

HaMMR Digest

Stay current with economic and mortgage market trends.

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Waiting for More

- **Key Takeaway:** Sparse data releases left markets focused on the Middle East, global rates and central-bank signals ahead of this week's data deluge.
- **Macro Implications:** Sept. FOMC minutes favored another hike by year end; recent cautious Fed commentary keeps Dec. our base case for next rate hike.
- **Housing Implications:** Purchase and refinance application momentum has slowed precipitously and there is no sign potential buyers are shifting to ARMs.

Macro: Getting Tighter

- Tighter global financial conditions have yet to trigger credit or funding stress.
- Rate effects filter through with a lag, raising the stakes for upcoming data.
- Prelim Oct. consumer sentiment declined on inflation concerns, near record low.

Rates: Calm Unlikely to Last

- U.S. Treasury volatility takes a step back given lack of major catalysts last week.
- 10y UST largely unchanged w/w despite peaking early in the week at 5.36%.
- Markets eased from incrementally pricing more hikes, helping tame UST yields.

Housing Market: Down We Go

- Mortgage rates in mid-7% range, near multi-year high with few signs of easing.
- Mortgage purchase and refi applications fell further as rates surged.
- No signs buyers are shifting to ARMs; FHA app growth is most negative since 2022.

ISM PMI: Robust Business Activity Facing Tighter Supply Chains

- Manufacturing output and new orders remain near multi-year highs.
- Services PMI near cycle high despite Sept. dip as firms hesitant on hiring.
- Industry-wide pressures on supply chains, input sourcing and prices are rising.

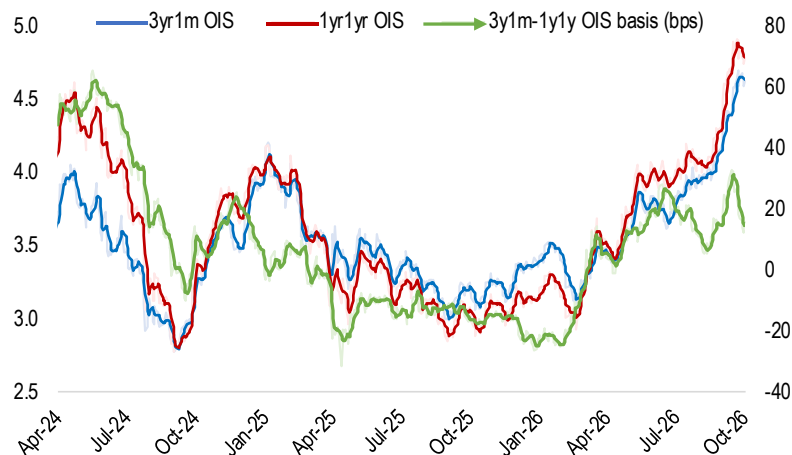
Consumer Credit: Household Leverage Not a Concern

- Consumer credit rose 3.1% SAAR in the three months to Aug. and up 2.7% y/y.
- Revolving credit has slowed after a strong impulse over March and April.
- No signs households are overextended; debt service costs are likely to rise.

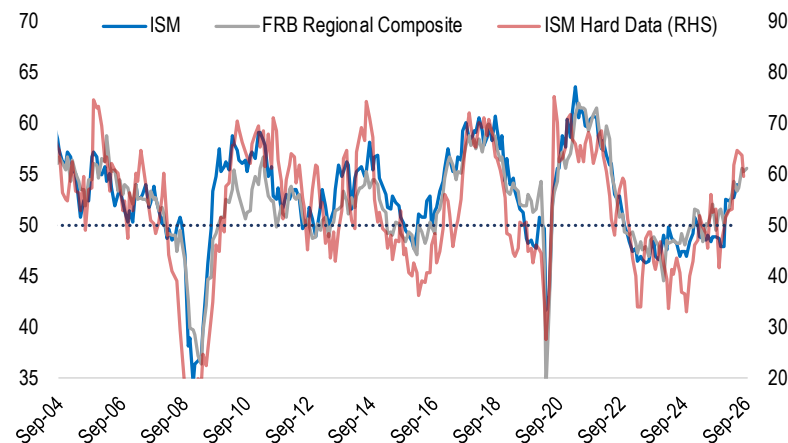
International Trade: Capital Goods, and Not Much Else

- Goods balance widest since Liberation Day despite record energy exports.
- Capital goods imports running 150% above '19 levels, with AI a key driver.
- Consumer goods trade balance has been flat and narrow compared to history.

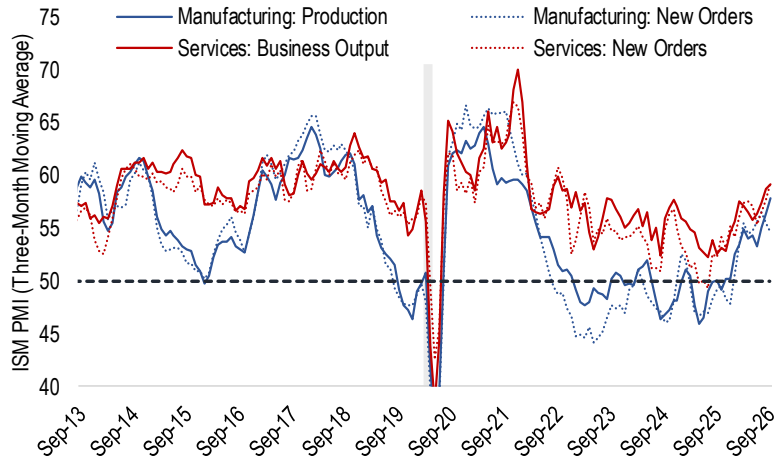
Market-Implied Tightening above Neutral
Eases from Late-September Peak



