

HaMMR Digest

Stay current with economic and mortgage market trends.

November 16, 2026

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Welcome to the Thunderdome

- **Key Takeaway:** Modestly hotter-than-consensus CPI and hawkish Fed communication drove the largest weekly gain in the 10y UST yield since early '25.
- **Macro Implications:** Inflation evolving as expected when smoothing through the noise, but a tighter labor market and business pricing power threaten disinflation.
- **Housing Implications:** Sharp Fed repricing revived rate volatility and widened mortgage spreads, spiking mortgage rates 36bps on the week back above 7.5%.

Macro: Look Ahead

- Rates market extrapolating latest data rather than discounting a likely future path.
- Growth remains solid, labor market appears to be tightening at the margin …
- … but Fed is unlikely to deliver a 50bps move or accelerate pace of hikes.

Rates: 180

- 10y UST +28bps w/w to 5.13% on firm inflation data and hawkish Fed speak.
- Front end of the curve up the most since Oct. '24 as the curve flattened.
- Market sees a 25bps Dec. hike as a sure bet with two more priced in for '27.

Housing Market: Downside Price Pressure Building

- Five weeks of lower rates reversed in a week as mortgage rates jumped 36bps.
- With delistings and canceled sales trends easing, motivated seller share is up.
- Prevalence of price cuts rose but remains modest, signaling little seller distress.

Consumer Inflation: Not Just Oil, but Don't Get Carried Away, Yet

- Oct. CPI accelerated to 4.0% y/y* amid sustained energy and food costs.
- Core item impulse to prices firmed, implying broadening cost pressures.
- Oct. PPI (6.5% y/y) and business surveys point to elevated CPI inflation ahead.

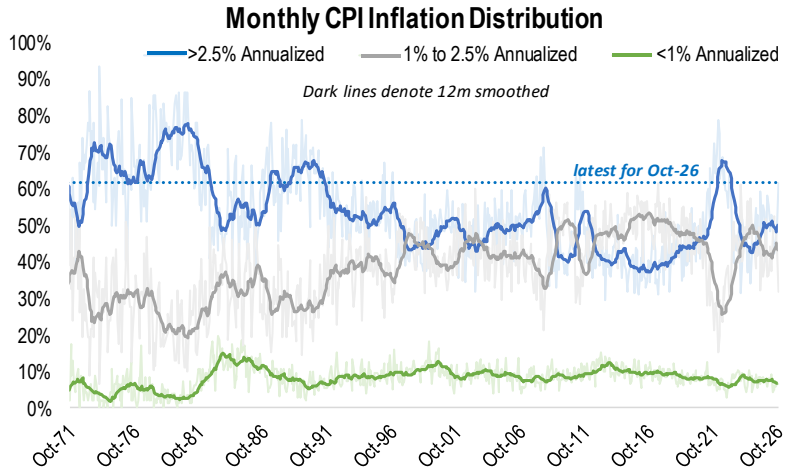
Existing Home Sales: Bottom Falls Out

- Sales fell -5.5% m/m in Oct. to 3.75m (saar), slowest pace since 2010.
- Inventory up a third straight month on buyer exits, not new listings.
- Months' supply surged toward 4.7 (sa), highest since 2015.

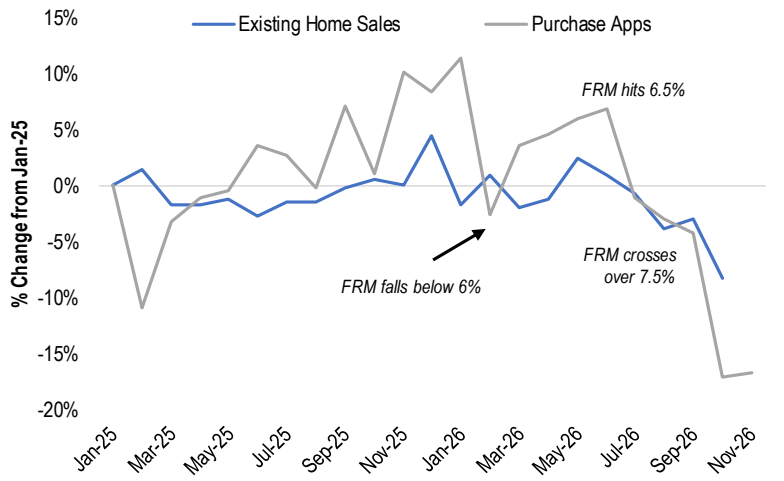
NFIB Small Business Sentiment: Meh, with a Side of Price Hikes

- Small business sentiment eased in Oct. but remained above prior 6m average.
- Plans to add staff and inventory rose, a positive read for business activity.
- Intent to raise prices and compensation hit multi-year highs.

Distribution of Inflation Took a Turn for the Worse in Oct., but Fed Will Not Overreact to One Month



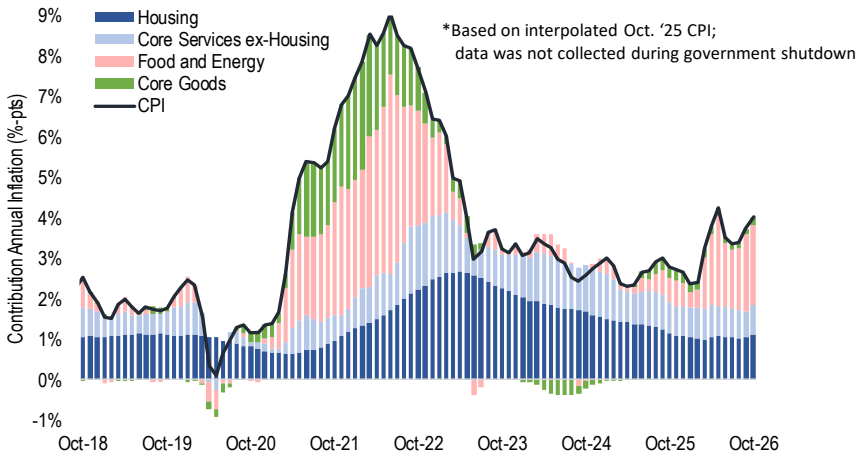
Surge in Rates Sinks Housing Activity to New Low, Further Depressed by Typical Seasonal Lull



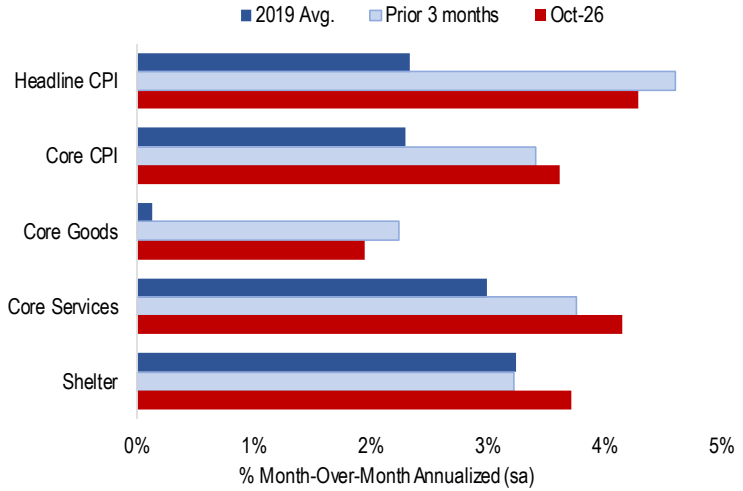
Sources: BLS, NAR, MBA, Arch Global Economics

*Based on interpolated Oct. '25 CPI; data was not collected during government shutdown

