

HaMMR Digest

Stay current with economic and mortgage market trends.

November 2, 2026

Parker Ross — Global Chief Economist
pross@archgroup.com | 914 216 7270 | @econ_parker on X and Threads

Leonidas Mourelatos — Assistant Vice President, Global Real Estate Economics
lmourelatos@archgroup.com | 631 521 9048

ARCH MORTGAGE INSURANCE COMPANY® | 230 NORTH ELM STREET GREENSBORO NC 27401 | **ARCHMI.COM**
© 2026 Arch Mortgage Insurance Company. All Rights Reserved. Arch MI is a marketing term for Arch Mortgage Insurance Company and United Guaranty Residential Insurance Company. Arch MI is a registered mark of Arch Capital Group (U.S.) Inc. or its affiliates. HaMMR is a service mark of Arch Capital Group (U.S.) Inc. or its affiliates. MCUS-B1633B-1126

Tech Support

- **Key Takeaway:** Strong Q3 real GDP growth continued to receive heavy assists from tech investment and wealth-supported consumer spending.
- **Macro Implications:** The Fed held rates steady despite firming inflation pressures, while markets lowered expectations for the eventual policy rate peak.
- **Housing Implications:** Lower rate volatility and diminished expectations for further Fed tightening are helping mortgage rates ease further below 7.5%.

Macro: AI under the Microscope

- Market anxiety building over AI as future returns and revenue questioned.
- A boomy GDP report did nothing to quell fears given contribution from tech.
- Investment ex-tech rising but modest; real resi investment down -20% from peak.

Rates: Delay with a Dose of Hope

- 10y UST -6bps w/w and down roughly -40bps from the recent peak.
- Yield curve bull steepened amid dovish Warsh delivery of the Fed's rate hold.
- Market expectations for Fed policy eased; fewer than 3 hikes priced by Dec '27.

Housing Market: A Modest Rate Reprieve

- Mortgage rates make another modest move lower after Fed pause.
- Active listings continue to incrementally build as buyer traffic has faded.
- More metros seeing months' supply rise with limited impact on prices so far.

New Home Sales: Not as Spooky

- Sept. sales beat expectations (-0.6% vs. -4.5%) with Q3 growth at 17% saar.
- Ready-to-occupy sales up 7% saar in Q3 but still down -11% y/y.
- Months' supply of completed homes at upper end of 2017–2019 range.

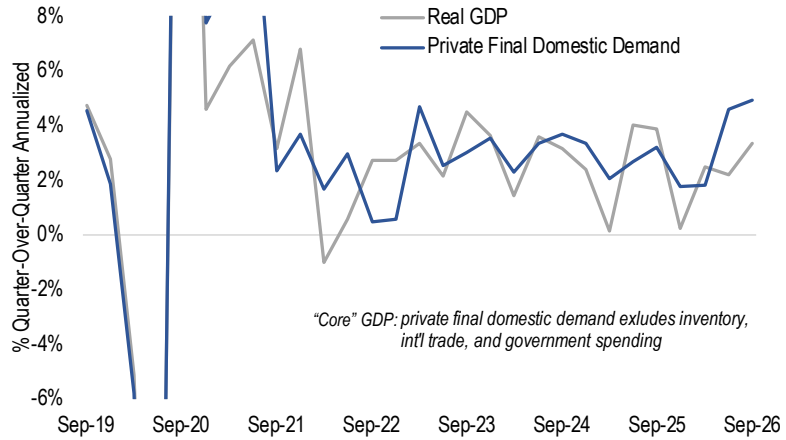
Personal Spending: Quitting Time?

- Real spending growth flat in Sept. but still up 3.8% annualized in 3Q26.
- Real disposable income down -0.3% in Sept. and up just 1.0% y/y.
- Consumer spending has been resilient all year but has tapered recently.

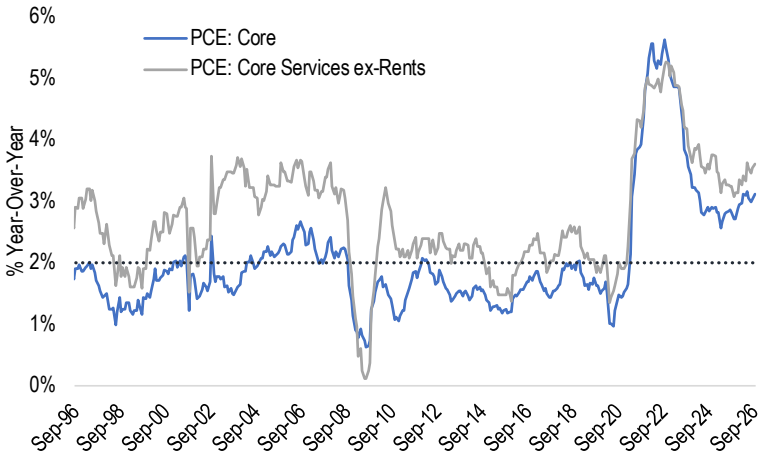
Consumer Confidence: Signs of Improving Moods

- Confidence stems recent slide with lift in perception of current conditions.
- Near-term inflation expectations continue to incrementally rise.
- Income expectations steady while concerns over job prospects easing slightly.

"Core" Real GDP Growth Soared in Q3 to Strongest Post-Pandemic Pace, but Outlook Murky Given AI Risks

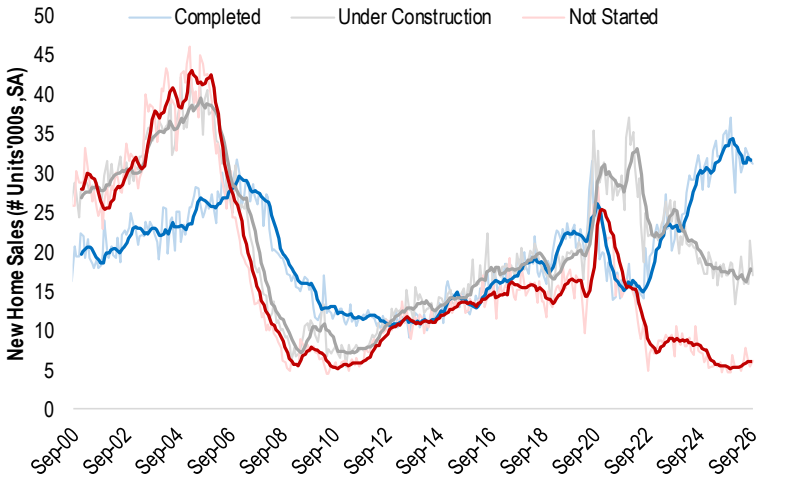


Fed Delays Next Potential Rate Hike to Dec. despite Underlying Inflation Heading in Wrong Direction

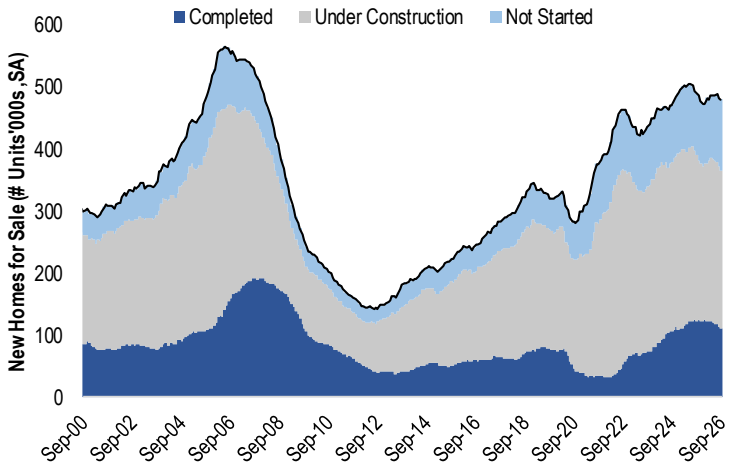


Sources: BEA, Arch Global Economics

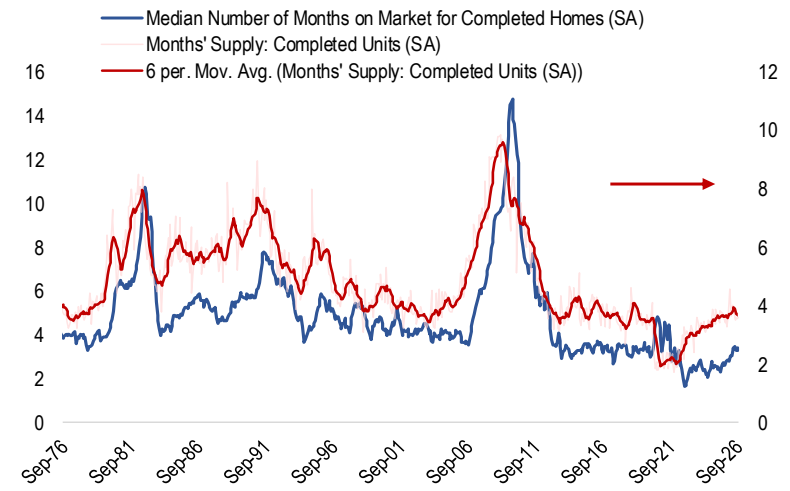
Sept. New Home Sales Moderated, but Q3 Sales Still Grew at a Solid 17% Annualized Pace



