HaMMR Digest

Stay current with economic and mortgage market trends.

August 24, 2026

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Clash of the Titans

- **Key Takeaway:** Limited data kept focus on the sustained rise in long-dated Treasury yields and a greater interventionist approach on the part of the Treasury.
- **Macro Implications:** Treasury action clashes with Warsh's 'let markets speak' philosophy, raising predictability concerns and keeping term premium elevated.
- **Housing Implications:** With mortgage rates higher-for-longer, the key to housing market balance will be who pulls back from the market faster: Buyers or sellers.

Macro: Getting Interesting

- Iran war stalemate is stretching refinery capacity, pushing gas prices above $4/gal.
- U.S.-Canada trade negotiations collapse with new bilateral tariffs imposed.
- Early-release Aug. business surveys show private sector activity kept expanding.

Rates: Who's in Charge?

- 10y UST up ~5bps w/w to 4.73% driven by spike in breakeven inflation rates.
- Treasury's attempt to keep long-end yields tame will likely prove untenable.
- Rate hike odds modestly higher, with one 25bps hike now fully priced in by YE '26.

Housing Market: Controlled Cooldown

- Stability in rates markets unlikely until policymakers provide greater clarity.
- Pending home sales pace continued to slow as rates bite into demand.
- However, home sellers are taking note and pulling back from listing their homes.

Home Construction: Stuck in the Basement

- Single-family housing starts fell in July to lowest annualized pace since 2022.
- Permitting activity has been slightly more positive, but up just 1.1% y/y.
- Completions sank in July with builders cognizant of weak demand.

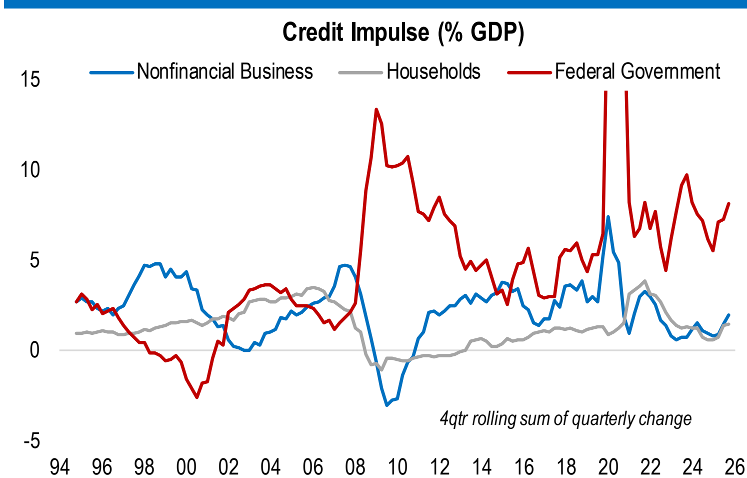
Industrial Production: Pocket of Strength

- Industrial production supported by steady gains in mining/energy output.
- Strength is broadening as tech and defense spills across other sectors.
- Surveys show momentum is not slowing down despite rates, energy costs.

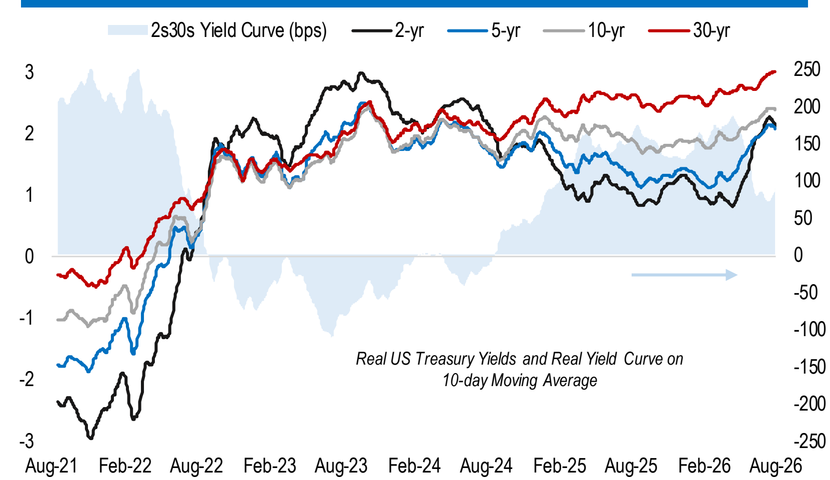
Banking and Credit: Business Funding Tap Is Opening

- Banks have eased credit standards on business loans, particularly for CRE.
- Credit standards have started to ease modestly for households.
- Revolving debt is the only consumer segment seeing stronger demand.

Credit Impulse Gaining Momentum: Federal Borrowing Leading the Way, a Possible Driver of Rising UST Yields

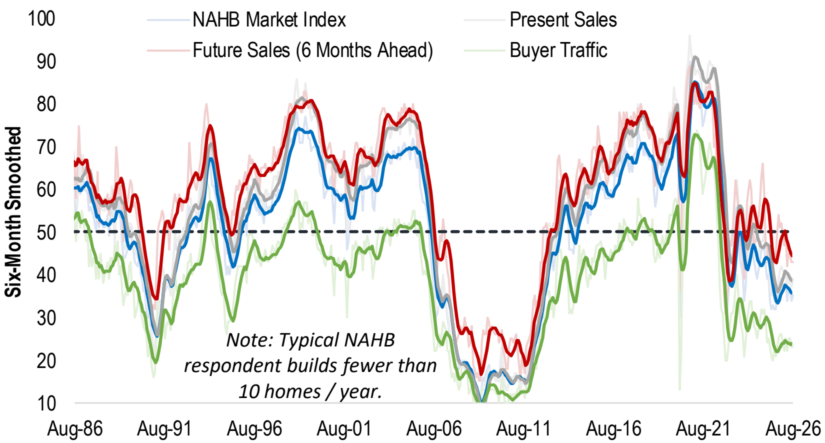


Real Yields Easing at the Front-End While Long-End Real Yields Keep Rising, Steepening the Curve

