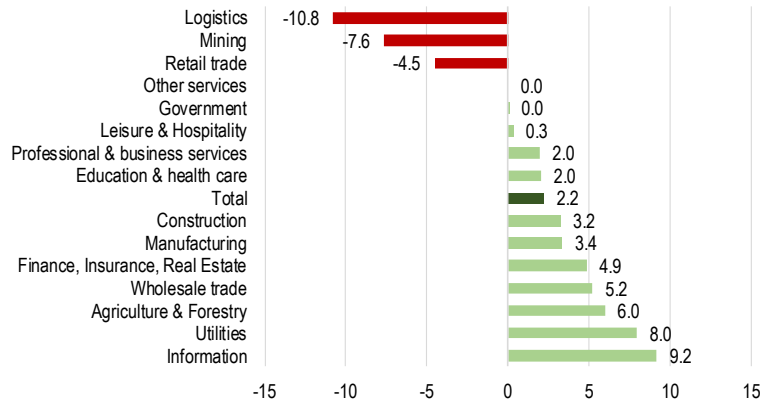


Despite Widespread Pessimism, Consumer Income Expectations Have Remained Resilient



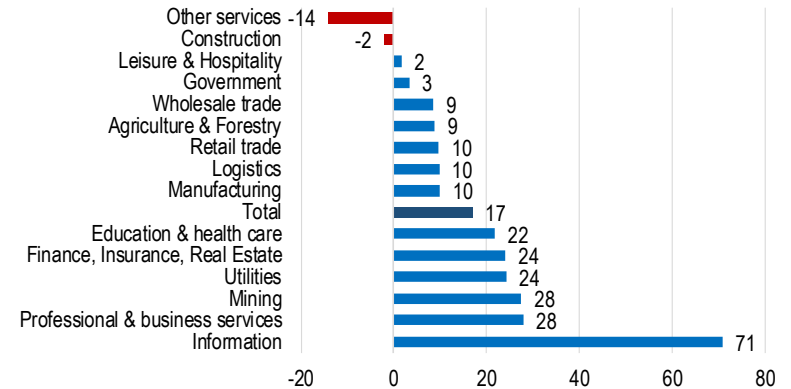
Information and Utilities Grew Fastest in 2Q26 While Logistics and Mining Fell Sharply

2Q26 Q/Q Real Growth Annualized by Major Industry (%)

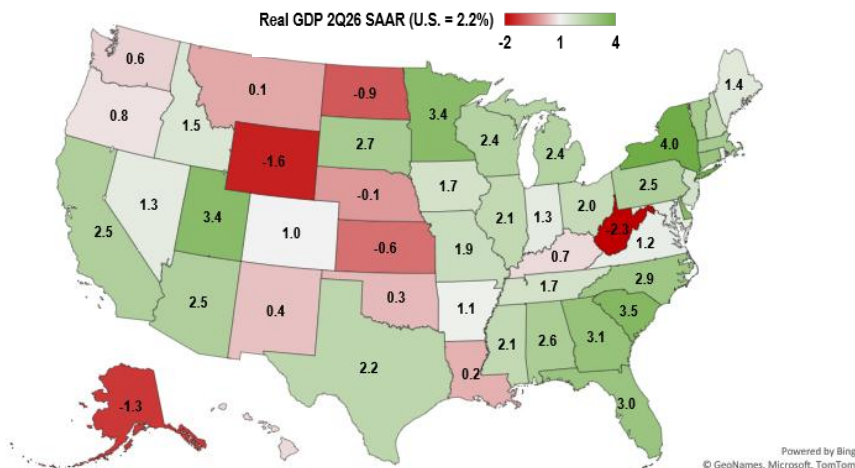


But Information Still Miles ahead of All Industries in Terms of Cumulative Growth since 2019