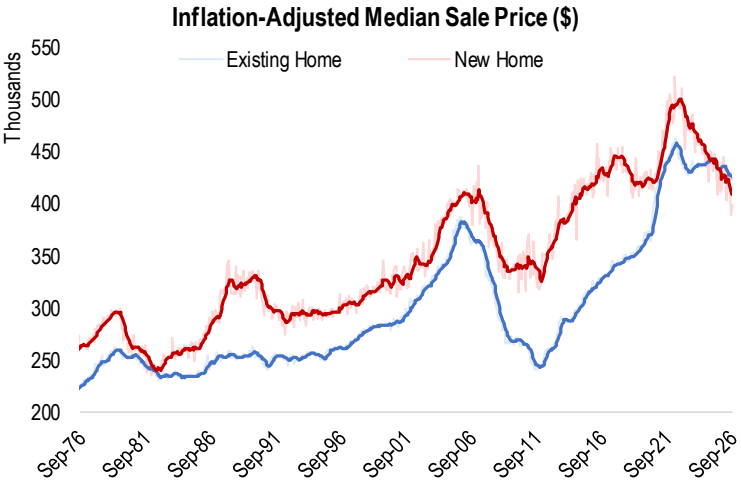
New Homes for Sale Turning Lower, Led by Ready-to-Occupy Completed Units



Completed Homes Are Taking Longer to Sell, despite Generous Incentives Offered by Builders

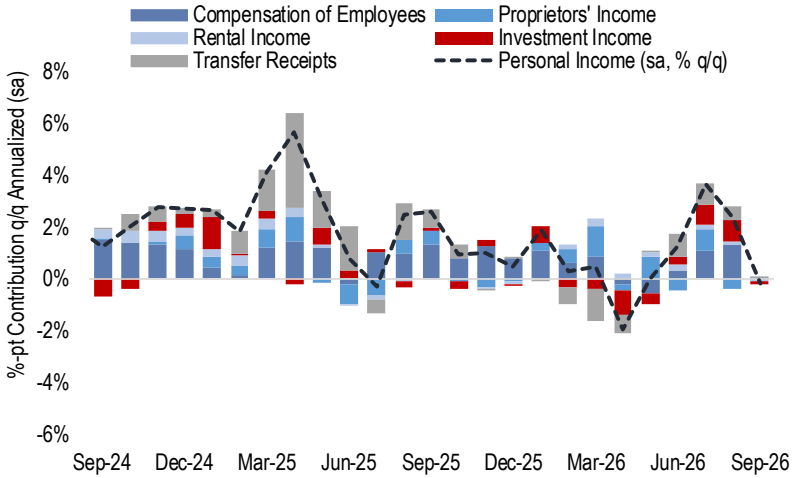


On an Inflation-Adjusted Basis, Median Sale Prices for New Homes Continue to Descend below Existing Homes

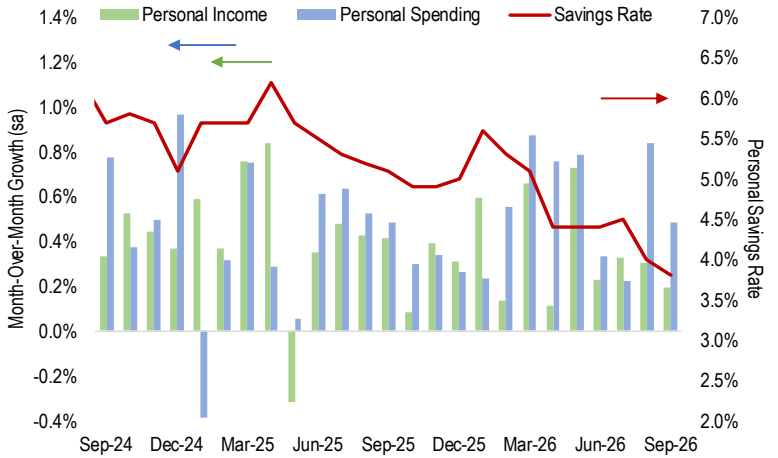


Sources: Census Bureau, National Association of REALTORS®, Arch Global Economics

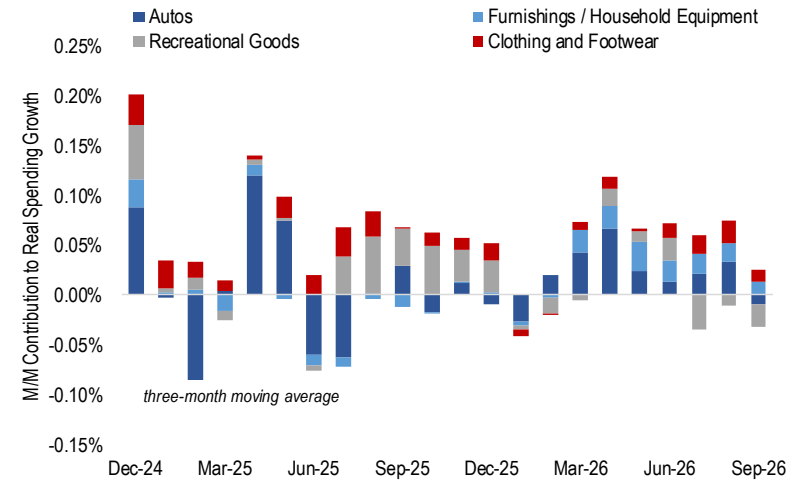
Real Labor Income Growth Pinched in September by Higher Energy Prices and Weaker Asset Receipts



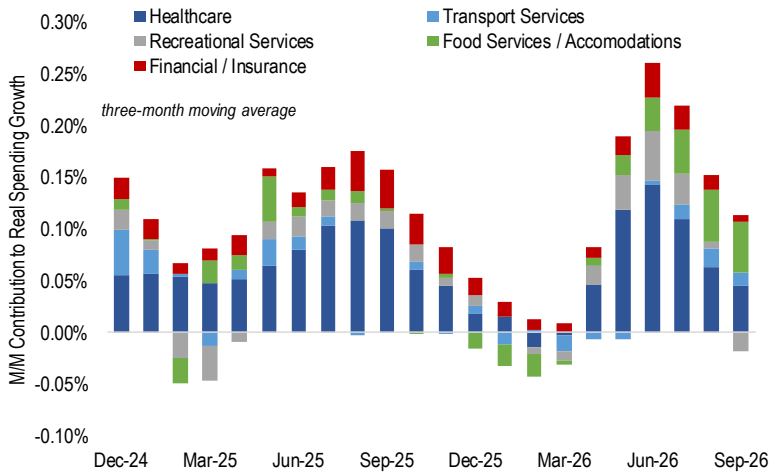
Downward Slide in Savings Rate Remains, but It Is Unlikely to Have Much Further Room to Run



Real Goods Spending Takes a Step Back in Sept., Pulled Lower by Durable Discretionary Items

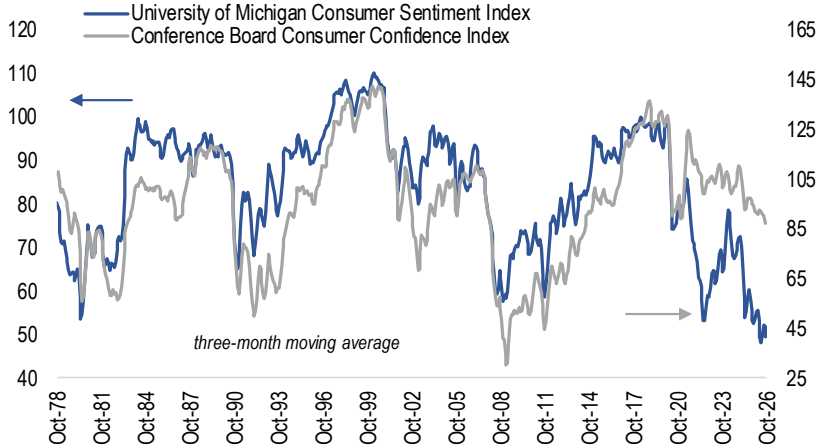


Services Spending Outlays Cooled over Course of Q3 Following Strong Rebound in 2Q26