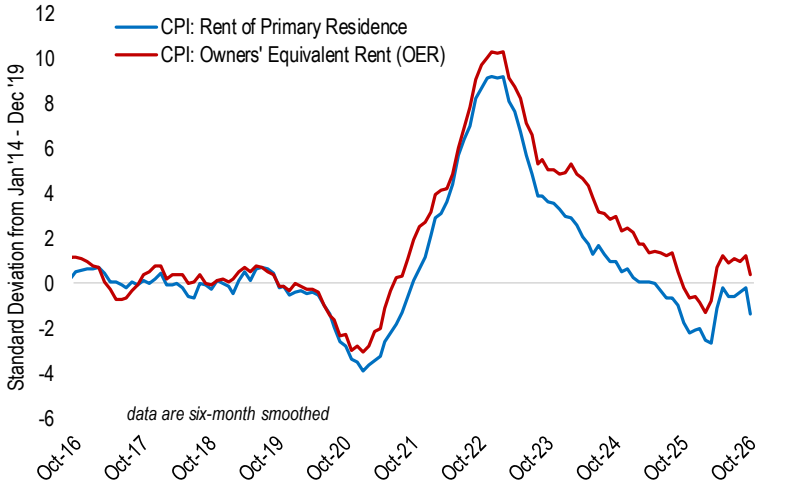
Annual Inflation Rose to 4.02% in Oct.* on Sustained Energy and Food Costs



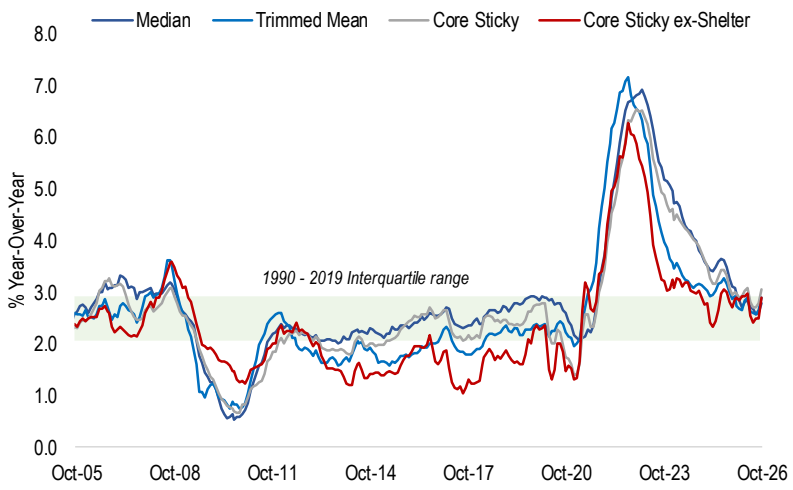
Inflation Showed Broad-Based Strength across Core Goods and Services, Especially Transportation



Shelter Inflation (~35% of CPI) Not Materially Different from Historical Trend

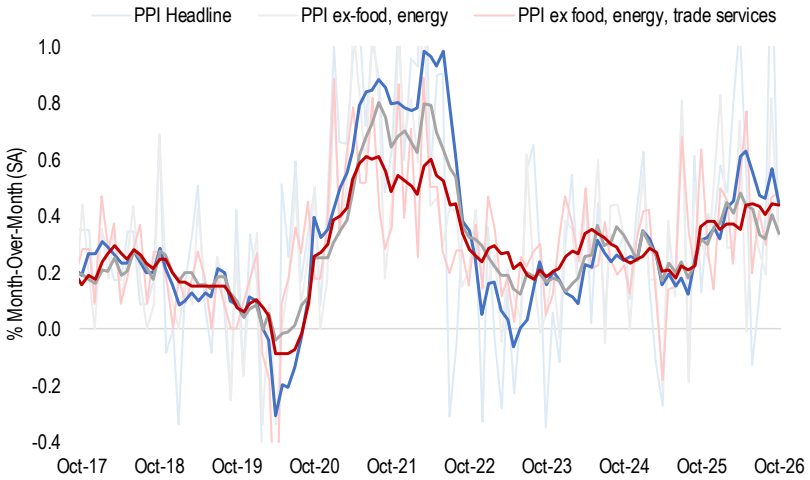


Underlying Inflation Measures Firmed and Pierced above Historical Range

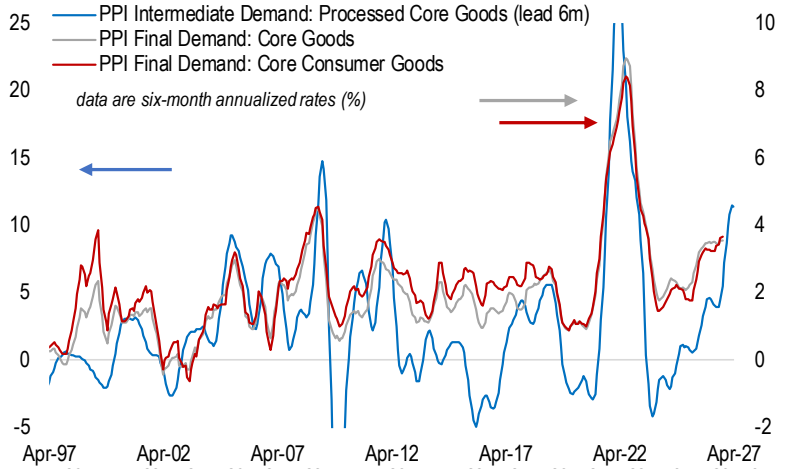


Sources: Bureau of Labor Statistics, Federal Reserve Bank of Atlanta, Arch Global Economics

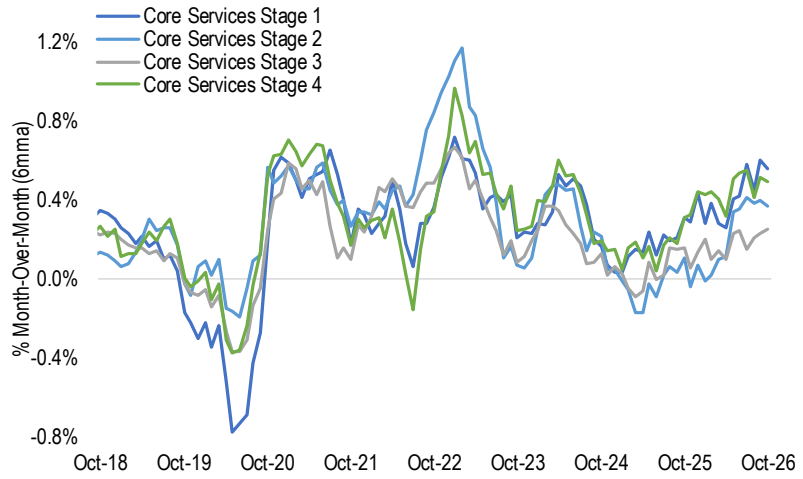
Headline Producer Prices Moderated as Energy Impulse Waned with Core Items on Firmer Side