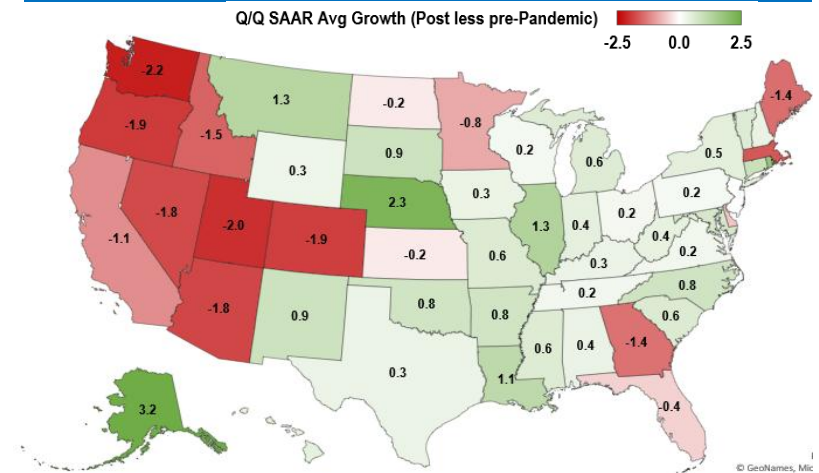
Cumulative Real Growth From 2019 to 2Q26 (%)



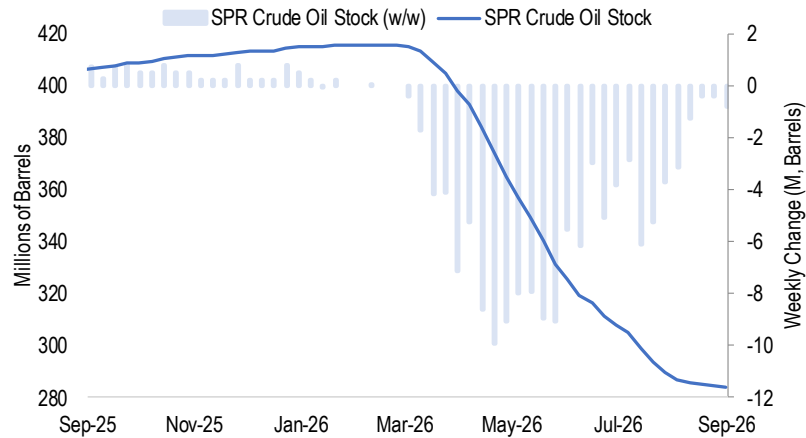
New York Posting the Strongest Growth in 2Q26 with 1.8%-pts Attributed to Finance and Insurance



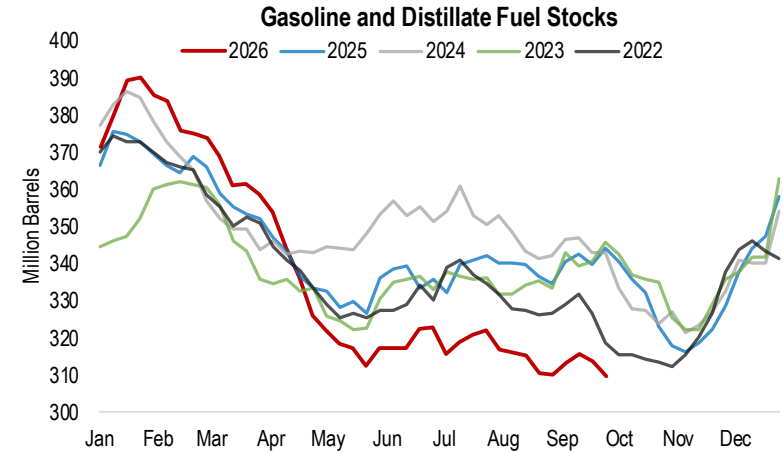
Quarterly Growth Has Trailed the Pre-Pandemic Pace for Most of the Western United States



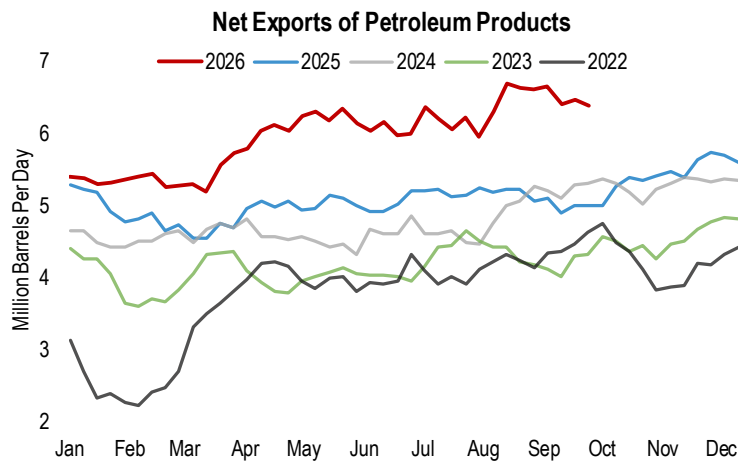
Pace of SPR Inventory Drawdown Slowing to a Crawl as Limits to Further Draws Are Near