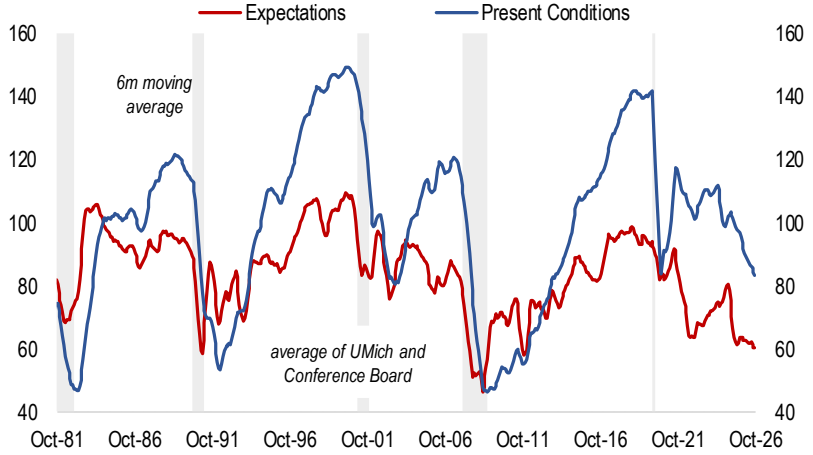


Sources: Bureau of Economic Analysis, Arch Global Economics

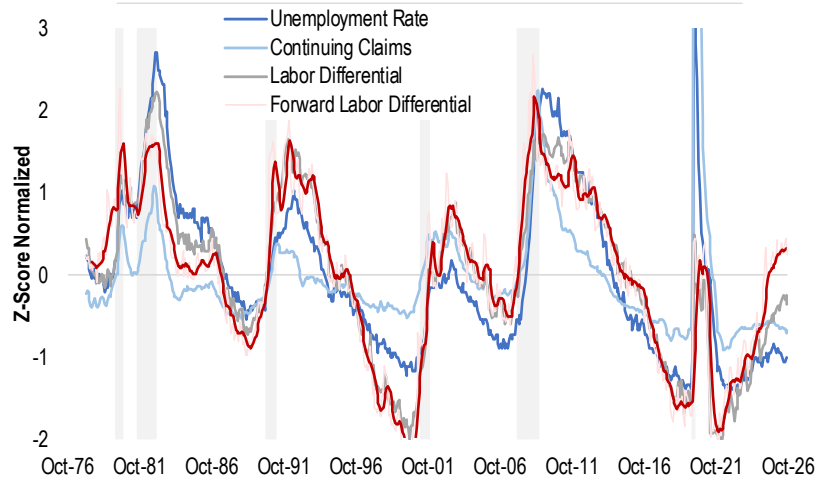
Consumer Sentiment Measures Continue to Meander around Historically Depressed Levels …



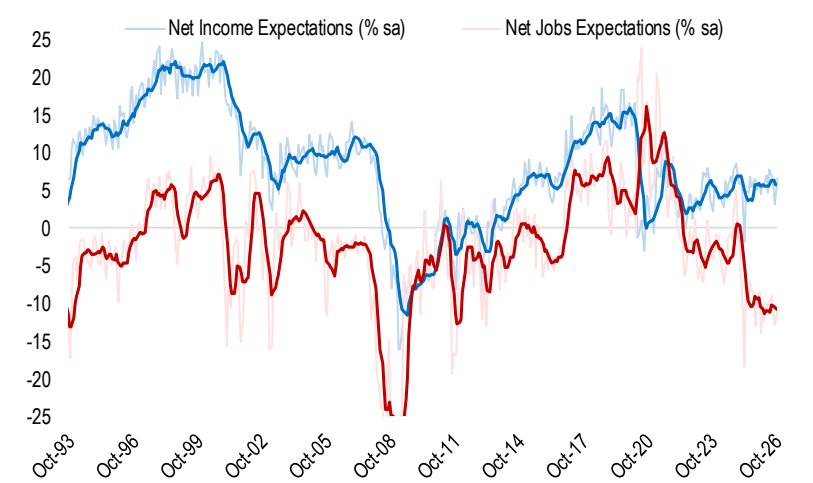
… Driven Primarily by Pessimism over Near-Term Expectations on the Labor Market and Inflation



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

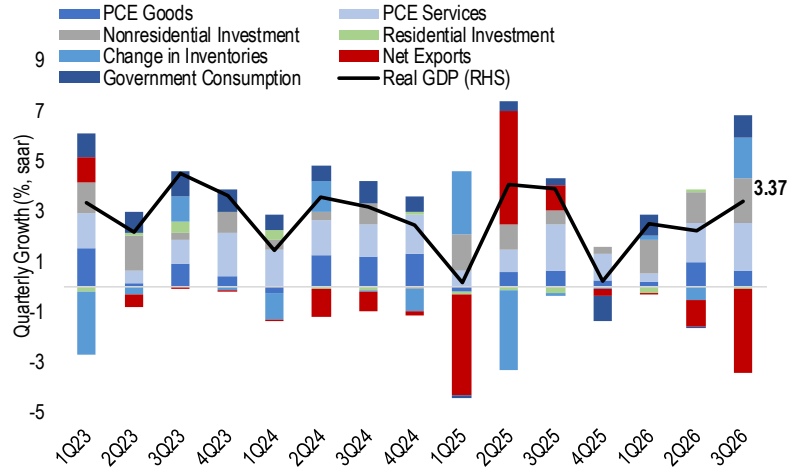


Despite Widespread Pessimism, Consumer Income Expectations Have Remained Resilient

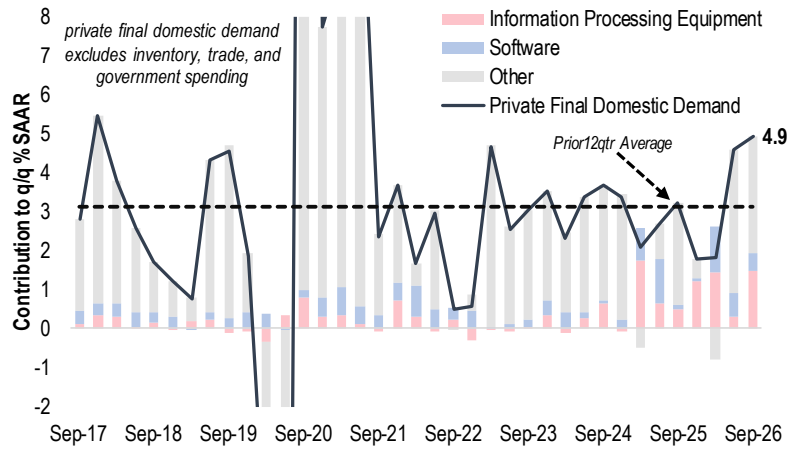


Sources: University of Michigan (UMICH), Conference Board, Federal Reserve Bank of New York (FRBNY), Arch Global Economics

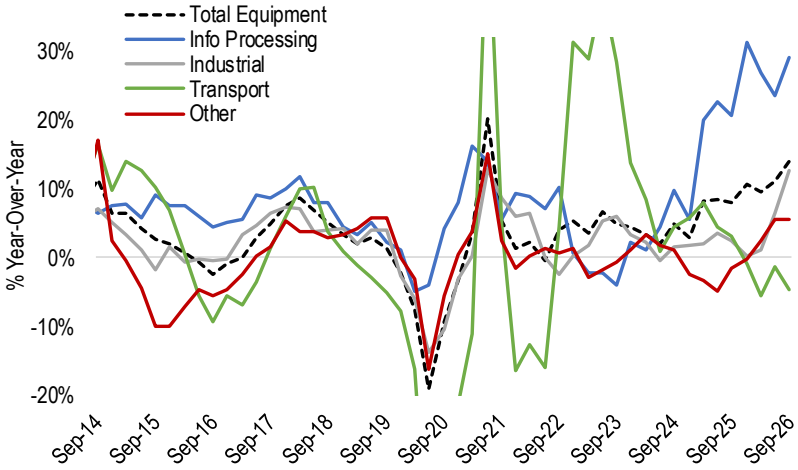
Headline GDP Got a Broad-Based Jolt in the Third Quarter, Offsetting the Drag from Net Trade



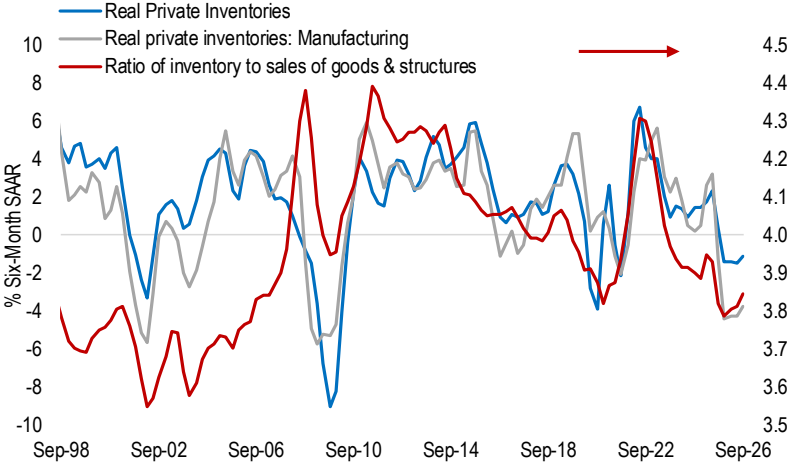
"Core" GDP Growth Had an Even Stronger Q3 Aided by Sturdy Consumer Spending …