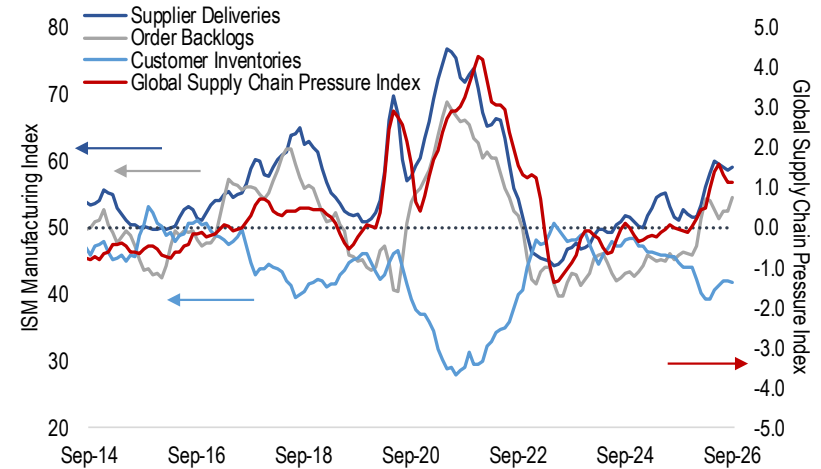
No Mistaking the Broad-Based Surge in Activity,
but Can It Last?



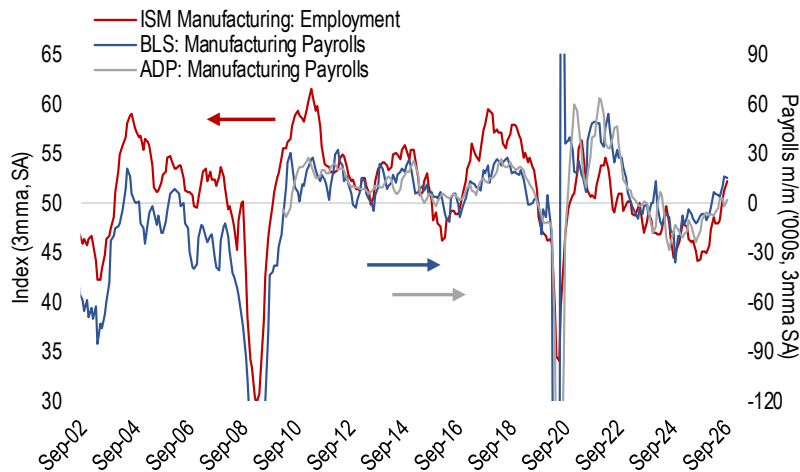
Solid Economy-Wide Activity Shows Further Signs That the AI Buildout Is Broadening to Other Sectors



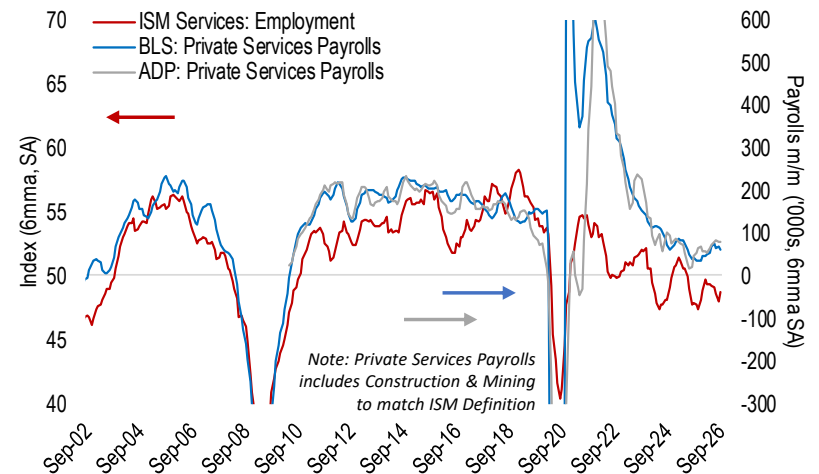
Manufacturing Supply Chains Looking Tight, Backlogs Up and Inventories Low, All Fodder for Price Pressures



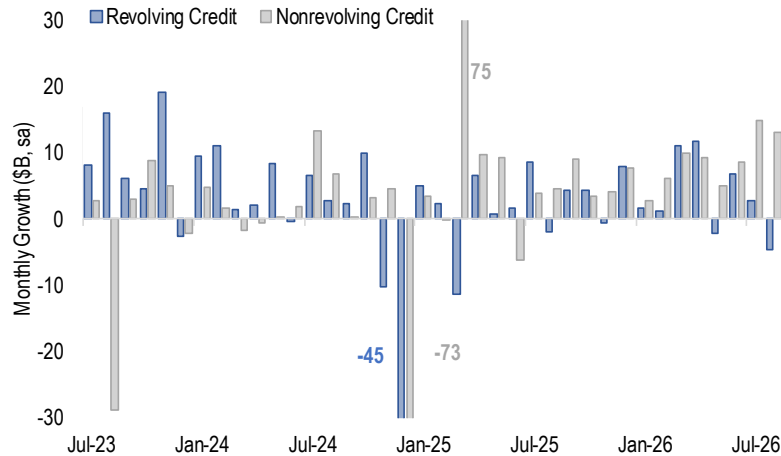
Multiple Measures of Manufacturing Employment Trending in Same (Positive) Direction