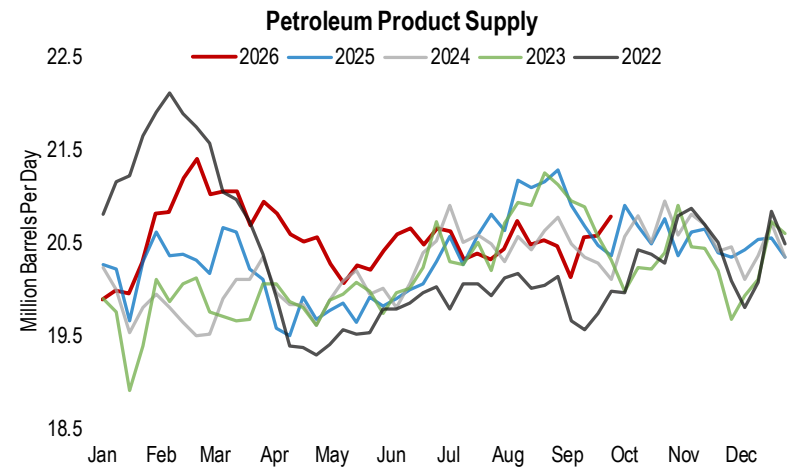
Gasoline and Distillate Stocks to Head Lower as Maintenance Season Lowers Utilization Rates



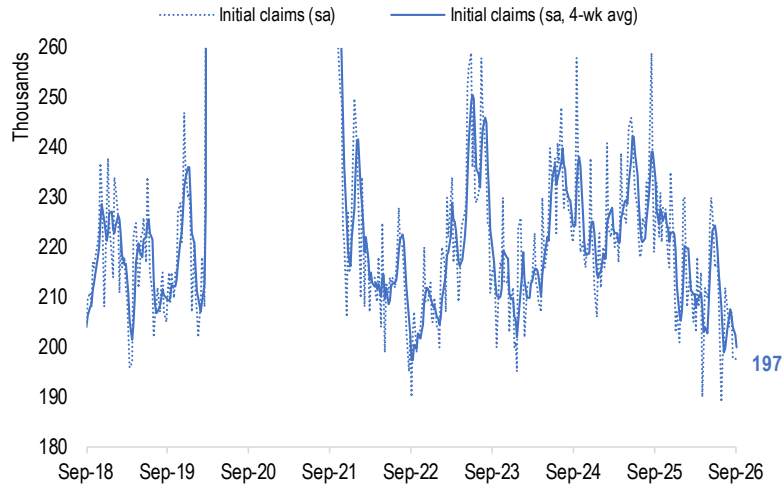
U.S. Petroleum Product Net Exports Remain Elevated above 6 mb/d but down from Recent Peak



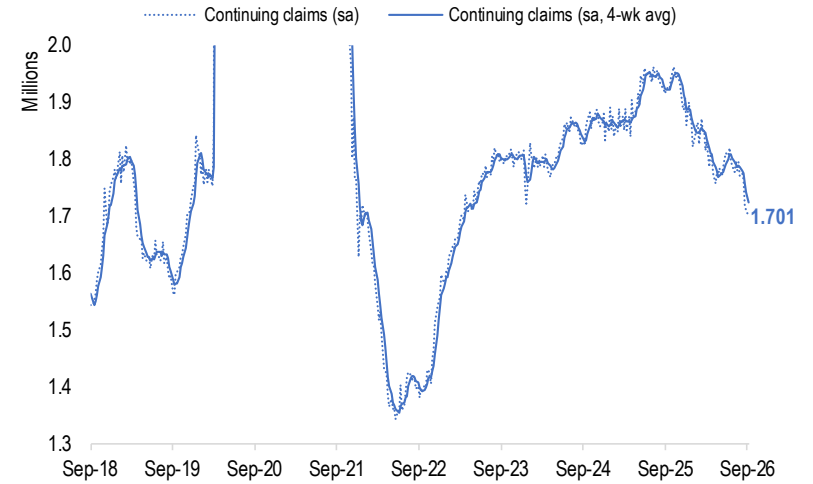
Petroleum Product Demand Firmed, Led by a Rapidly Tightening Distillate Market