… And Private Investment Breadth Spreading to Other Categories besides AI-Related Components



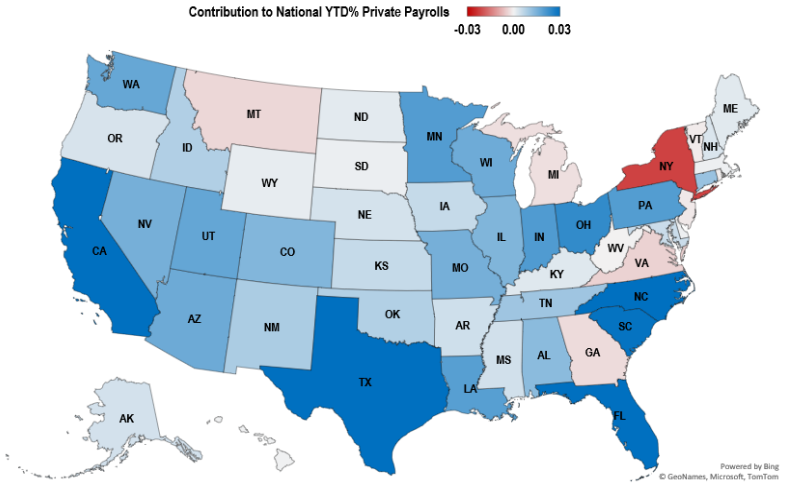
Despite Pickup in Production, Firms Are Slowly Rebuilding Inventories, Especially for Finished Goods



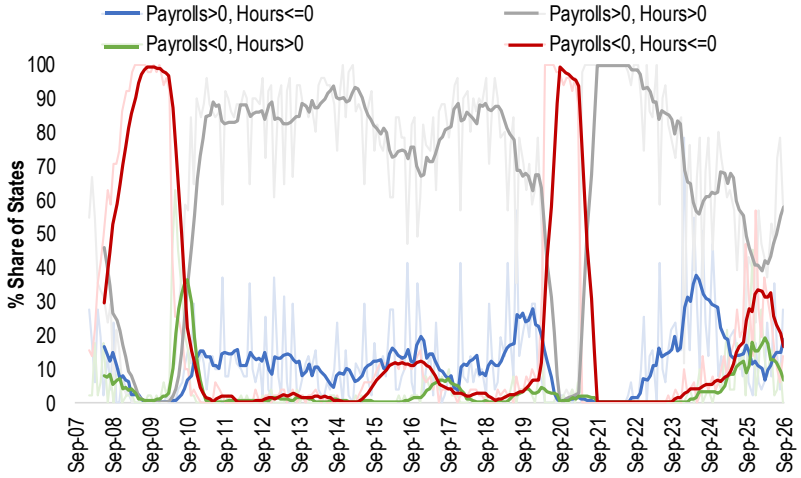
Sources: BEA, Arch Global Economics

Core GDP = Private Final Domestic Demand
SAAR = Seasonally Adjusted Annual Rate

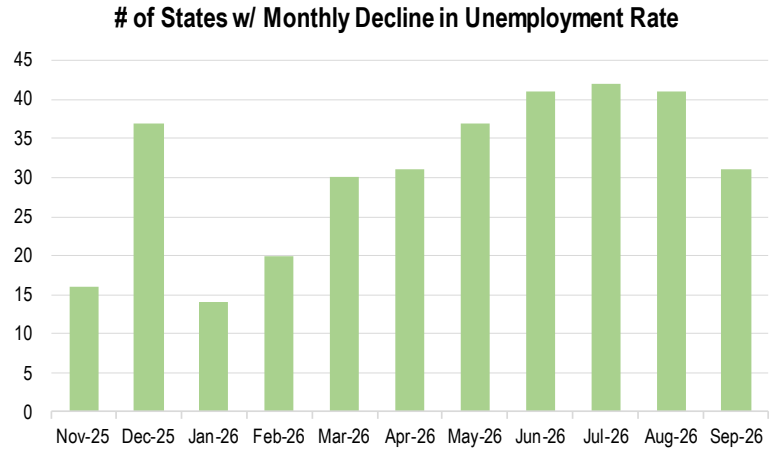
National Job Growth Has Been Driven by More Than Just Larger States with the Midwest Outperforming



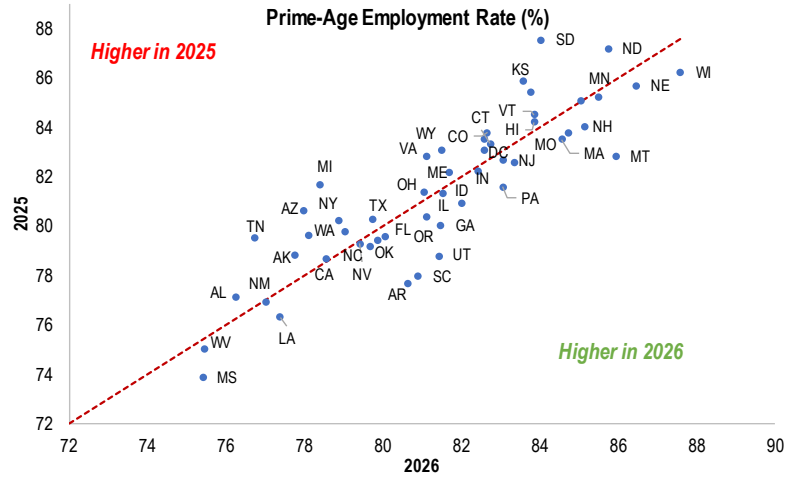
The Share of States Reporting Both Rising Private Payrolls and Hours Worked Still Trend Higher



Unemployment Rates Fell in Fewer States in Sept., but Improvement in Labor Market Health Still Intact

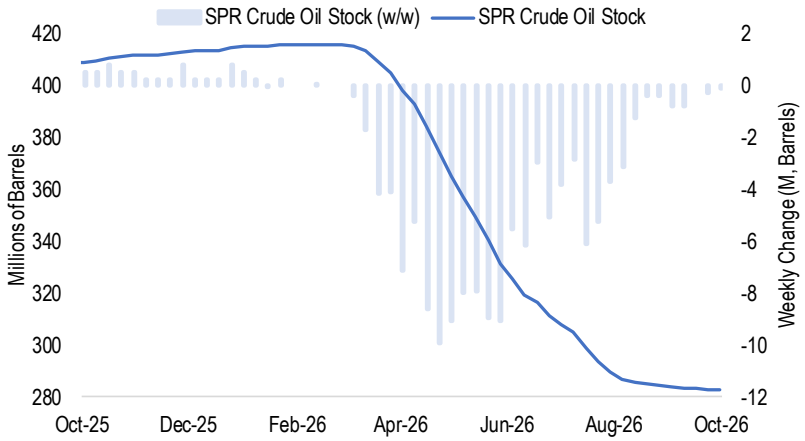


Prime-Age (25–54) Employment Stable Nationally, Masking Dispersion Underneath

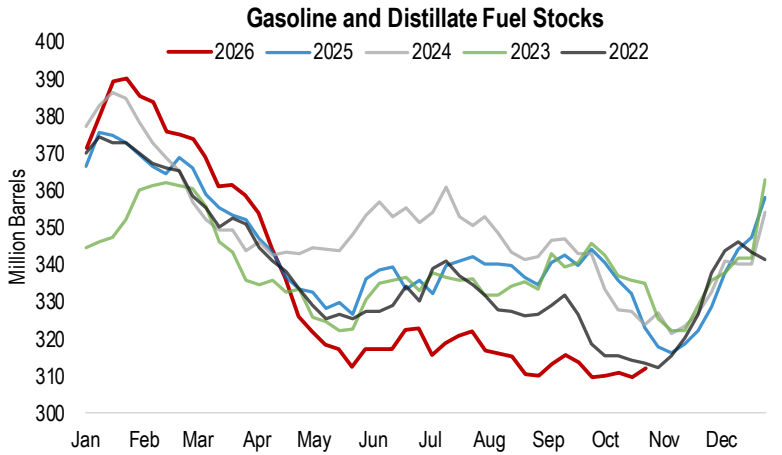


Sources: Bureau of Labor Statistics, Arch Global Economics

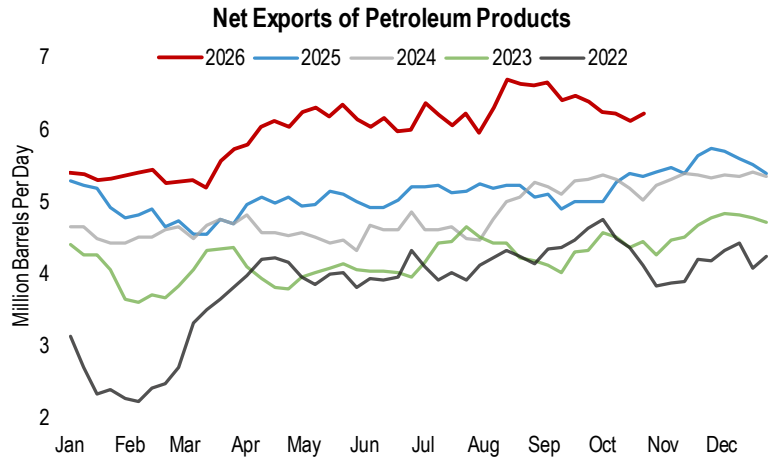
SPR Inventory Drawdown Has Effectively Slowed to a Crawl over Prior Month