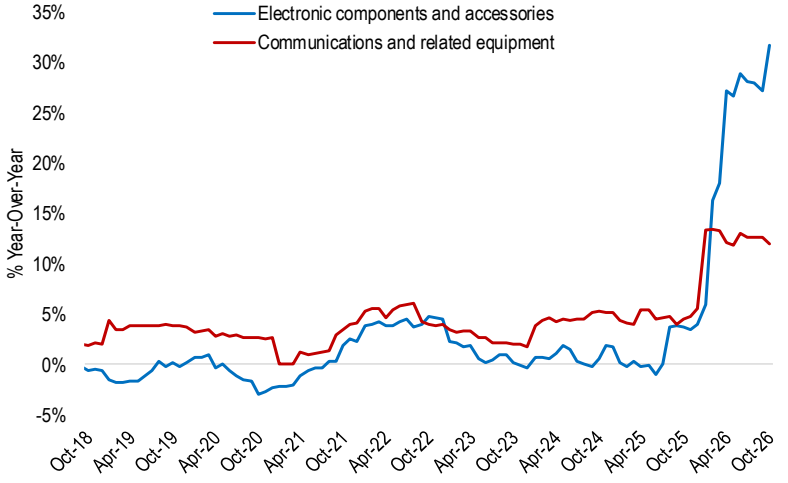
Goods Prices Unlikely to Ease Near Term as Prior Costs Filter through the Production Chain



Core PPI Services Inflation Elevated (and Rising) across Intermediate-Demand Stages



AI-Capex-Linked Equipment Prices Jumped Higher in Latest Month, Mostly Tied to Imports

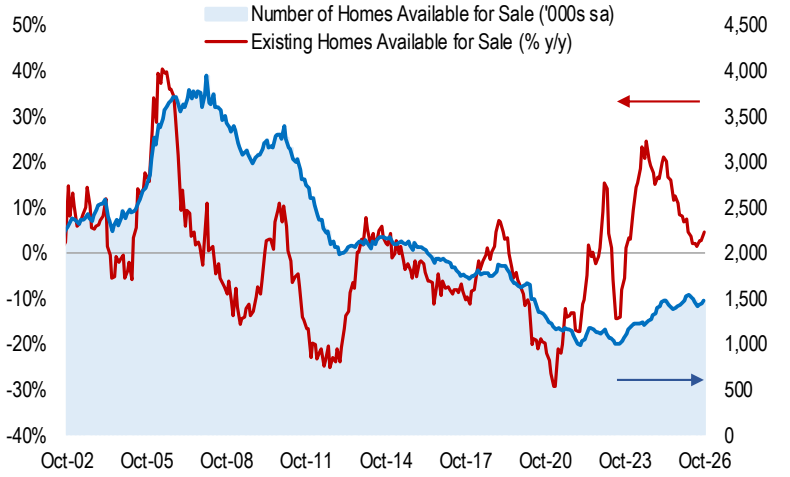


Sources: Bureau of Labor Statistics, Arch Global Economics

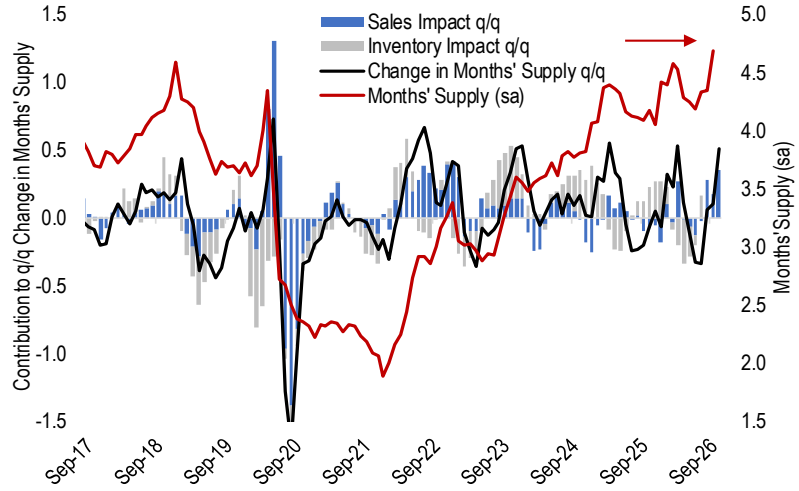
Home Sales Broke Out of Recent Trend to the Downside, Reaching Slowest Monthly Pace in over a Decade



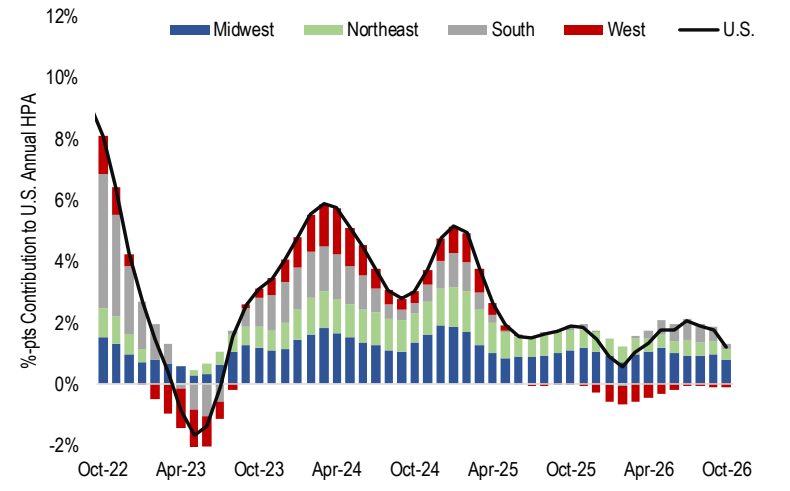
Annual Inventory Growth Has Turned Higher after a Long Stretch of Easing



Months' Supply Continued to Trend Higher as Weak Sales Overwhelmed the Pace of Delistings

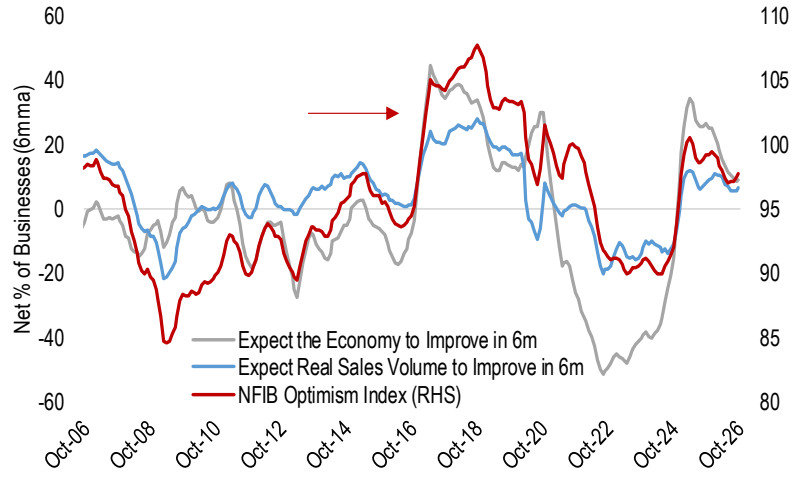


Overall Inventory Remains Tight, but Remaining Sellers Will Need to Lower Prices to Cajole Buyers