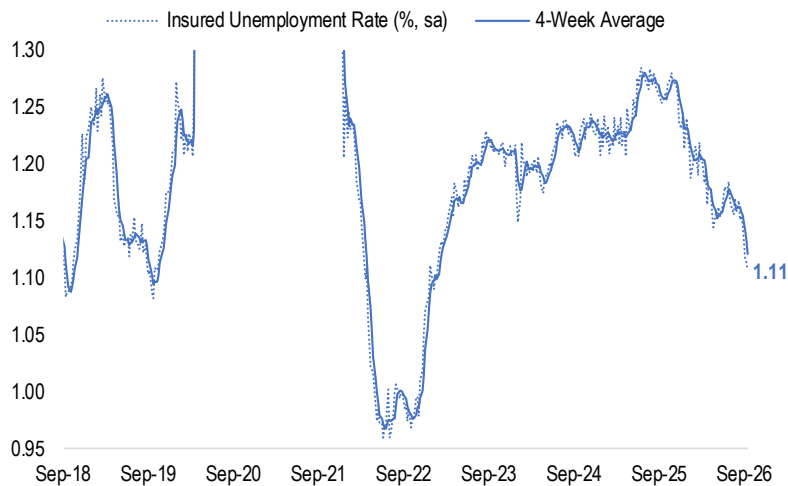
Initial Claims Inched Down to 197k (SA) in Week Ending Sept. 26, Just Above Multi-Year Low



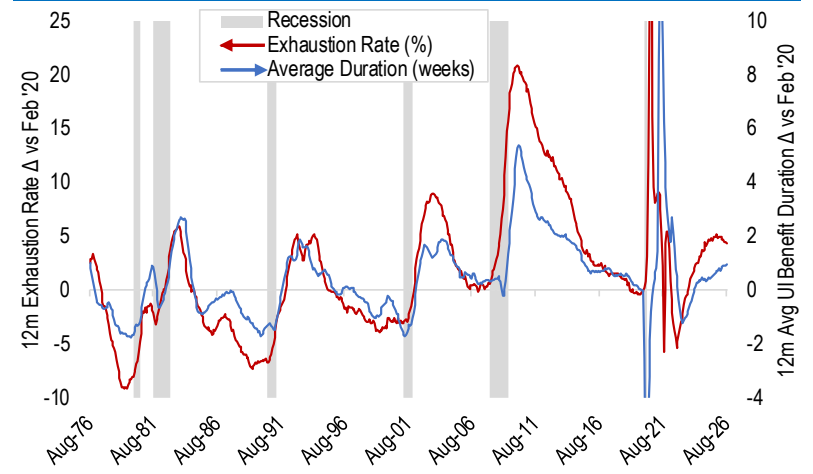
Continuing Claims Moved Down to 1,701k (SA) in Week Ending Sept. 19, Lowest Level since March '23



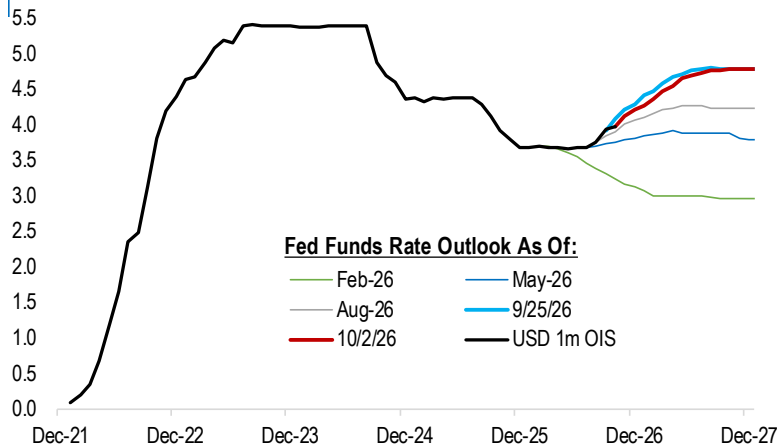
Insured Unemployment Ticked Down to 1.11% in Week Ending Sept. 19, Lowest Level since Jan. '23