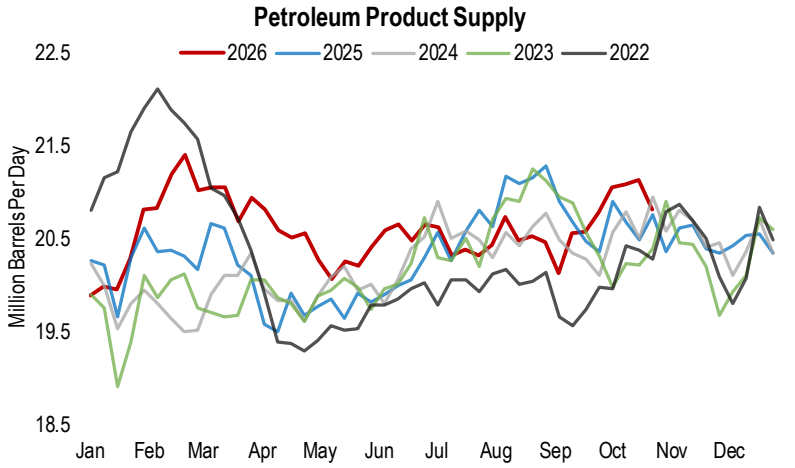
Gasoline and Distillate Stocks Hover near Multi-Year Seasonal Lows



U.S. Petroleum Net Exports Inched Slightly Higher, Led by a Rebound in Refined Fuels Exports



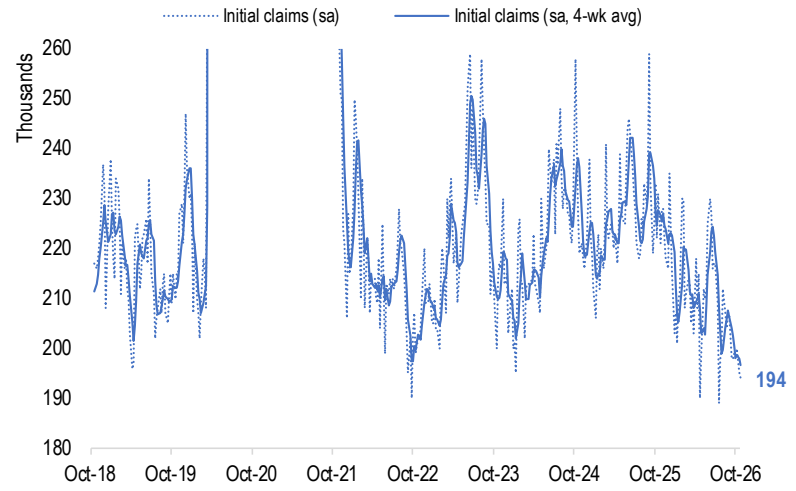
Petroleum Product Demand Cooled, Driven by Reductions in Domestic Gasoline Consumption



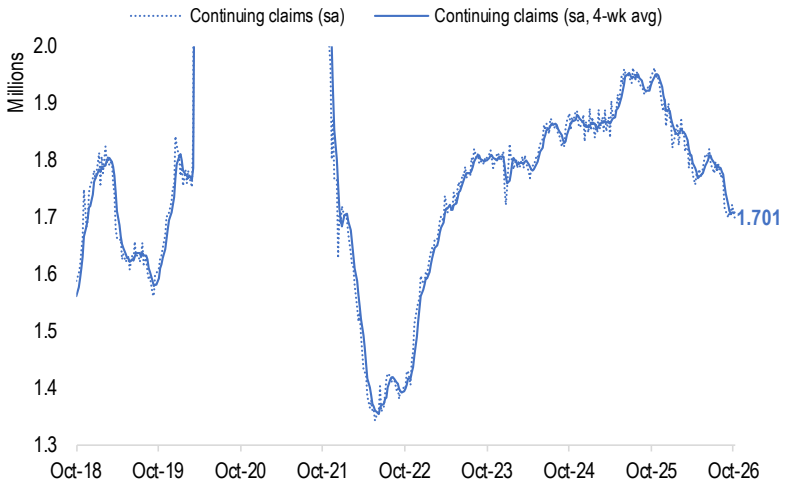
Sources: Energy Information Administration, Arch Global Economics

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

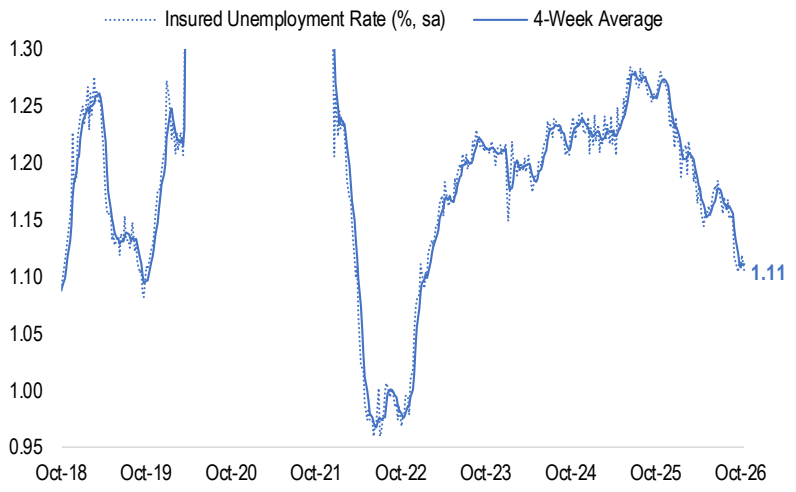
Initial Claims Down to 194k (SA) in Week Ending Oct. 24, Just Above Recent Multi-Year Low



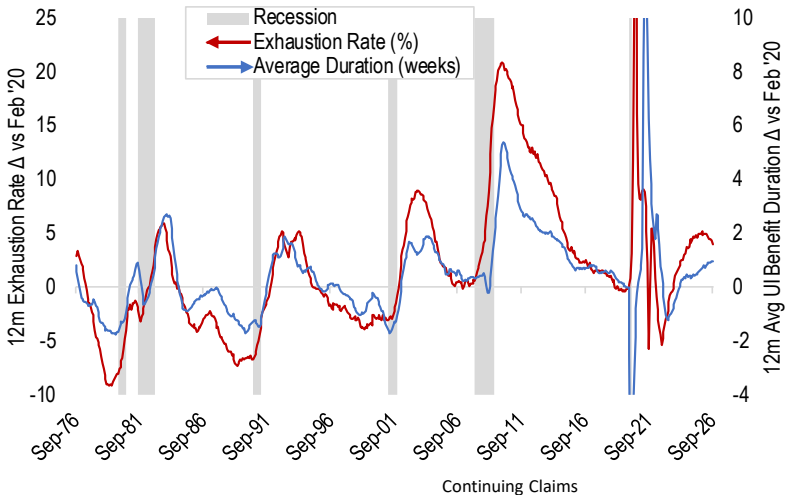
Continuing Claims Declined to 1,701k (SA) in Week Ending Oct. 17, Up Modestly from Multi-Year Low



Insured Unemployment Also Ticked Down to 1.11% in Week Ending Oct. 17



Share of Unemployed Workers Exhausting Benefits Continued to Ease through Sept.