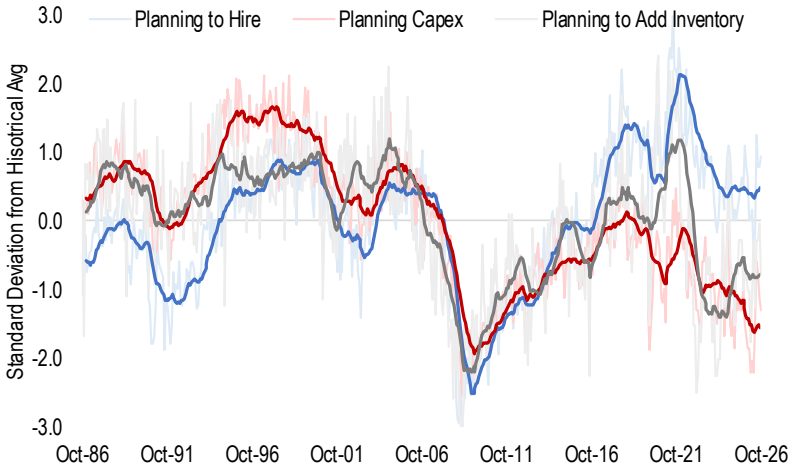


Sources: National Association of REALTORS® (NAR), Arch Global Economics

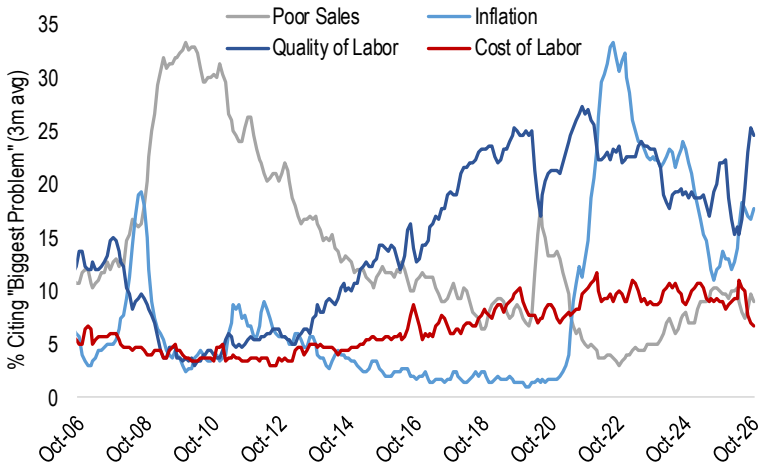
Small Business Sentiment Has Been Trending Sideways with Businesses Holding a Sanguine Outlook



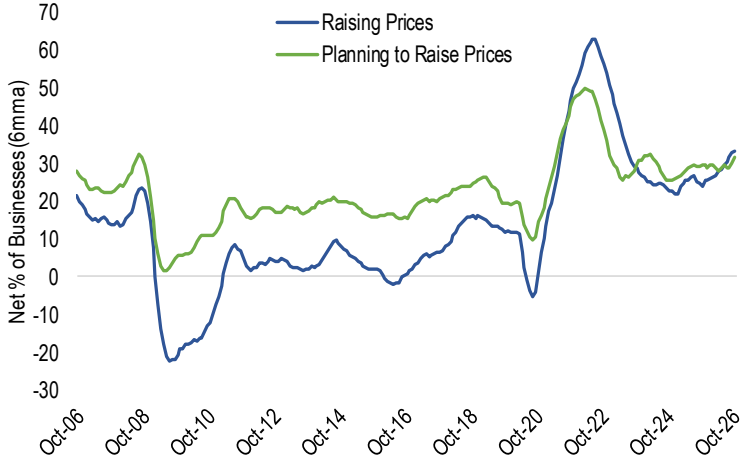
Importantly, Expansion Plans Have Stabilized with Recent Improvement in Plans to Hire



Quality of Labor Cited as "Biggest Problem" While Cost of Labor Was Overtaken by Poor Sales

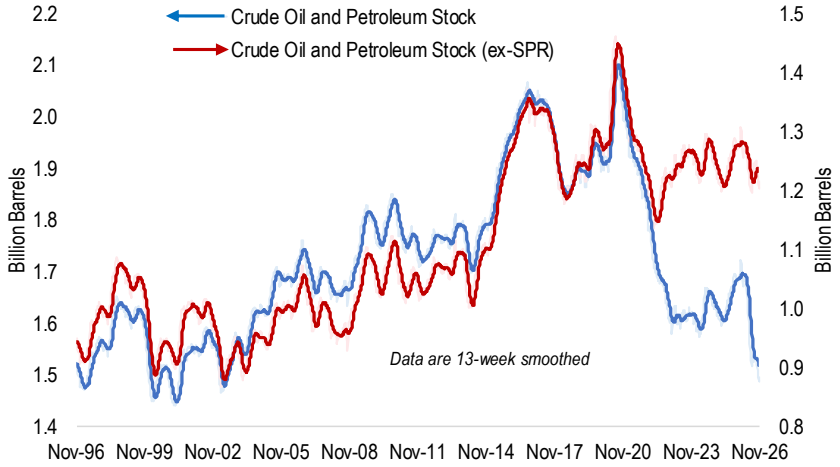


More Firms Are Raising Prices and Increasingly Have Intentions to Continue Doing So in the Months Ahead

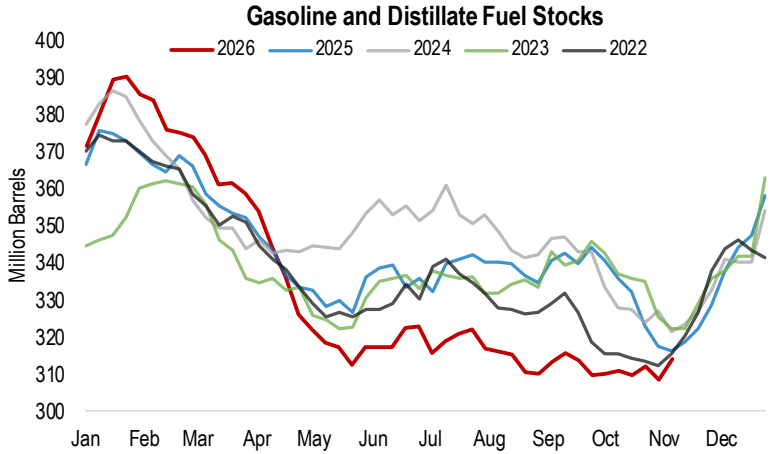


Sources: NFIB, Arch Global Economics

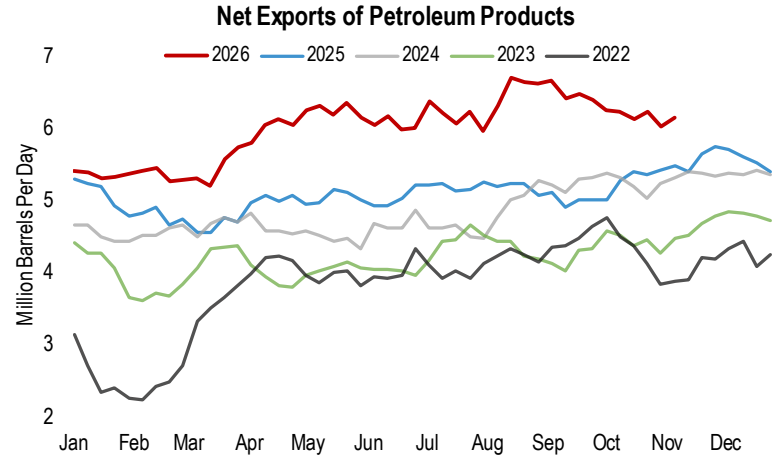
Crude Draws Ex-SPR End Their Five-Week Stretch as Inventories Rise by Most since First Week of August



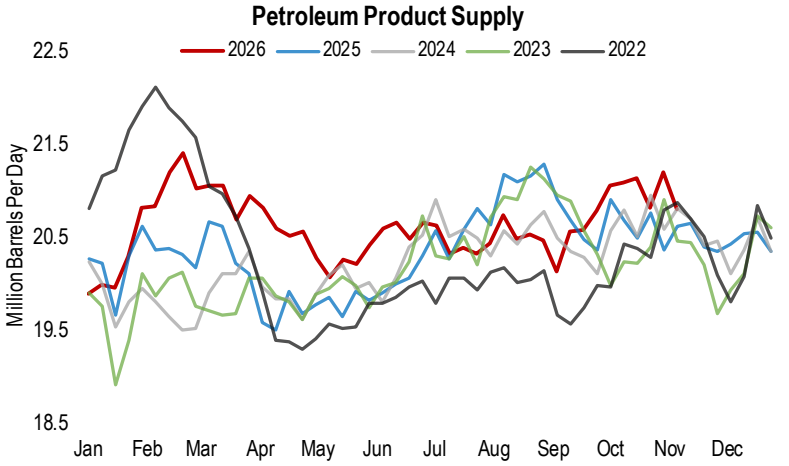
Gasoline and Distillate Stocks at Seasonal Lows with Recent Lift Coming from Gasoline