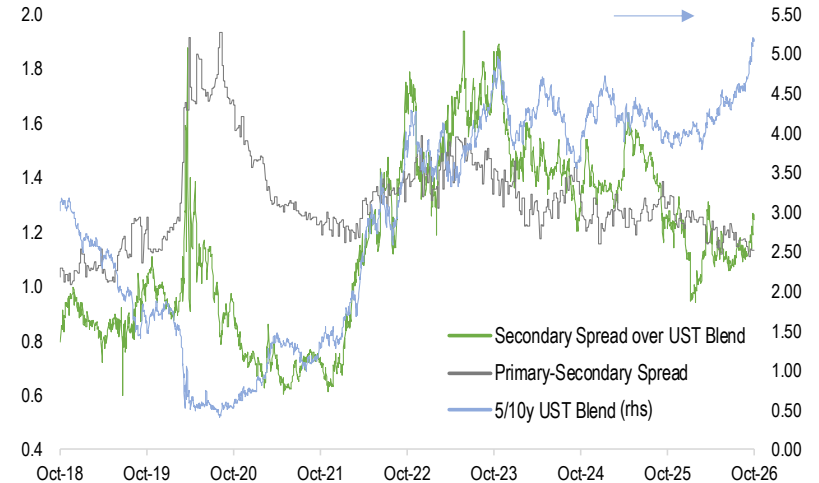
Share of Unemployed Workers Exhausting Benefits Continued to Ease through August



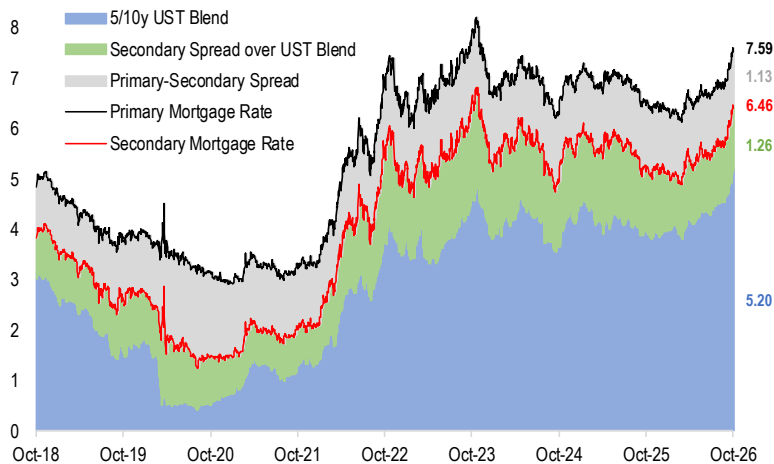
Soft Jobs Report Pushed Out Timing of Next Rate Hike to Dec., but Four Hikes Still Expected by Late '27



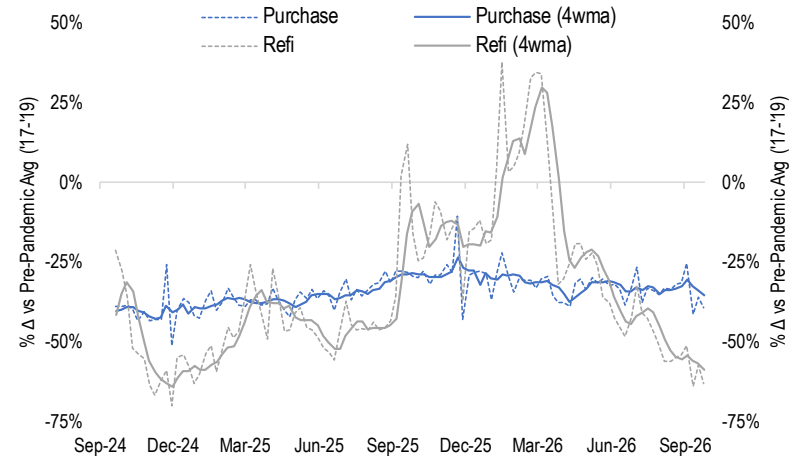
Blended 5/10y UST Yield Climbed Another 10bps While Mortgage Spreads Rose 7bps on the Week ...



... Lifting Mortgage Rates Further into Upper-7% Range and the Highest Level since Nov. '23