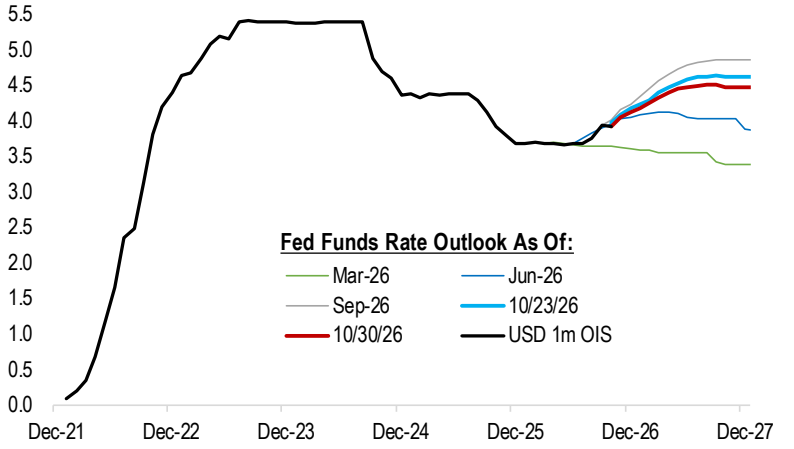


Insured Unemployment = Continuing Claims / Employed Population Eligible for Unemployment Insurance

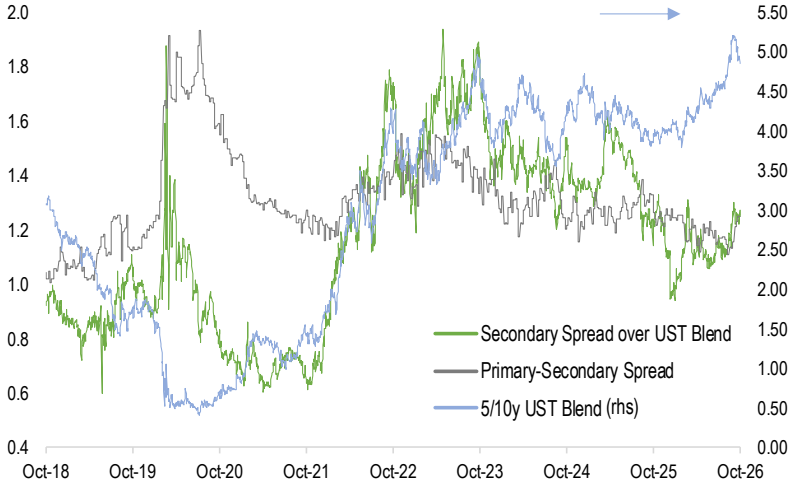
Sources: U.S. Department of Labor, Arch Global Economics

SA = Seasonally Adjusted

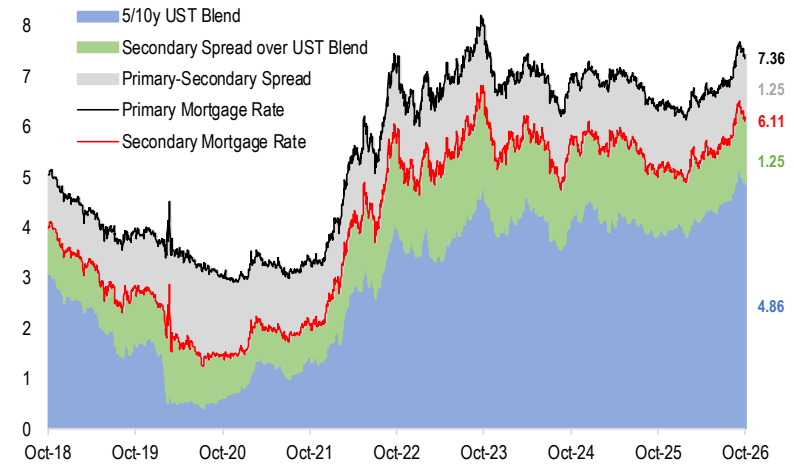
Market Implied Odds of Dec. Rate Hike down to ~70% from 85% a Week Ago after Oct. FOMC Meeting



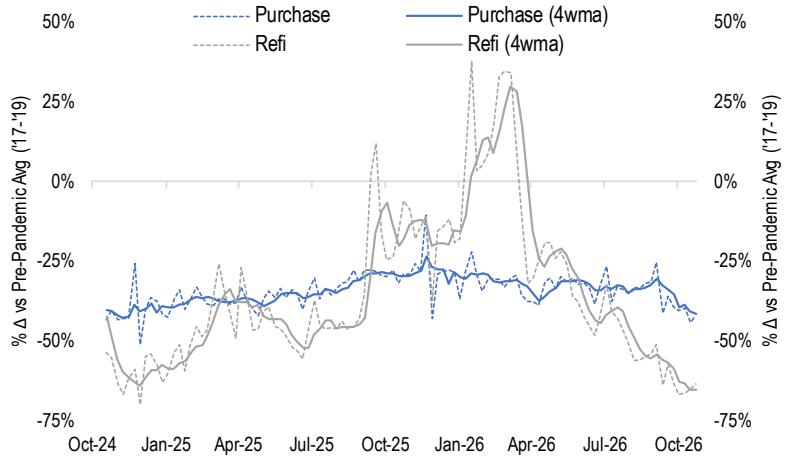
Blended 5/10y UST Yield Down -7bps on the Week as Mortgage Spreads Were Roughly Unchanged …



… Bringing Mortgage Rates Down Again for the Fourth Consecutive Week, Inching Closer toward 7%



Mortgage Applications Inched Higher during Week Ending Oct. 23, but Broader Downtrend Continued



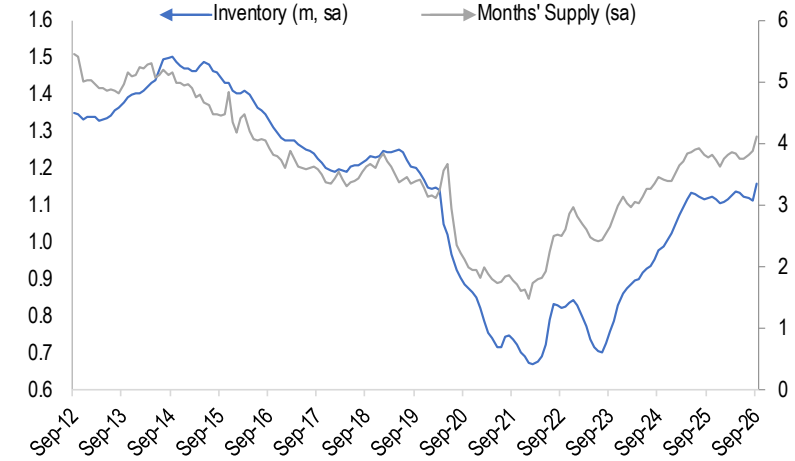
Sources: Bloomberg, FRB, Mortgage Bankers Association, Arch Global Economics

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

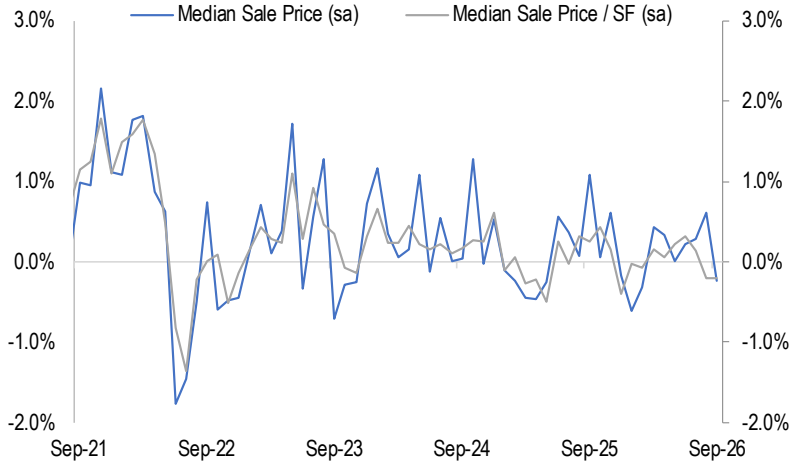
Pending Sales Have Cooled Rapidly Since Mortgage Rates Spiked, but New Listings Have Held Steady



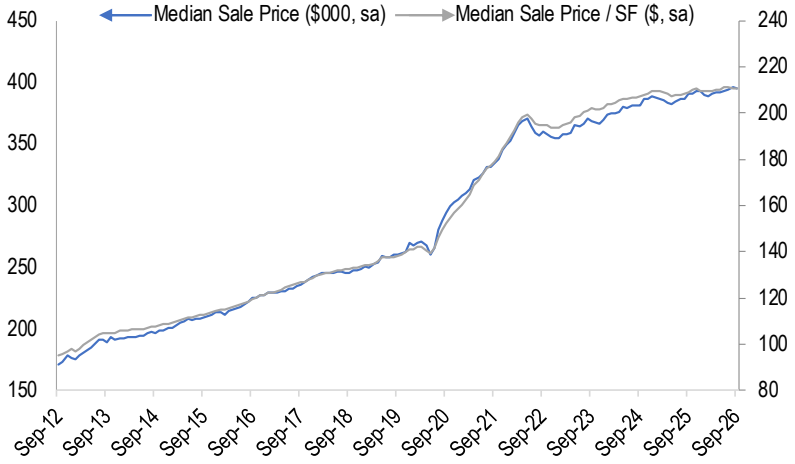
… Which Has Started to Lift Months' Supply Again after More Than a Year of Relative Stability



Pace of Seasonally Adjusted Home-Price Growth Cooled Further and Turned Slightly Negative in Sept.