U.S. Petroleum Net Exports Rise Modestly as Refined Product Exports Offset Pickup in Crude Imports



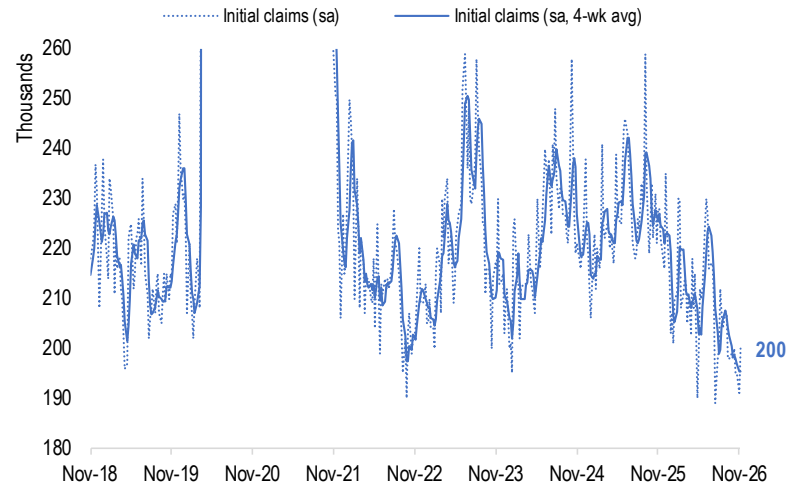
Petroleum Product Demand Eased despite Pickup in Refinery Utilization Rate



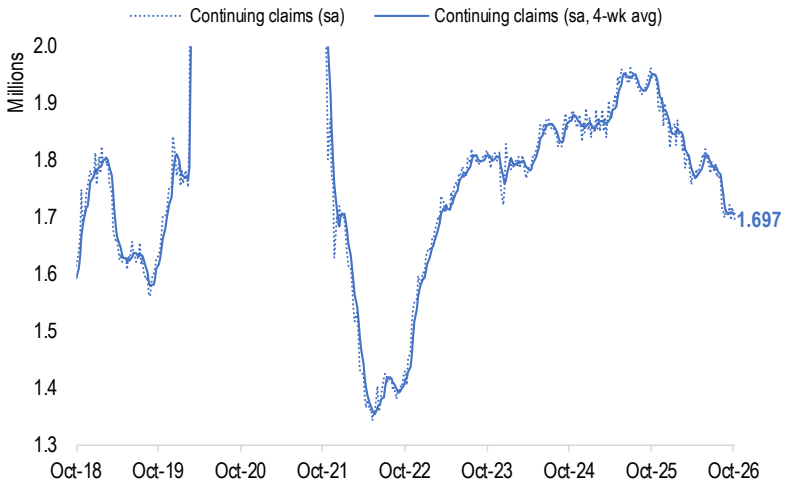
Sources: Energy Information Administration, Arch Global Economics

SPR = Strategic Petroleum Reserve

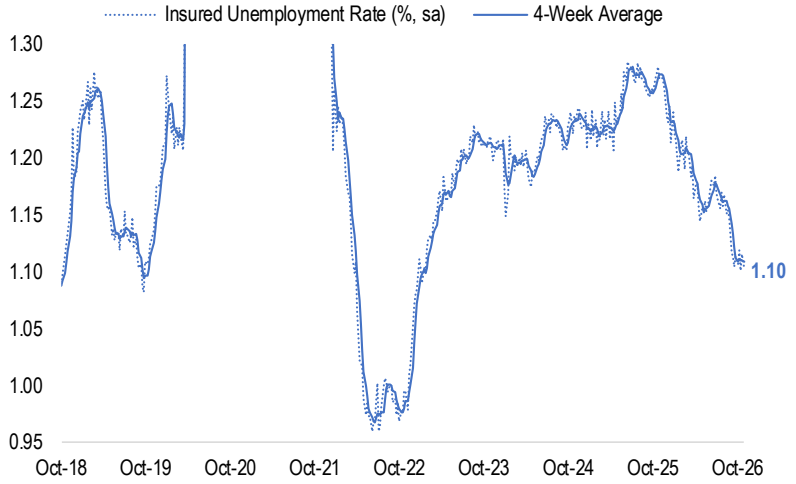
Initial Claims up to 200k (SA) in Week Ending Nov. 7, Just Above Recent Multi-Year Low



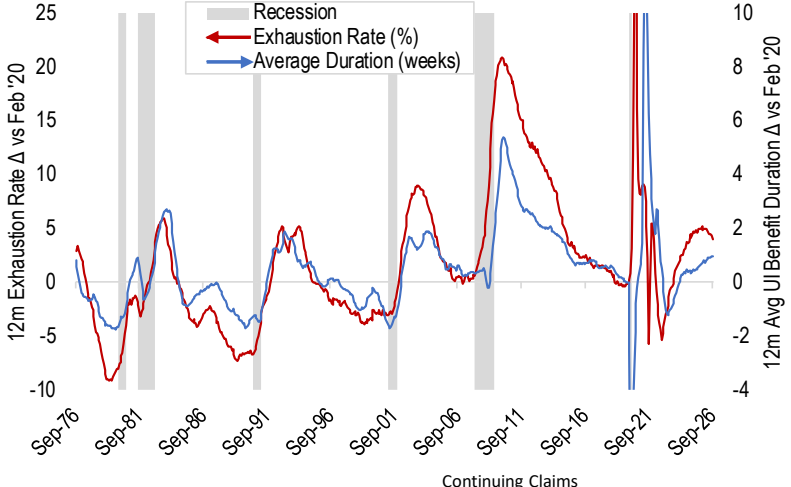
Continuing Claims Inched Down to 1,697k (SA) in Week Ending Oct. 31, Second Lowest since Early 2023



Insured Unemployment Also Ticked Down to 1.10% in Week Ending Oct. 31, near Multi-Year Low



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

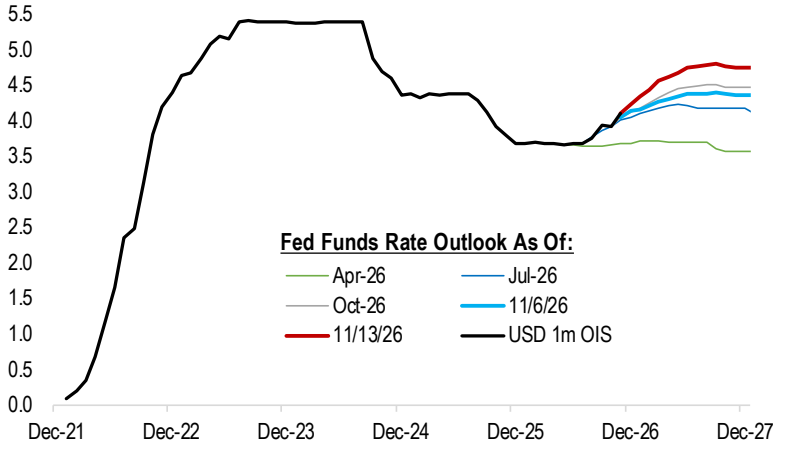


Insured Unemployment = $\frac{\text{Continuing Claims}}{\text{Employed Population Eligible for Unemployment Insurance}}$