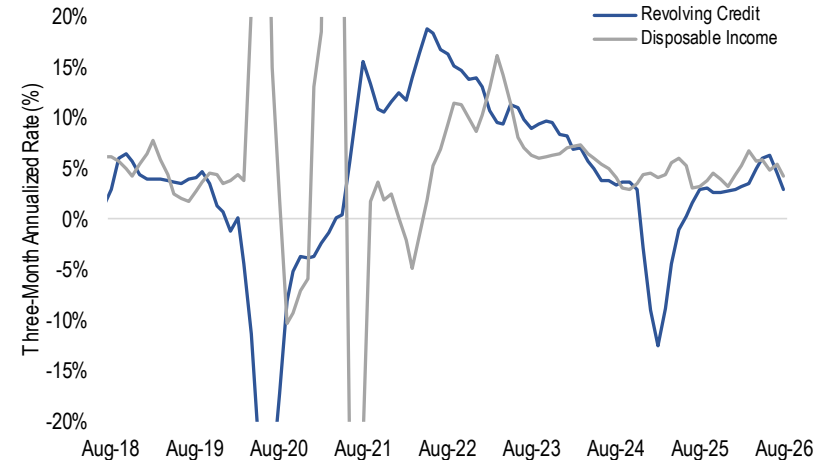
ISM Services Employment Weaker Than Payrolls as Firms Still Hesitant on Expanding Headcount



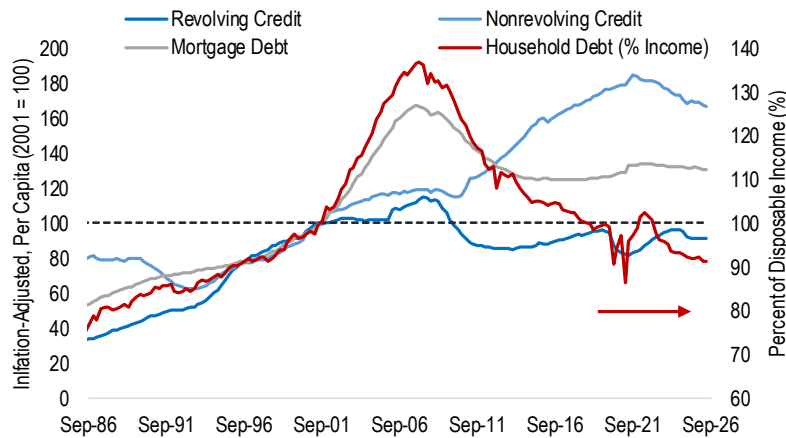
Consumer Credit Growth Has Picked Up Momentum Recently but Mostly in Non-Revolving Credit



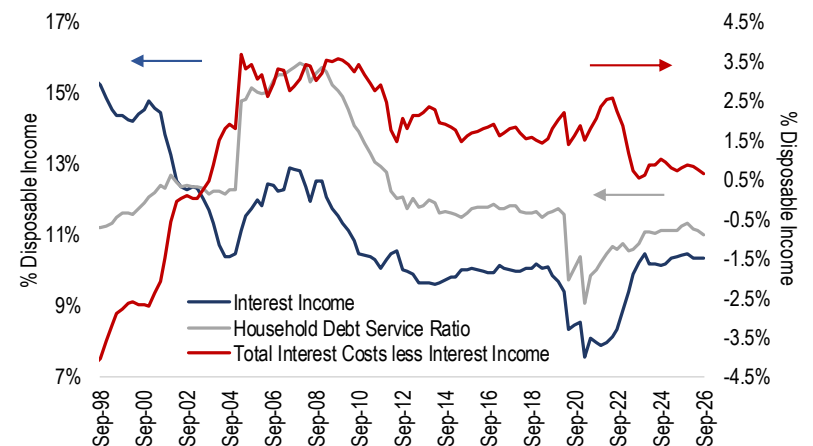
There Are Minimal Signs That Households Are Accumulating Debt above the Rate of Income Growth



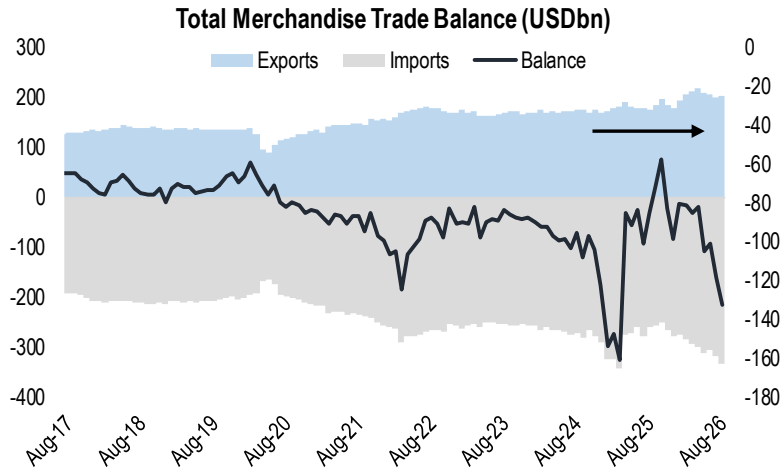
Aggregate Household Credit Profile Is Arguably the Healthiest It Has Been in Decades