National Median Home Sale Price Hovering near Record High in Sept. as Momentum Wanes

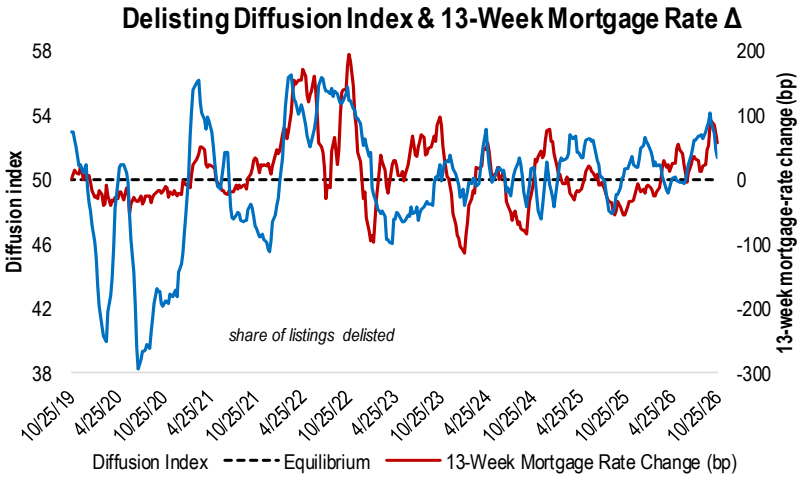


Sources: Redfin, Arch Global Economics

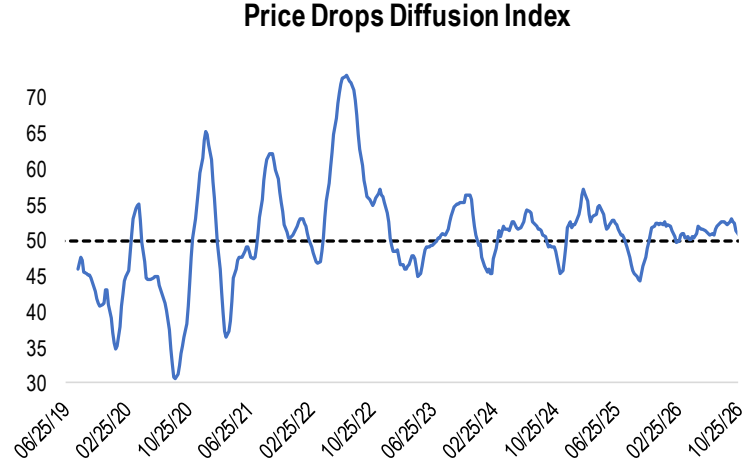
SA = Seasonally Adjusted
SF = Square Foot

Monthly data as of Oct. 21, 2026

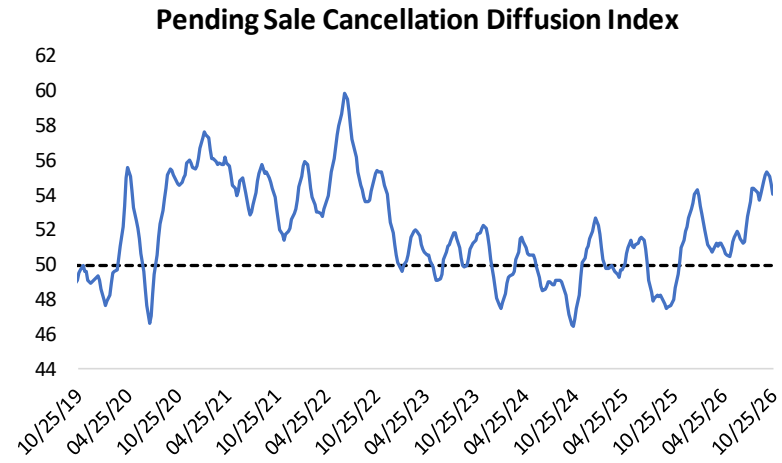
Breadth of Metros with Sellers Pulling Homes off Market Is Normalizing despite Renewed Rate Pressure



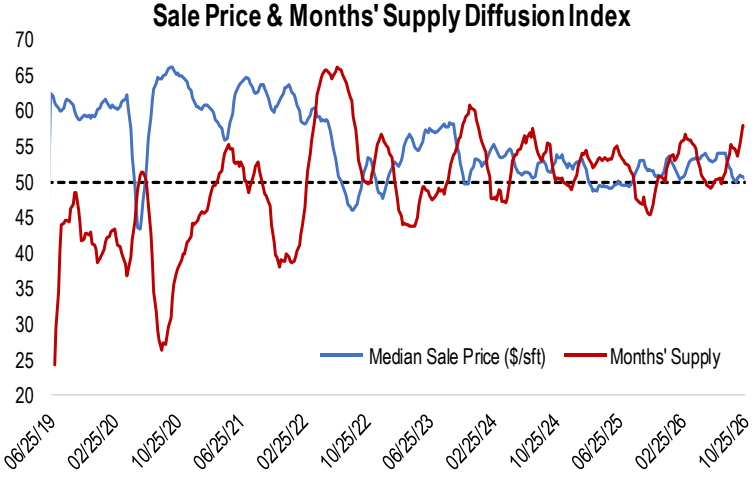
Metro Price-Cut Breadth Has Receded after the Summer Increase



Pending Sale Cancellations Point to Renewed Buyer Affordability Stress



Rising Months' Supply Has Yet to Produce Broad Price Weakness across Metros



Sources: Redfin, Arch Global Economics

Index is a seasonally adjusted metro-level diffusion index comparing the most recent week vs. the prior 4-week average.
Index reading >50 = rising metro breadth in reference variable

Weekly data as of Oct. 25, 2026

Most Metro Area Housing Markets Have Softened as Rates Surged, but Some More Than Others

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	**0.5%**	**-1.1%**	**1.2%**	**0.3%**	**21.8%**	**1.1%**	**98.4%**	**0.1%**	**-1.8**	**-3.0**	**2%**	**24%**	**15%**
Atlanta	-0.1%	*0.9%*	-0.9%	**-2.0%**	22.5%	*0.1%*	*97.7%*	0.2%	*26*	*28*	-1%	55%	52%
Austin	**-2.7%**	-0.3%	-0.6%	**4.4%**	**28.1%**	0.8%	*97.3%*	**0.5%**	**53**	**57**	0%	**147%**	**132%**
Baltimore	*-1.5%*	**-1.6%**	-1.2%	-0.1%	23.7%	*2.4%*	**99.9%**	*-0.1%*	*-1*	*-5*	*9%*	*13%*	**-8%**
Boston	0.0%	-0.7%	0.8%	**-1.8%**	21.2%	1.9%	**99.9%**	-0.1%	*0*	*-3*	**16%**	*22%*	**-4%**
Chicago	**4.7%**	-0.3%	**4.4%**	*-1.1%*	**13.9%**	**-0.2%**	**99.7%**	*0.2%*	**-20**	**-19**	*-2%*	**-34%**	**-33%**
Dallas	*-1.2%*	**2.1%**	-1.3%	0.0%	**27.4%**	0.7%	**97.1%**	0.0%	20	19	*-5%*	62%	49%
Denver	-0.9%	*0.6%*	*-2.0%*	-0.7%	**30.9%**	1.1%	98.4%	0.1%	18	*21*	1%	**138%**	**92%**
Houston	*-1.7%*	*0.4%*	**-3.2%**	*-1.4%*	24.5%	**-0.1%**	**96.9%**	**0.7%**	20	14	3%	56%	38%
Los Angeles	*-1.5%*	*-1.0%*	-1.0%	0.3%	**17.2%**	*2.0%*	*99.1%*	0.0%	4	6	1%	52%	36%
Miami	*1.0%*	-0.7%	*1.7%*	-0.1%	**15.0%**	1.1%	**95.5%**	*0.3%*	20	*30*	**-12%**	*22%*	29%
Minneapolis	-0.5%	**-1.8%**	-1.2%	**-2.0%**	**27.5%**	**4.2%**	*99.2%*	**-0.3%**	5	2	*8%*	33%	*15%*
Nashville	*-1.2%*	**-1.7%**	-0.4%	-0.3%	21.0%	0.9%	*97.7%*	*-0.1%*	9	11	6%	62%	43%
New York	**4.7%**	-0.3%	**5.0%**	**1.7%**	**15.2%**	1.3%	**99.9%**	0.0%	**-39**	**-38**	1%	**-26%**	**-27%**
Phoenix	-0.8%	*-1.3%*	-0.4%	*-1.1%*	24.1%	*2.2%*	97.9%	0.0%	*28*	**32**	0%	**127%**	**106%**
Portland	-0.9%	-0.5%	*-1.8%*	*-1.6%*	**27.5%**	1.5%	*99.2%*	-0.1%	11	10	1%	60%	44%
Riverside	*0.1%*	**1.5%**	-1.2%	0.2%	*18.4%*	1.8%	98.8%	0.0%	*-1*	5	**-5%**	39%	31%
San Diego	-0.3%	**1.6%**	0.1%	0.2%	21.2%	1.0%	98.9%	0.1%	4	9	*-2%*	36%	18%
Seattle	**-6.2%**	**-1.9%**	**-4.0%**	*-1.5%*	*26.4%*	**3.8%**	98.4%	**-0.8%**	11	5	**21%**	*100%*	36%
Tampa	*0.3%*	**-2.5%**	-0.2%	*1.3%*	24.1%	**-2.0%**	**97.0%**	*0.2%*	**40**	*23*	5%	**106%**	**79%**
Washington DC	-0.4%	*0.5%*	*1.4%*	**1.9%**	21.4%	*2.2%*	*99.2%*	*-0.1%*	15	11	*10%*	67%	35%