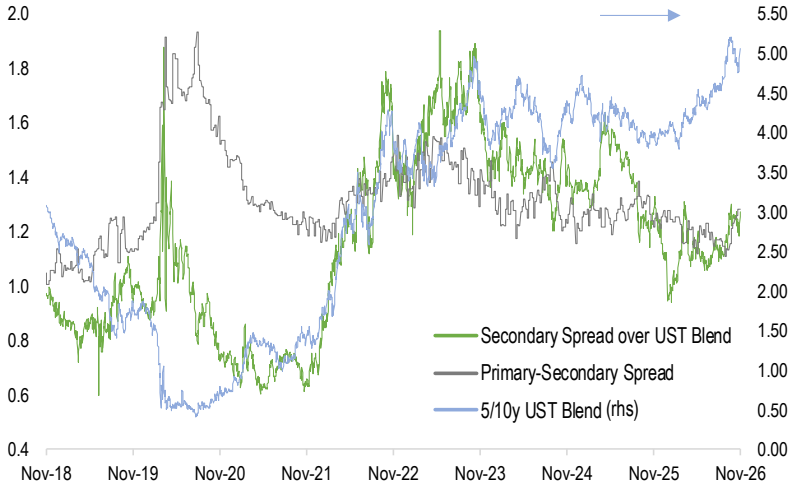
Sources: U.S. Department of Labor, Arch Global Economics

SA = Seasonally Adjusted

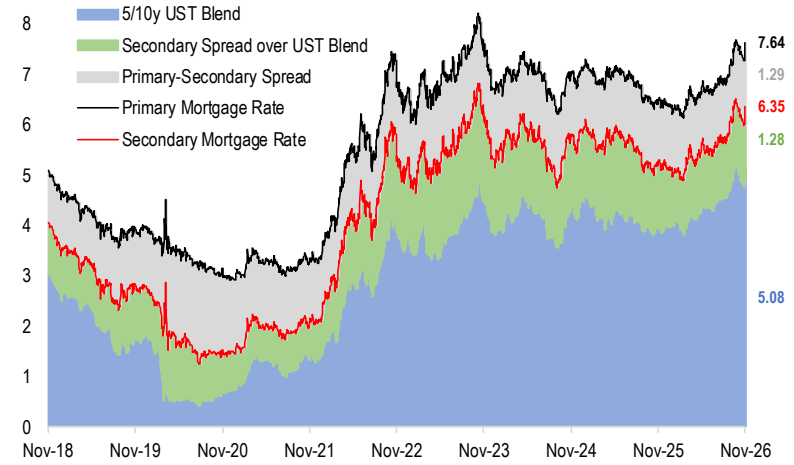
After Firm Inflation Data, Market Now Sees 25bps Dec. Rate Hike as a Sure Bet Followed by Two More in '27



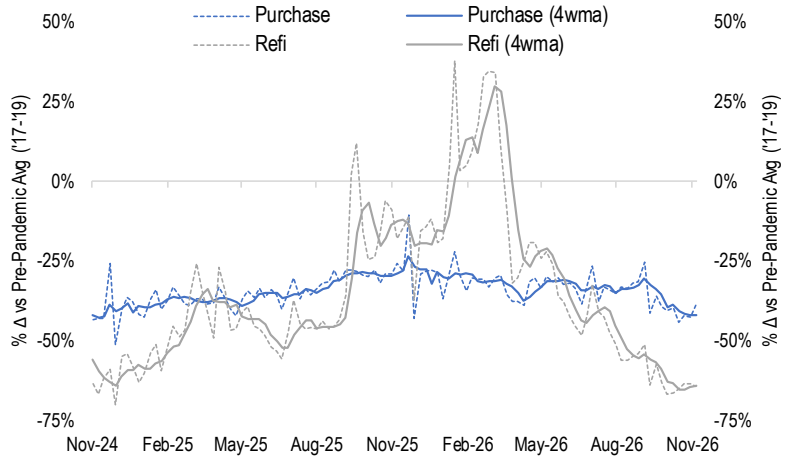
Blended 5/10y UST Yields Jumped 29bps on the Week as Mortgage Spreads Widened 7bps…



… Five Weeks of Progressively Lower Rates Vanished as Mortgage Rates Surged 36bps Last Week



Mortgage Purchase Applications Inched Higher during Week Ending Nov. 6, prior to Rate Spike



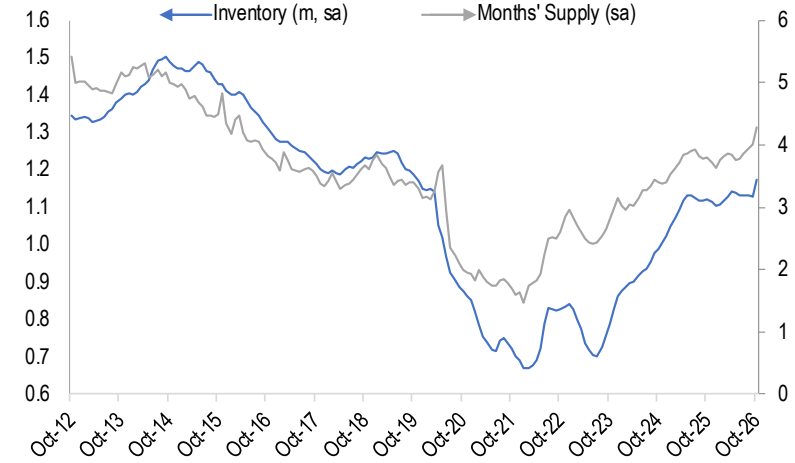
Sources: Bloomberg, FRB, Mortgage Bankers Association, Arch Global Economics

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

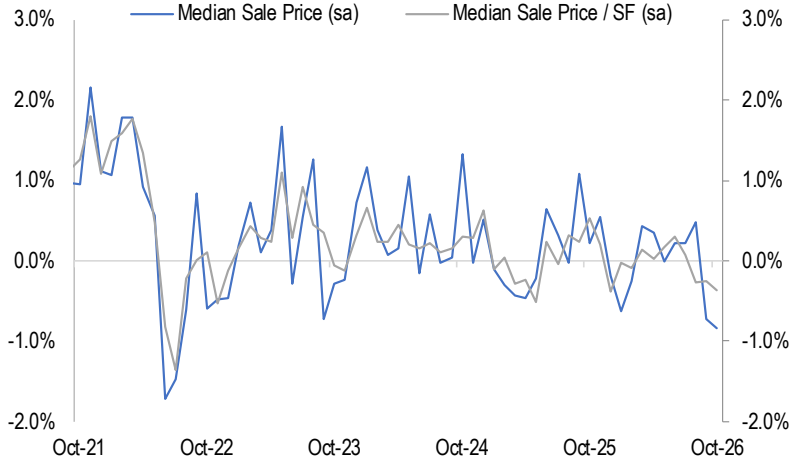
Pending Sales Have Cooled Rapidly Since Mortgage Rates Spiked, While New Listings Have Modestly Cooled