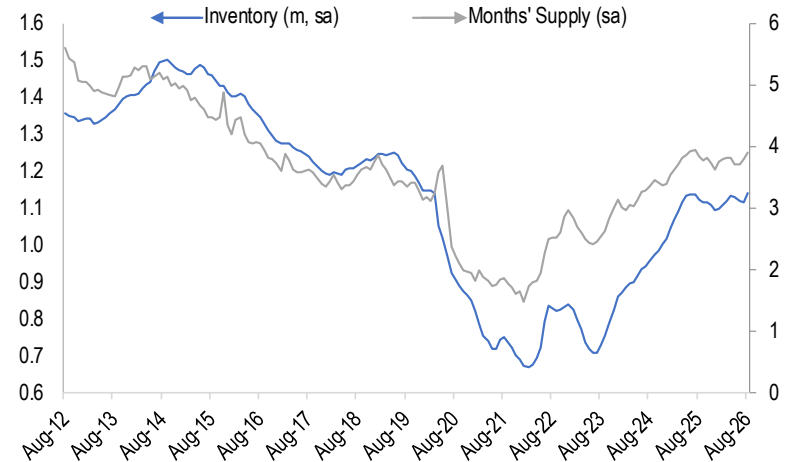
Mortgage Apps Renew Downtrend during Week Ending Sept. 25 as Mortgage Rates Marched Higher



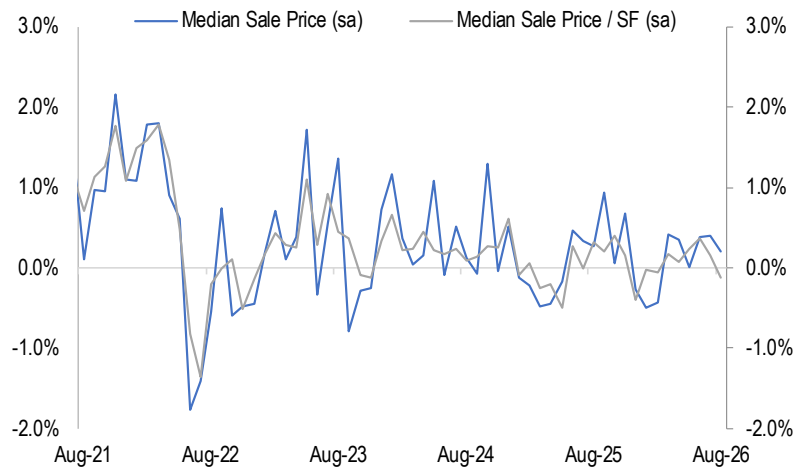
Pending Sales Have Cooled Since Mortgage Rates Spiked, but New Listings Are Still Trending Higher ...



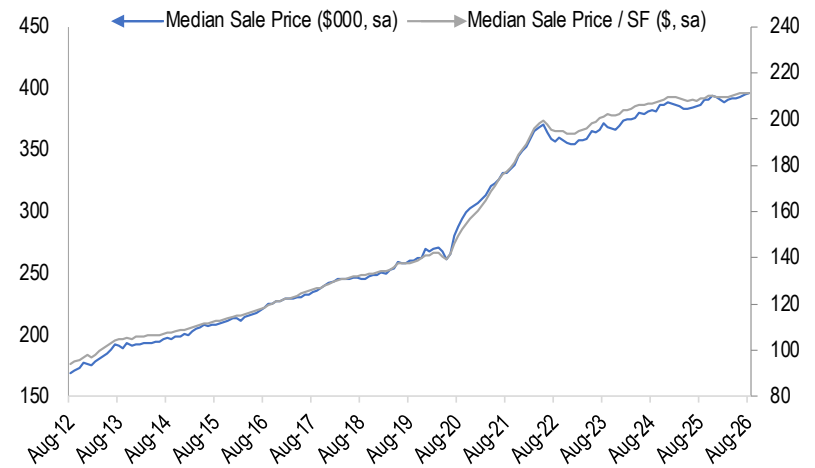
... Which Has Started to Lift Months' Supply Again after More Than a Year of Relative Stability



Pace of Seasonally Adjusted Home-Price Growth Has Started to Cool in August



National Median Home Sale Price Climbed to a New Record High in August despite Slower Growth