Data as of Oct. 25, 2026, reflecting 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
10/26/26	8:30 AM	Chicago Fed Nat Activity Index	Sep	0.1	-0.1	-0.1	0.0	index, nsa
10/27/26	7:32 AM	Building Permits	Sep F	1,398	1,400	--	1,400	k, saar
10/27/26	7:32 AM	Building Permits m/m	Sep F	-0.4	-0.3	--	-0.2	%, sa
10/27/26	8:30 AM	Durable Goods Orders m/m	Sep P	1.8	1.9	0.1	-0.1	%, sa
10/27/26	8:30 AM	Cap Goods Orders Nondef Ex Air m/m	Sep P	0.5	0.7	--	1.6	%, sa
10/27/26	8:30 AM	Cap Goods Ship Nondef Ex Air m/m	Sep P	1.2	0.8	0.6	0.5	%, sa
10/27/26	9:00 AM	FHFA House Price Index m/m	Aug	0.3	0.2	0.2	0.3	%, sa
10/27/26	9:00 AM	S&P CoreLogic CS 20-City m/m SA	Aug	0.3	0.3	0.3	0.3	%, sa
10/27/26	9:00 AM	S&P CoreLogic CS 20-City y/y NSA	Aug	2.7	2.6	2.5	2.5	%, nsa
10/27/26	10:00 AM	Richmond Fed Manufact. Index	Oct	-2.0	0.0	--	-2.0	index, sa
10/27/26	10:00 AM	Conf. Board Consumer Confidence	Oct	91.7	81.0	84.2	81.9	index, sa
10/27/26	10:00 AM	New Home Sales	Sep	676	651	680	684	k, saar
10/27/26	10:00 AM	New Home Sales m/m	Sep	-0.6	-4.5	5.1	6.4	%, sa
10/28/26	7:00 AM	MBA Mortgage Applications w/w	Oct 23	3.4	--	--	-5.3	%, sa
10/28/26	8:30 AM	Retail Inventories m/m	Sep	0.3	0.3	--	0.3	%, sa
10/28/26	8:30 AM	Wholesale Inventories m/m	Sep P	0.6	0.5	--	0.5	%, sa
10/28/26	2:00 PM	FOMC Rate Decision (Upper Bound)	Oct 28	4.0	4.0	--	4.0	%
10/29/26	8:30 AM	Personal Income m/m	Sep	0.2	0.3	0.3	0.2	%, sa
10/29/26	8:30 AM	Personal Spending m/m	Sep	0.5	0.6	--	0.9	%, sa
10/29/26	8:30 AM	Real Personal Spending m/m	Sep	0.0	0.1	0.5	0.6	%, sa
10/29/26	8:30 AM	PCE Inflation m/m	Sep	0.5	0.5	--	0.3	%, sa
10/29/26	8:30 AM	PCE Inflation y/y	Sep	3.6	3.6	--	3.4	%, nsa
10/29/26	8:30 AM	PCE Core Inflation (ex Food and Energy) m/m	Sep	0.3	0.3	0.3	0.2	%, sa
10/29/26	8:30 AM	PCE Core Inflation (ex Food and Energy) y/y	Sep	3.1	3.1	--	3.0	%, nsa
10/29/26	8:30 AM	Initial Jobless Claims	Oct 24	194	198	195	194	k, sa
10/29/26	8:30 AM	Continuing Claims	Oct 17	1,701	1,720	1,722	1,728	k, sa
10/29/26	8:30 AM	GDP Annualized q/q	3Q A	3.4	3.2	--	2.2	%, saar
10/29/26	8:30 AM	Personal Consumption q/q	3Q A	3.8	3.4	--	3.8	%, saar
10/29/26	8:30 AM	Core PCE Deflator q/q	3Q A	2.5	2.4	--	3.3	%, saar
10/30/26	8:30 AM	Employment Cost Index q/q	3Q	0.8	0.8	--	0.9	%, 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
11/2/26	9:45 AM	S&P Global US Manufacturing PMI	Oct F	54.9	56.0	--	56.0	index, sa
11/2/26	10:00 AM	ISM Manufacturing	Oct	55.5	54.5	--	54.5	index, sa
11/2/26	10:00 AM	ISM Prices Paid	Oct	75.2	77.2	--	77.9	index, nsa
11/3/26	-	Wards Total Vehicle Sales	Oct	--	15.8	--	16.0	m, saar
11/3/26	10:00 AM	JOLTS Job Openings	Sep	--	7,162	--	7,079	k, sa
11/3/26	10:00 AM	JOLTS Quits	Sep	--	3,100	--	3,066	k, sa
11/3/26	10:00 AM	JOLTS Quits Rate	Sep	--	--	--	1.9	%, sa
11/3/26	10:00 AM	JOLTS Layoffs Rate	Sep	--	--	--	1.0	%, sa
11/3/26	10:00 AM	Durable Goods Orders m/m	Sep F	--	1.8	--	1.8	%, sa
11/3/26	10:00 AM	Cap Goods Orders Nondef Ex Air m/m	Sep F	--	0.5	--	0.5	%, sa
11/3/26	10:00 AM	Cap Goods Ship Nondef Ex Air m/m	Sep F	--	--	--	1.2	%, sa
11/4/26	7:00 AM	MBA Mortgage Applications w/w	Oct 30	--	--	--	3.4	%, sa
11/4/26	8:15 AM	ADP Employment m/m	Oct	--	66.0	--	90.0	k, sa
11/4/26	9:45 AM	S&P Global US Services PMI	Oct F	--	57.9	--	57.9	index, sa
11/4/26	9:45 AM	S&P Global US Composite PMI	Oct F	--	--	--	57.6	index, sa
11/4/26	10:00 AM	ISM Services Index	Oct	--	54.8	--	54.9	index, nsa
11/5/26	8:30 AM	Nonfarm Productivity q/q	3Q P	--	2.7	--	1.4	%, saar
11/5/26	8:30 AM	Unit Labor Costs q/q	3Q P	--	0.4	--	1.2	%, saar
11/5/26	8:30 AM	Initial Jobless Claims	Oct 31	--	196	--	194	k, sa
11/5/26	8:30 AM	Continuing Claims	Oct 24	--	1,710	--	1,701	k, sa
11/6/26	8:30 AM	Nonfarm Payrolls m/m	Oct	--	65.0	--	29.0	k, sa
11/6/26	8:30 AM	Private Payrolls m/m	Oct	--	62.0	--	46.0	k, sa
11/6/26	8:30 AM	Average Hourly Earnings m/m	Oct	--	0.3	--	0.1	%, sa
11/6/26	8:30 AM	Average Hourly Earnings y/y	Oct	--	2.9	--	3.0	%, nsa
11/6/26	8:30 AM	Average Weekly Hours All Employees	Oct	--	34.4	--	34.4	sa
11/6/26	8:30 AM	Unemployment Rate	Oct	--	4.2	--	4.2	%, sa
11/6/26	8:30 AM	Labor Force Participation Rate	Oct	--	61.8	--	61.8	%, sa
11/6/26	10:00 AM	U. of Mich. Sentiment	Nov P	--	48.0	--	48.0	index, nsa
11/6/26	10:00 AM	U. of Mich. 1 Yr Inflation	Nov P	--	4.7	--	4.7	nsa
11/6/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	Nov P	--	3.5	--	3.5	nsa
11/6/26	3:00 PM	Consumer Credit m/m	Sep	--	13.0	--	8.3	$B, sa

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

Sources: Bloomberg Consensus Survey of Economists, Arch Global Economics