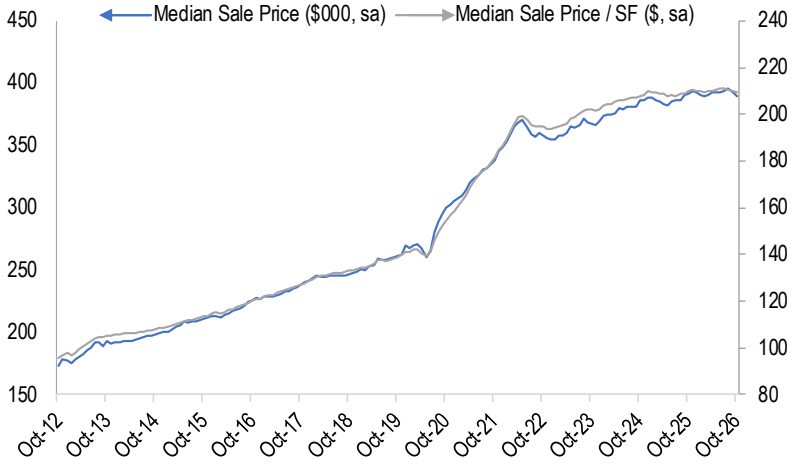
… Which Has Started to Lift Months' Supply Again after More Than a Year of Relative Stability



Pace of Seasonally Adjusted Home-Price Growth Turned More Negative in October



National Median Home Sale Price Moving Lower in Oct. from Recent High as Momentum Wanes

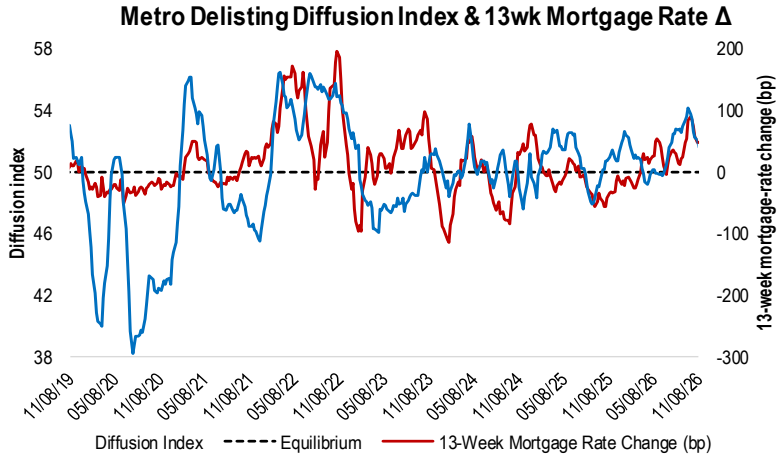


Sources: Redfin, Arch Global Economics

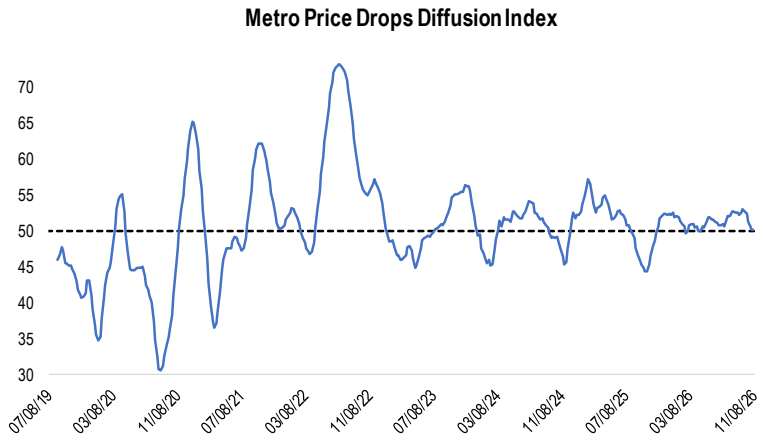
SA = Seasonally Adjusted
SF = Square Foot

Monthly data as of Nov. 3, 2026

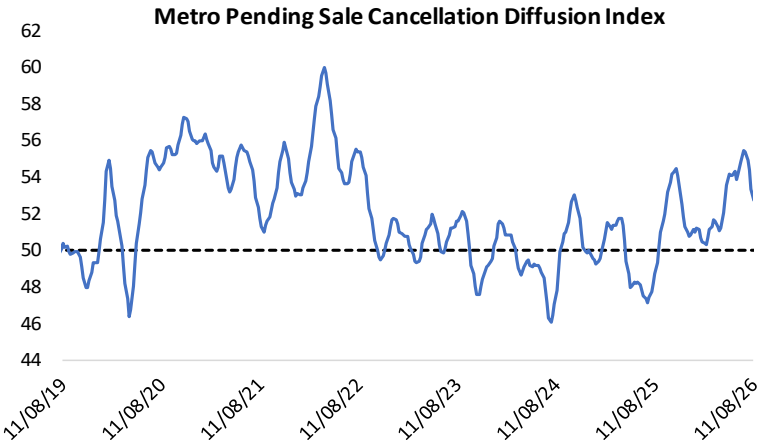
Seller Withdrawal Retreats as Delisting Breadth Falls Further



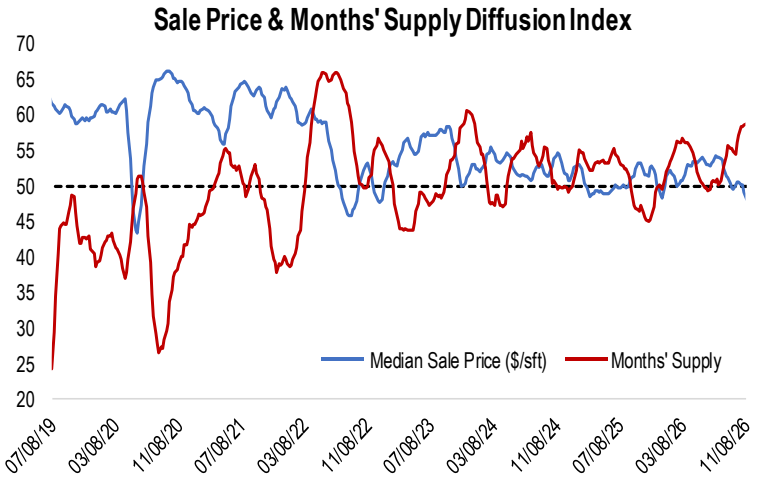
Metro Price-Cut Breadth Trend Remains Subdued despite Ticking Up in Latest Week Led by the Northeast



Pending Sale Cancellation Breadth Falls Further but Remains Elevated



Rising Months' Supply Beginning to Generate a Price Response, Albeit a Modest One at That



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 Nov. 8, 2026

National Median Sale Price/SF Growth Turned Negative Y/Y as Most Metro Area Housing Markets Have Softened