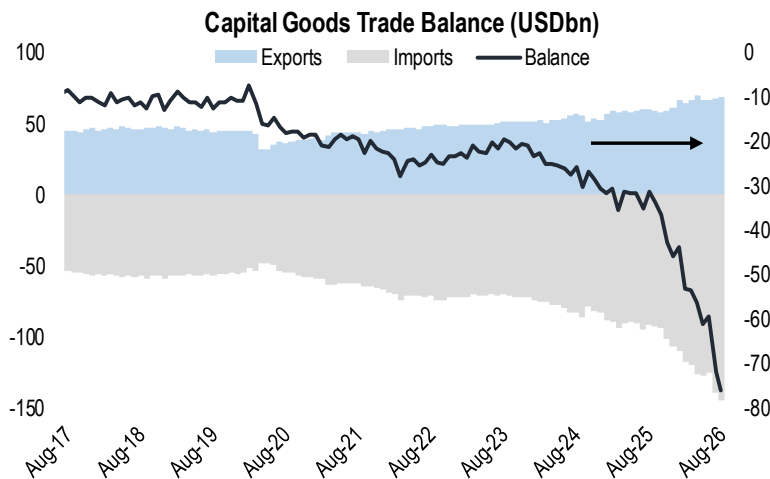
Household Interest Costs Have Been Falling but Will Rise Again as Rates Climb



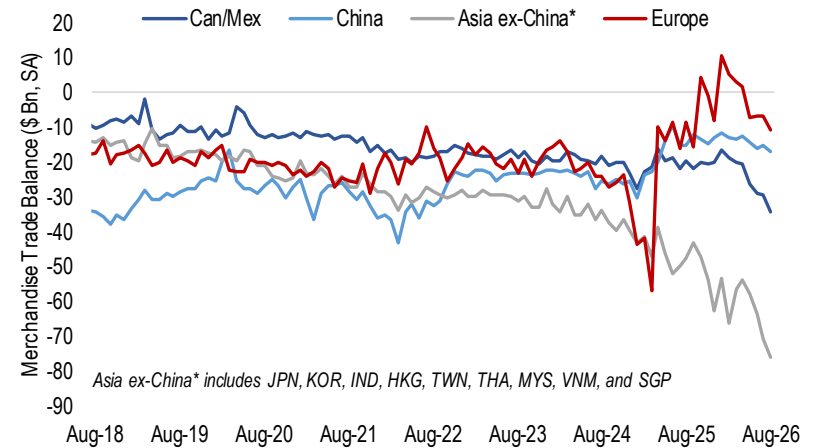
Goods Trade Balance Widest since '25 Liberation Day Shock despite the Surge in Energy Exports



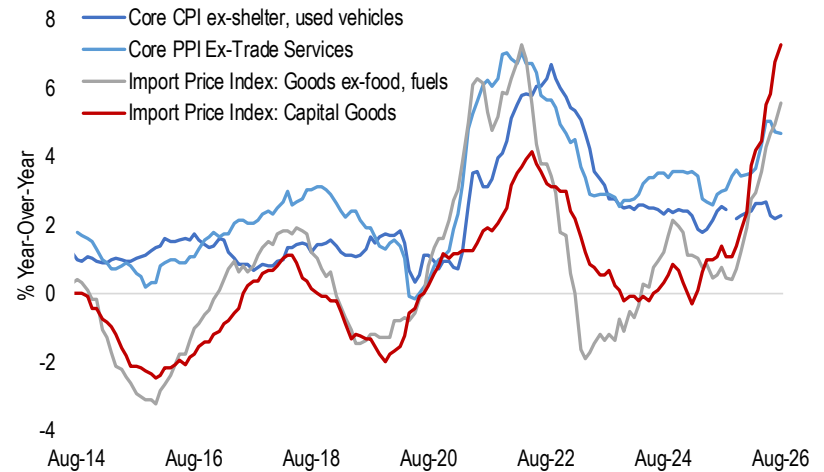
The Main Driver Has Been Capital Goods Imports, Which Have Surged to 150% above 2019 Levels ...



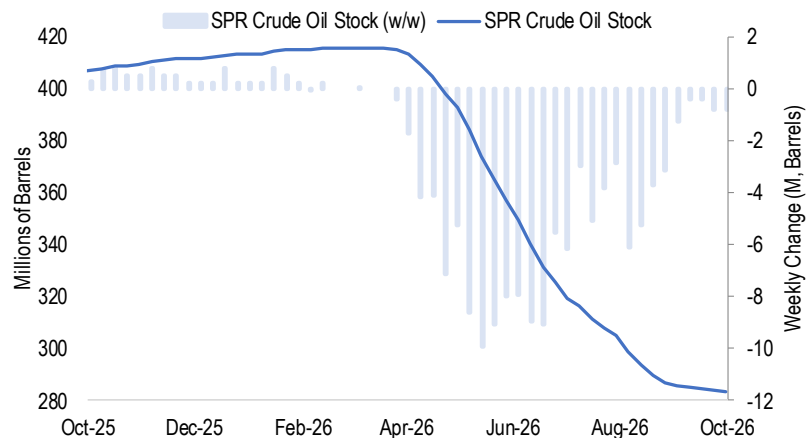
Trade Balance Driven by Asia Ex-China with Import Shares from Europe and China at Multi-Decade Lows