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	0.8%	-0.5%	0.7%	-0.2%	21.1%	1.1%	98.6%	0.2%	-2.3	-2.8	2%	20%	14%
Atlanta	-0.3%	0.7%	0.0%	-0.6%	22.5%	0.9%	97.8%	0.3%	25	27	1%	48%	53%
Austin	-3.1%	-0.2%	-1.6%	2.7%	26.4%	0.3%	97.2%	0.5%	50	53	0%	153%	139%
Baltimore	-0.5%	-1.6%	-0.2%	0.8%	22.2%	1.9%	100.3%	0.1%	0	-2	8%	9%	-9%
Boston	1.8%	0.9%	-1.8%	-3.6%	21.0%	4.9%	100.1%	-0.3%	2	-2	-3%	-6%	-2%
Chicago	3.5%	-2.1%	3.6%	-1.5%	13.3%	-0.3%	99.9%	0.2%	-16	-17	-1%	-37%	-33%
Dallas	-2.3%	0.2%	-0.1%	1.4%	26.7%	1.2%	97.2%	-0.1%	20	20	-5%	55%	59%
Denver	-3.0%	-2.9%	-0.2%	1.2%	30.5%	2.7%	98.4%	0.0%	18	22	-1%	123%	96%
Houston	-2.0%	0.2%	-1.8%	-0.7%	24.4%	-0.2%	97.0%	0.8%	16	15	1%	55%	40%
Los Angeles	-0.9%	0.3%	-2.2%	-0.3%	16.3%	1.5%	99.3%	0.0%	3	3	-1%	44%	38%
Miami	0.9%	-0.4%	1.9%	3.9%	13.8%	0.0%	95.5%	0.3%	21	24	-13%	13%	33%
Minneapolis	0.1%	-1.0%	0.2%	-1.1%	24.8%	3.0%	99.5%	-0.3%	4	2	8%	21%	12%
Nashville	-0.7%	-0.7%	-0.8%	-1.4%	20.4%	1.2%	97.9%	-0.1%	9	9	6%	60%	48%
New York	4.0%	-0.3%	-0.5%	-3.3%	13.2%	0.5%	100.4%	0.2%	-42	-38	-2%	-30%	-28%
Phoenix	-0.6%	-0.1%	0.3%	0.1%	22.9%	2.9%	98.0%	0.1%	30	33	-1%	116%	108%
Portland	0.1%	0.6%	-0.4%	-1.3%	26.3%	1.1%	99.2%	0.1%	8	13	-1%	52%	48%
Riverside	1.0%	2.0%	0.0%	1.5%	17.7%	1.3%	98.9%	0.1%	-1	6	-6%	29%	35%
San Diego	-0.3%	2.1%	-1.1%	-0.2%	21.4%	2.3%	98.9%	0.2%	4	10	-4%	28%	24%
Seattle	-4.7%	-1.3%	-6.0%	-2.1%	24.1%	3.1%	98.6%	-0.4%	8	4	20%	99%	42%
Tampa	-0.2%	-1.7%	-1.7%	-0.7%	23.7%	-2.0%	97.1%	0.4%	36	20	5%	99%	80%
Washington DC	-0.3%	-1.1%	-1.1%	-1.3%	19.6%	1.6%	99.3%	0.0%	15	12	9%	64%	39%

Data as of Sept. 27, 2026, reflecting four-week averages.