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	**-0.6%**	**-2.1%**	**0.6%**	**0.2%**	**21.4%**	**0.5%**	**98.3%**	**0.0%**	**-2.0**	**-3.3**	**3%**	**31%**	**14%**
Atlanta	-1.0%	-0.8%	-0.7%	-0.4%	21.9%	**-0.8%**	*97.6%*	0.1%	*27*	*29*	0%	64%	57%
Austin	**-4.1%**	-0.8%	*0.9%*	**5.6%**	**27.8%**	1.5%	*97.2%*	*0.3%*	**55**	**57**	*-2%*	**144%**	**140%**
Baltimore	-1.6%	-0.8%	**-3.0%**	*-1.1%*	23.3%	*2.1%*	**99.8%**	*-0.3%*	*0*	*-6*	*9%*	*19%*	**-10%**
Boston	-1.0%	-1.1%	0.1%	*-1.0%*	23.1%	**2.9%**	**100.0%**	*-0.2%*	*0*	*-4*	**19%**	*30%*	**-6%**
Chicago	**3.9%**	-0.9%	**3.3%**	*-0.9%*	**14.6%**	*0.5%*	**99.5%**	*0.2%*	**-23**	**-22**	*-2%*	**-31%**	**-32%**
Dallas	*-2.0%*	**0.6%**	-0.5%	*1.1%*	**26.9%**	*0.1%*	**97.0%**	-0.1%	20	17	**-5%**	70%	51%
Denver	-1.6%	**0.6%**	**-4.9%**	**-1.8%**	**28.4%**	*0.0%*	98.3%	0.0%	17	19	2%	**150%**	**96%**
Houston	*-2.5%*	-0.6%	**-2.9%**	0.0%	*25.1%*	1.0%	**96.9%**	**1.0%**	*22*	16	3%	62%	38%
Los Angeles	-0.8%	*0.0%*	-1.3%	-0.5%	**16.8%**	*1.9%*	*99.2%*	-0.1%	6	7	2%	61%	34%
Miami	**1.5%**	*-0.4%*	**3.7%**	-0.4%	**15.2%**	0.8%	**95.6%**	**0.6%**	14	*26*	**-11%**	*25%*	24%
Minneapolis	-1.4%	**-3.5%**	-1.0%	*-1.6%*	*26.1%*	**3.0%**	*99.1%*	*-0.3%*	6	2	*8%*	45%	20%
Nashville	*-2.9%*	**-3.4%**	*1.5%*	0.9%	20.4%	1.0%	*97.7%*	0.0%	10	13	4%	64%	45%
New York	**3.6%**	**-3.8%**	*1.4%*	*-1.4%*	**15.7%**	*2.0%*	**99.5%**	-0.1%	**-38**	**-39**	2%	**-25%**	**-29%**
Phoenix	*-2.0%*	-1.4%	0.8%	1.0%	*24.8%*	*2.0%*	97.8%	0.0%	*24*	*28*	2%	**146%**	**103%**
Portland	-0.7%	*0.0%*	-0.9%	0.7%	*26.3%*	1.1%	*99.1%*	0.0%	8	10	1%	77%	45%
Riverside	-1.4%	-0.7%	-1.4%	-0.6%	*18.3%*	1.7%	98.7%	0.0%	2	6	*-3%*	45%	29%
San Diego	*0.0%*	**0.8%**	-0.1%	1.1%	20.9%	0.9%	98.7%	0.1%	5	9	*-1%*	43%	17%
Seattle	**-7.5%**	**-3.9%**	**-5.5%**	**-3.0%**	*25.1%*	*2.3%*	98.3%	**-0.9%**	10	3	**22%**	**120%**	38%
Tampa	-1.4%	**-3.8%**	*1.7%*	**3.6%**	23.7%	**-2.0%**	**96.8%**	0.1%	**43**	*24*	6%	**119%**	*79%*
Washington DC	*-0.3%*	**1.0%**	*1.3%*	*1.8%*	21.5%	**3.3%**	*99.1%*	*-0.2%*	14	9	*9%*	80%	34%

Data as of Nov. 8, 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
11/9/26	10:00 AM	Wholesale Trade Sales m/m	Sep	2.8	1.1	2.0	1.8	%, sa
11/9/26	10:00 AM	Wholesale Inventories m/m	Sep F	0.7	0.6	--	0.6	%, sa
11/9/26	11:00 AM	NY Fed 1-Yr Inflation Expectations	Oct	3.9	3.8	--	3.9	%
11/10/26	6:00 AM	NFIB Small Business Optimism	Oct	97.8	98.2	--	97.9	index, sa
11/10/26	8:30 AM	CPI m/m	Oct	0.4	0.3	--	0.6	%, sa
11/10/26	8:30 AM	CPI Core (ex Food and Energy) m/m	Oct	0.3	0.2	--	0.3	%, sa
11/11/26	7:00 AM	MBA Mortgage Applications w/w	Nov 6	6.2	--	--	-1.2	%, sa
11/12/26	8:30 AM	Initial Jobless Claims	Nov 7	200	194	191	189	k, sa
11/12/26	8:30 AM	Continuing Claims	Oct 31	1,697	1,710	1,717	1,718	k, sa
11/12/26	10:00 AM	Existing Home Sales	Oct	3.8	3.9	4.0	4.0	m, saar
11/12/26	10:00 AM	Existing Home Sales m/m	Oct	-5.5	-3.5	1.0	1.5	%, sa
11/13/26	8:30 AM	PPI Final Demand m/m	Oct	0.3	0.4	1.4	1.3	%, sa
11/13/26	8:30 AM	PPI Core (ex Food and Energy) m/m	Oct	0.3	0.3	0.8	0.7	%, sa
11/13/26	8:30 AM	PPI Final Demand y/y	Oct	6.5	6.6	--	6.3	%, nsa
11/13/26	8:30 AM	PPI Core (ex Food and Energy) y/y	Oct	5.0	5.0	--	5.0	%, nsa

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
11/16/26	8:30 AM	Empire Manufacturing	Nov	7.8	18.0	--	25.5	index, sa
11/17/26	8:30 AM	Advance Retail Sales m/m	Oct	--	0.1	--	0.8	%, sa
11/17/26	8:30 AM	Retail Sales Control Group m/m	Oct	--	0.3	--	0.1	%, sa
11/17/26	8:30 AM	Import Price Index m/m	Oct	--	0.7	--	1.1	%, nsa
11/17/26	9:15 AM	Industrial Production m/m	Oct	--	0.1	--	0.7	%, sa
11/17/26	9:15 AM	Capacity Utilization	Oct	--	76.8	--	76.9	sa
11/17/26	10:00 AM	Business Inventories m/m	Sep	--	0.5	--	0.4	%, sa
11/17/26	10:00 AM	NAHB Housing Market Index	Nov	--	29	--	29	index, sa
11/18/26	7:00 AM	MBA Mortgage Applications w/w	Nov 13	--	--	--	6.2	%, sa
11/18/26	8:30 AM	Housing Starts	Oct	--	1,250	--	1,221	k, saar
11/18/26	8:30 AM	Housing Starts m/m	Oct	--	2.4	--	-5.2	%, sa
11/18/26	8:30 AM	Building Permits	Oct P	--	1,375	--	1,398	k, saar
11/18/26	8:30 AM	Building Permits m/m	Oct P	--	-1.7	--	-0.4	%, sa
11/18/26	10:00 AM	Pending Home Sales m/m	Oct	--	-2.0	--	-7.3	%, sa
11/18/26	10:00 AM	Pending Home Sales y/y	Oct	--	-13.7	--	-12.6	%, nsa
11/18/26	2:00 PM	FOMC Meeting Minutes	Oct 28	--	--	--	--	
11/19/26	8:30 AM	Philadelphia Fed Business Outlook	Nov	--	21.0	--	20.9	index, sa
11/19/26	8:30 AM	Initial Jobless Claims	Nov 14	--	198	--	200	k, sa
11/19/26	8:30 AM	Continuing Claims	Nov 7	--	1,700	--	1,697	k, sa
11/19/26	10:00 AM	Conference Board Leading Index m/m	Oct	--	0.0	--	0.0	%, sa
11/19/26	11:00 AM	Kansas City Fed Manf. Activity	Nov	--	11.0	--	11.0	sa, index
11/20/26	10:00 AM	U. of Mich. Sentiment	Nov F	--	51.5	--	51.0	index, nsa
11/20/26	10:00 AM	U. of Mich. 1 Yr Inflation	Nov F	--	4.2	--	4.3	nsa
11/20/26	10:00 AM	U. of Mich. 5-10 Yr Inflation	Nov F	--	3.4	--	3.4	nsa

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

Sources: Bloomberg Consensus Survey of Economists, Arch Global Economics