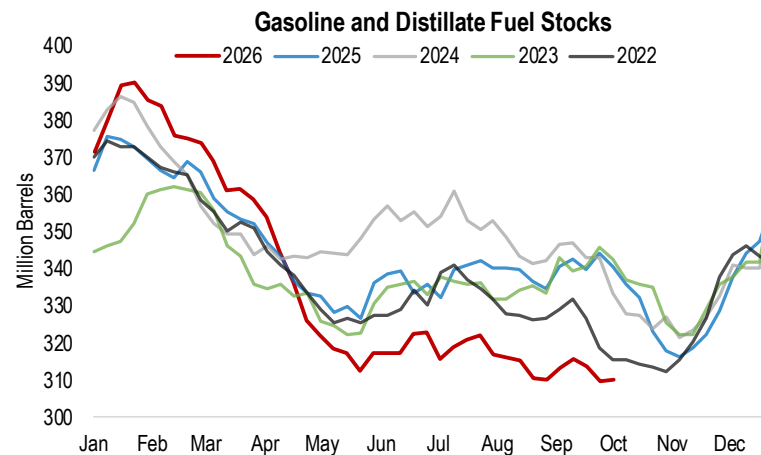
... Bolstered by Ongoing AI-Related Imports That Are Also Feeding into Import Prices



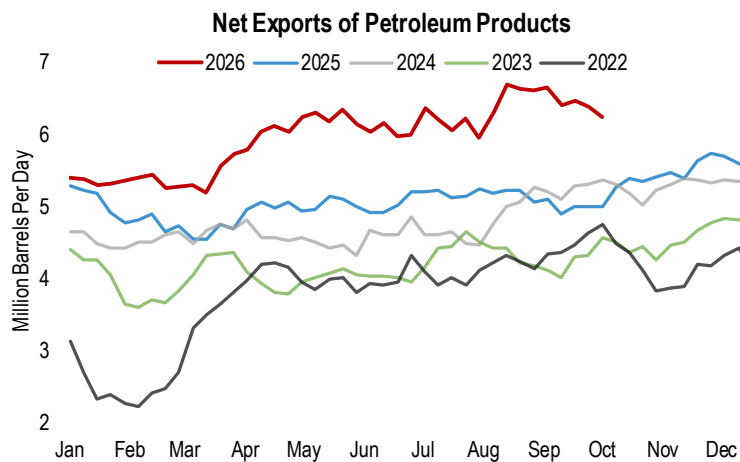
Pace of SPR Inventory Drawdown Slowing to a Crawl as Limits to Further Draws Are Near



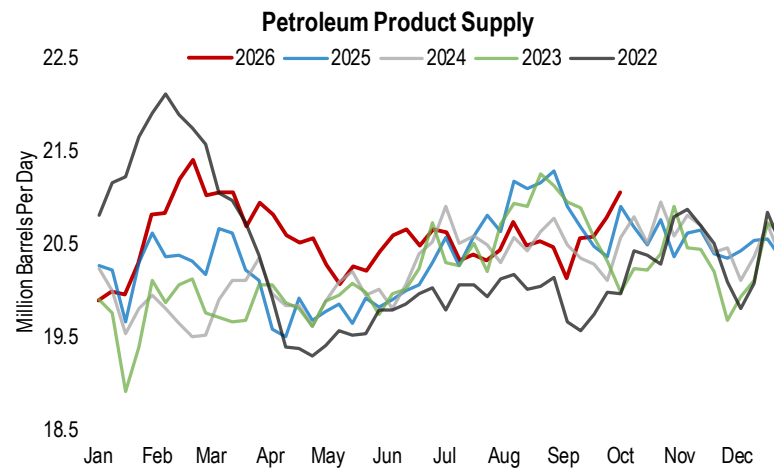
Gasoline and Distillate Stocks Hover near Multi-Year Seasonal Lows



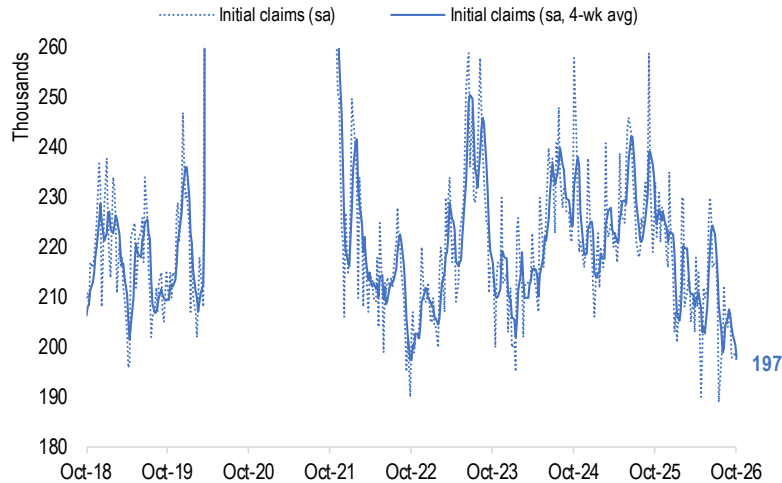
Strong U.S. Petroleum Exports Is Being Met by Stronger Imports as Refinery Demand for Inputs Remains Robust



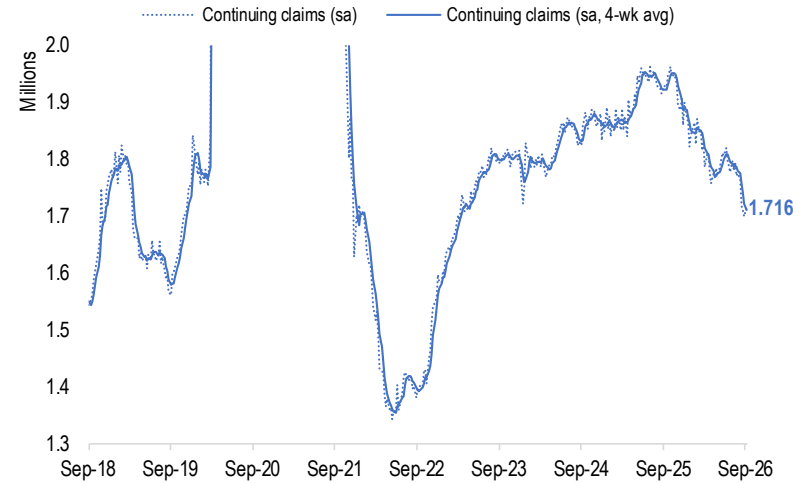
Petroleum Product Demand Firmed, Led by a Rapidly Tightening Distillate Market