Recent Data Releases

Key economic and housing data releases over the prior week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
9/29/26	9:00 AM	FHFA House Price Index m/m	Jul	0.3	0.1	--	0.0	%, sa
9/29/26	9:00 AM	S&P CoreLogic CS 20-City m/m SA	Jul	0.3	0.2	0.3	0.2	%, sa
9/29/26	9:00 AM	S&P CoreLogic CS 20-City y/y NSA	Jul	2.5	2.2	2.2	2.1	%, nsa
9/29/26	10:00 AM	Conf. Board Consumer Confidence	Sep	81.9	89.0	88.6	89.4	index, sa
9/29/26	10:00 AM	JOLTS Job Openings	Aug	7,079	7,228	7,335	7,271	k, sa
9/29/26	10:00 AM	JOLTS Quits	Aug	3,066	3,109	3,089	3,056	k, sa
9/29/26	10:00 AM	JOLTS Quits Rate	Aug	1.9	1.9	--	1.9	%, sa
9/29/26	10:00 AM	JOLTS Layoffs Rate	Aug	1.0	1.0	1.1	1.0	%, sa
9/30/26	7:00 AM	MBA Mortgage Applications w/w	Sep 25	-6.0	--	--	-1.5	%, sa
9/30/26	8:15 AM	ADP Employment m/m	Sep	90	75	36	38	k, sa
9/30/26	8:30 AM	Personal Income m/m	Aug	0.2	0.5	0.3	0.4	%, sa
9/30/26	8:30 AM	Personal Spending m/m	Aug	0.9	0.9	0.1	0.2	%, sa
9/30/26	8:30 AM	Real Personal Spending m/m	Aug	0.6	0.5	0.1	0.0	%, sa
9/30/26	8:30 AM	PCE Inflation m/m	Aug	0.3	0.3	0.1	0.2	%, sa
9/30/26	8:30 AM	PCE Inflation y/y	Aug	3.4	3.7	3.4	3.7	%, nsa
9/30/26	8:30 AM	PCE Core Inflation (ex Food and Energy) m/m	Aug	0.2	0.3	0.1	0.2	%, sa
9/30/26	8:30 AM	PCE Core Inflation (ex Food and Energy) y/y	Aug	3.0	3.3	3.0	3.3	%, nsa
9/30/26	8:30 AM	GDP Annualized q/q	2Q T	2.2	1.5	--	1.5	%, saar
9/30/26	8:30 AM	Personal Consumption q/q	2Q T	3.8	3.4	--	3.4	%, saar
9/30/26	8:30 AM	Core PCE Deflator q/q	2Q T	3.3	3.6	--	3.6	%, saar
10/1/26	11:00 AM	Wards Total Vehicle Sales	Sep	16.0	16.3	--	16.8	m, saar
10/1/26	8:30 AM	Initial Jobless Claims	Sep 26	197	200	198	197	k, sa
10/1/26	8:30 AM	Continuing Claims	Sep 19	1,701	1,725	1,712	1,719	k, sa
10/1/26	9:45 AM	S&P Global US Manufacturing PMI	Sep F	55.9	57.0	--	57.0	index, sa
10/1/26	10:00 AM	ISM Manufacturing	Sep	54.5	55.0	--	54.6	index, sa
10/1/26	10:00 AM	ISM Prices Paid	Sep	77.9	73.0	--	71.1	index, nsa
10/2/26	8:30 AM	Nonfarm Payrolls m/m	Sep	29	90	133	162	k, sa
10/2/26	8:30 AM	Private Payrolls m/m	Sep	46	81	89	127	k, sa
10/2/26	8:30 AM	Average Hourly Earnings m/m	Sep	0.1	0.3	--	0.3	%, sa
10/2/26	8:30 AM	Average Hourly Earnings y/y	Sep	3.0	3.1	--	3.1	%, nsa
10/2/26	8:30 AM	Average Weekly Hours All Employees	Sep	34.4	34.3	--	34.4	sa
10/2/26	8:30 AM	Unemployment Rate	Sep	4.2	4.1	--	4.1	%, sa
10/2/26	8:30 AM	Labor Force Participation Rate	Sep	61.8	61.6	--	61.6	%, sa
10/2/26	10:00 AM	Durable Goods Orders m/m	Aug F	-0.1	0.0	--	0.0	%, sa
10/2/26	10:00 AM	Cap Goods Orders Nondef Ex Air m/m	Aug F	1.6	1.6	--	1.6	%, sa
10/2/26	10:00 AM	Cap Goods Ship Nondef Ex Air m/m	Aug F	0.5	--	--	0.6	%, sa

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

Upcoming Data Releases

Key economic and housing data releases for the coming week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
10/5/26	9:45 AM	S&P Global US Services PMI	Sep F	58.8	58.7	--	58.7	index, sa
10/5/26	9:45 AM	S&P Global US Composite PMI	Sep F	58.4	58.3	--	58.4	index, sa
10/5/26	10:00 AM	ISM Services Index	Sep	54.9	55.0	--	55.4	index, nsa
10/7/26	7:00 AM	MBA Mortgage Applications w/w	Oct 2	--	--	--	-6.0	%, sa
10/7/26	11:00 AM	NY Fed 1-Yr Inflation Expectations	Sep	--	3.6	--	3.6	%
10/7/26	2:00 PM	FOMC Meeting Minutes	Sep 16	--	--	--	--	
10/7/26	3:00 PM	Consumer Credit m/m	Aug	--	15.0	--	18.1	\$B, sa
10/8/26	8:30 AM	Initial Jobless Claims	Oct 3	--	200	--	197	k, sa
10/8/26	8:30 AM	Continuing Claims	Sep 26	--	1,700	--	1,701	k, sa
10/8/26	10:00 AM	Wholesale Trade Sales m/m	Aug	--	--	--	0.8	%, sa
10/8/26	10:00 AM	Wholesale Inventories m/m	Aug F	--	0.7	--	0.7	%, sa
10/9/26	10:00 AM	U. of Mich. Sentiment	Oct P	--	47.6	--	48.1	index, nsa
10/9/26	10:00 AM	U. of Mich. 1 Yr Inflation	Oct P	--	4.7	--	4.6	nsa
10/9/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	Oct P	--	3.5	--	3.4	nsa

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