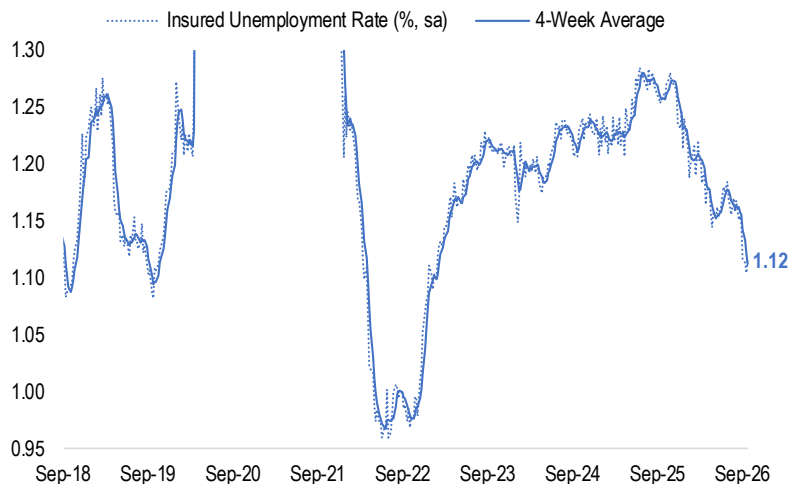
Initial Claims Inched Down to 197k (SA) in Week Ending Oct. 3, Just Above Multi-Year Low



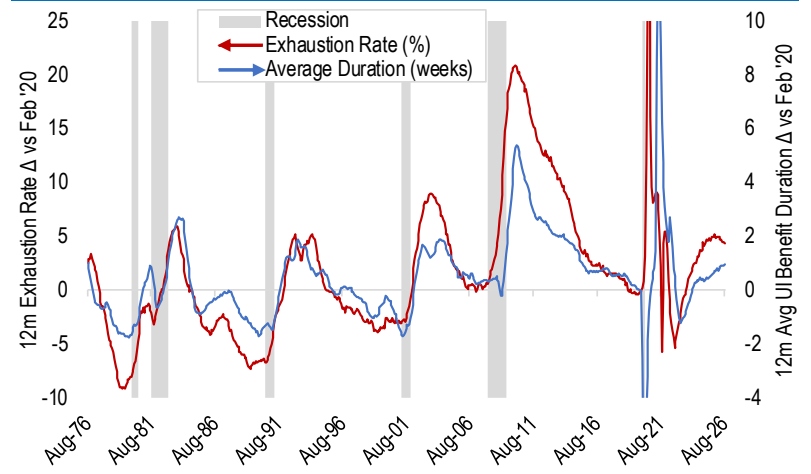
Continuing Claims Ticked Up to 1,716k (SA) in Week Ending Sept. 26, Just Above Lowest Level since Mar. '23



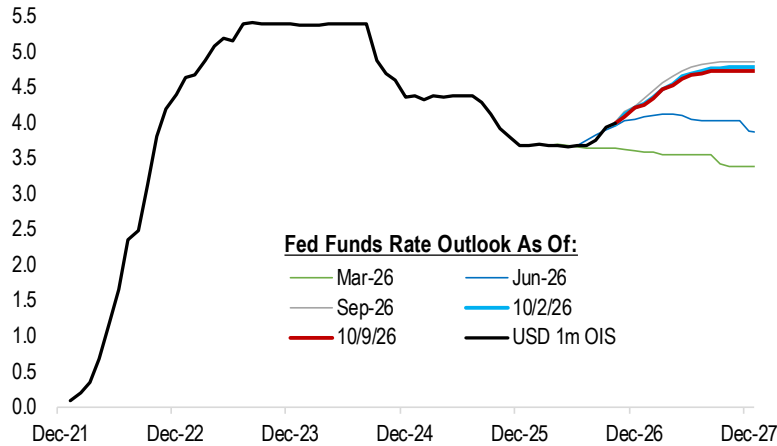
Insured Unemployment Rose to 1.12% in Week Ending Sept. 26, a Week after Lowest Level since Jan. '23



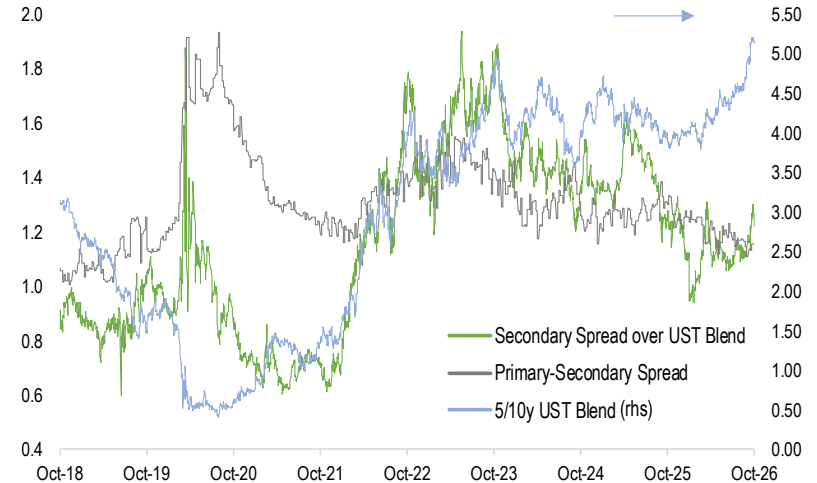
Share of Unemployed Workers Exhausting Benefits Continued to Ease through August



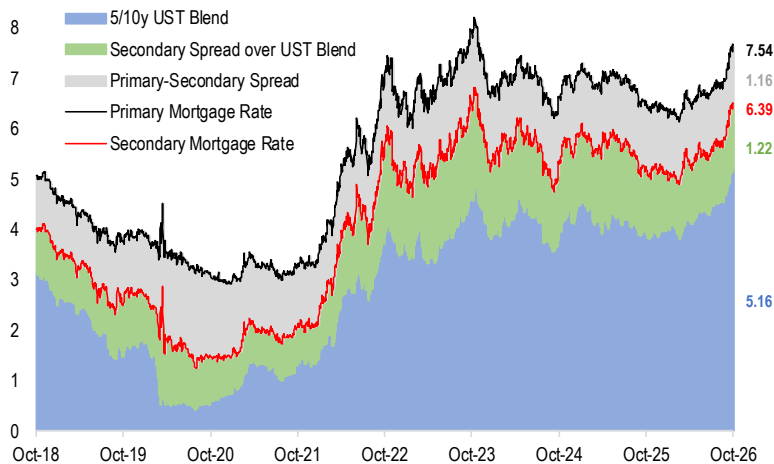
Implied Rate Hike Trajectory Eased Slightly during Quiet Data Week; Next Rate Hike Still Priced in for Dec.



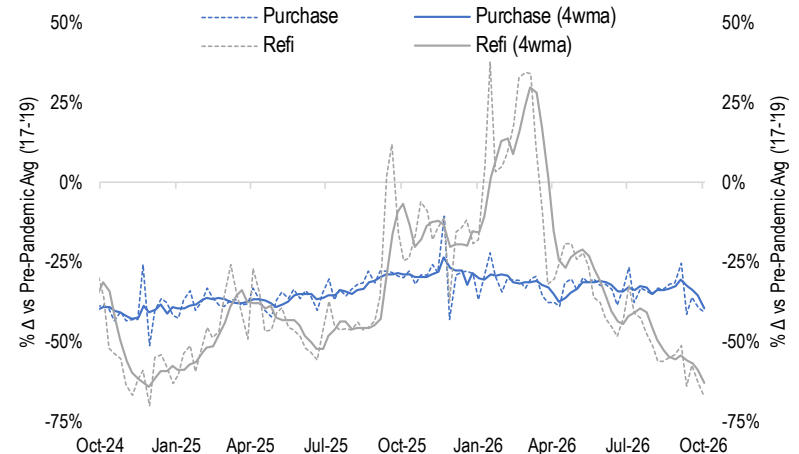
Blended 5/10y UST Yield Inched Down -3bps While Mortgage Spreads Tightened -4bps on the Week ...



... Allowing Mortgage Rates to Ease Back toward Mid-7% Range a Week after the Highest Level since Nov. '23



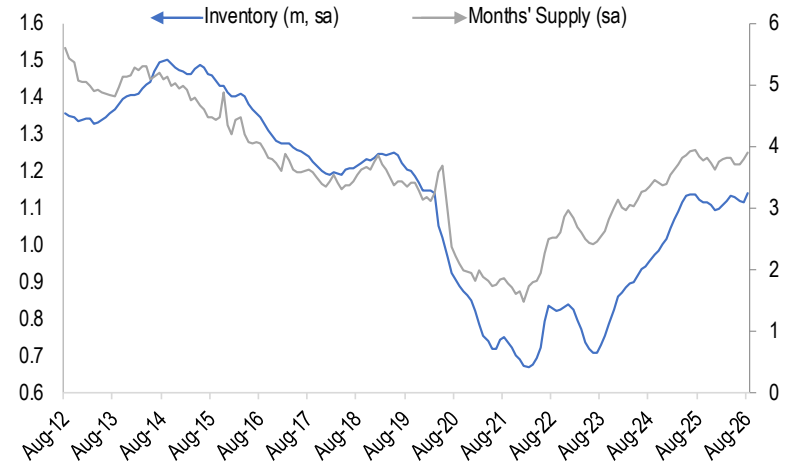
Mortgage Apps Downtrend Continued during Week Ending Oct. 2 as Mortgage Rates Surged Higher



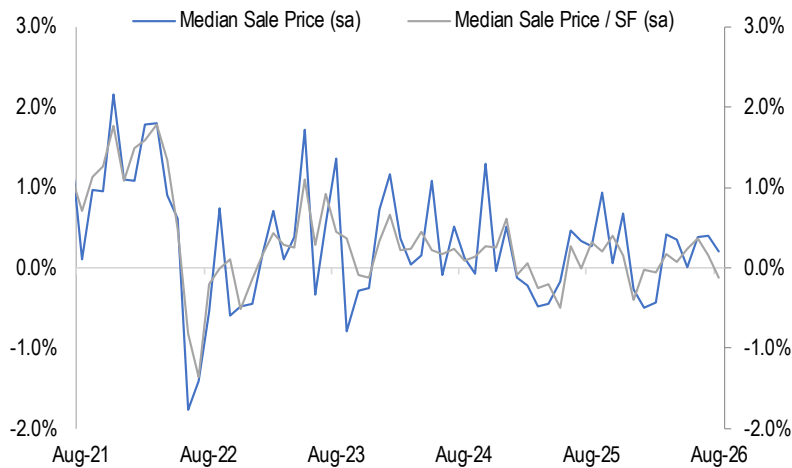
Pending Sales Have Cooled Since Mortgage Rates Spiked, but New Listings Are Still Trending Higher ...



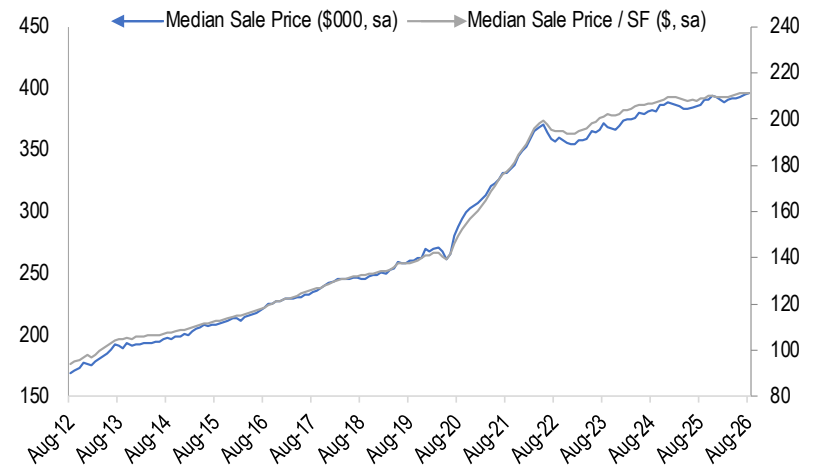
... Which Has Started to Lift Months' Supply Again after More Than a Year of Relative Stability



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 4-week averages.

Recent Data Releases

Key economic and housing data releases over the prior 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	-4.2	--	--	-6.0	%, sa
10/7/26	11:00 AM	NY Fed 1-Yr Inflation Expectations	Sep	3.9	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	8.3	15.0	17.7	18.1	\$B, sa
10/8/26	8:30 AM	Initial Jobless Claims	Oct 3	197	200	199	197	k, sa
10/8/26	8:30 AM	Continuing Claims	Sep 26	1,716	1,700	1,699	1,701	k, sa
10/8/26	10:00 AM	Wholesale Trade Sales m/m	Aug	1.8	--	1.0	0.8	%, sa
10/8/26	10:00 AM	Wholesale Inventories m/m	Aug F	0.5	0.7	--	0.7	%, sa
10/9/26	10:00 AM	U. of Mich. Sentiment	Oct P	46.3	47.6	--	48.1	index, nsa
10/9/26	10:00 AM	U. of Mich. 1 Yr Inflation	Oct P	4.7	4.8	--	4.6	nsa
10/9/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	Oct P	3.5	3.5	--	3.4	nsa

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
10/13/26	6:00 AM	NFIB Small Business Optimism	Sep	--	98.2	--	98.7	index, sa
10/13/26	10:00 AM	Existing Home Sales	Sep	--	4.0	--	4.0	m, saar
10/13/26	10:00 AM	Existing Home Sales m/m	Sep	--	-0.5	--	-2.0	%, sa
10/14/26	7:00 AM	MBA Mortgage Applications w/w	Oct 9	--	--	--	-4.2	%, sa
10/14/26	8:30 AM	CPI m/m	Sep	--	0.6	--	0.4	%, sa
10/14/26	8:30 AM	CPI Core (ex Food and Energy) m/m	Sep	--	0.2	--	0.3	%, sa
10/14/26	8:30 AM	CPI y/y	Sep	--	3.6	--	3.4	%, nsa
10/14/26	8:30 AM	CPI Core (ex Food and Energy) y/y	Sep	--	2.5	--	2.4	%, nsa
10/15/26	8:30 AM	Advance Retail Sales m/m	Sep	--	0.3	--	1.2	%, sa
10/15/26	8:30 AM	Retail Sales Control Group m/m	Sep	--	0.3	--	1.4	%, sa
10/15/26	8:30 AM	Empire Manufacturing	Oct	--	12.6	--	7.6	index, sa
10/15/26	8:30 AM	Philadelphia Fed Business Outlook	Oct	--	30.0	--	37.8	index, sa
10/15/26	8:30 AM	Initial Jobless Claims	Oct 10	--	200	--	197	k, sa
10/15/26	8:30 AM	Continuing Claims	Oct 3	--	1,710	--	1,716	k, sa
10/15/26	8:30 AM	PPI Final Demand m/m	Sep	--	0.6	--	0.4	%, sa
10/15/26	8:30 AM	PPI Core (ex Food and Energy) m/m	Sep	--	0.3	--	0.2	%, sa
10/15/26	8:30 AM	PPI Final Demand y/y	Sep	--	5.4	--	5.4	%, nsa
10/15/26	8:30 AM	PPI Core (ex Food and Energy) y/y	Sep	--	4.4	--	4.6	%, nsa
10/15/26	10:00 AM	Business Inventories m/m	Aug	--	0.4	--	0.8	%, sa
10/16/26	8:30 AM	Import Price Index m/m	Sep	--	0.8	--	0.7	%, nsa
10/16/26	8:30 AM	Import Price Index y/y	Sep	--	8.0	--	7.0	%, nsa
10/16/26	9:15 AM	Industrial Production m/m	Sep	--	0.4	--	0.0	%, sa
10/16/26	9:15 AM	Capacity Utilization	Sep	--	76.5	--	76.3	sa

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