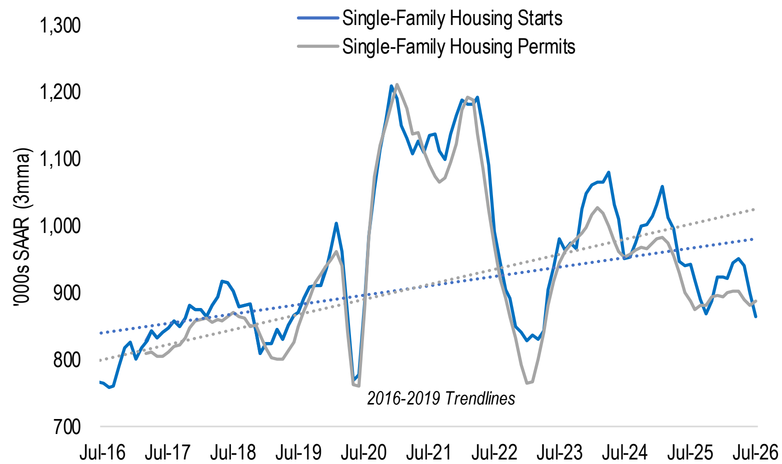


Sources: Federal Reserve Board (FRB), Bureau of Economic Analysis (BEA), Bloomberg, Arch Global Economics

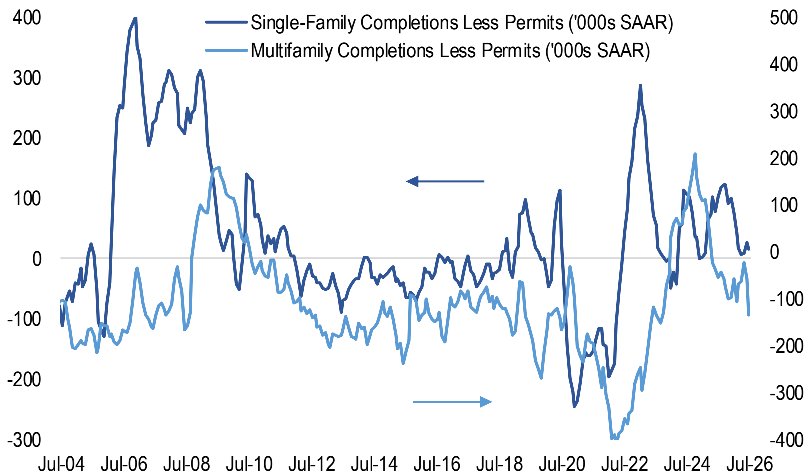
Builder Optimism Edged Slightly Higher in August, but the Trend Remains Historically Depressed



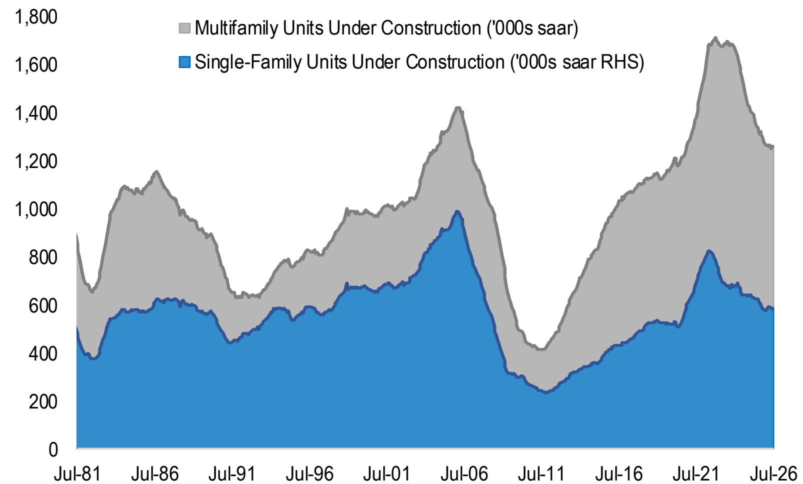
Single-Family Starts Reflect More of a Deep Freeze Compared to Permits



Single-Family Completions Also Softening with Most Construction Pivoting toward Multifamily



Under Construction Units Have Bottomed with Builders Not Rushing to Add Completed Units to Market

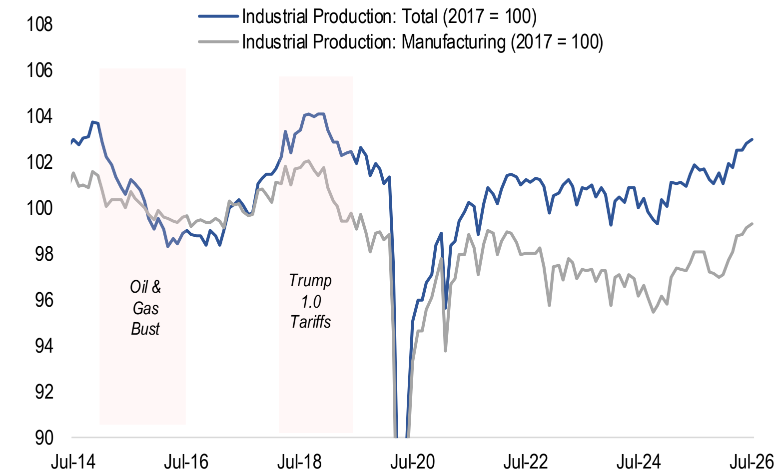


Sources: U.S. Census Bureau, National Association of Home Builders (NAHB), Arch Global Economics

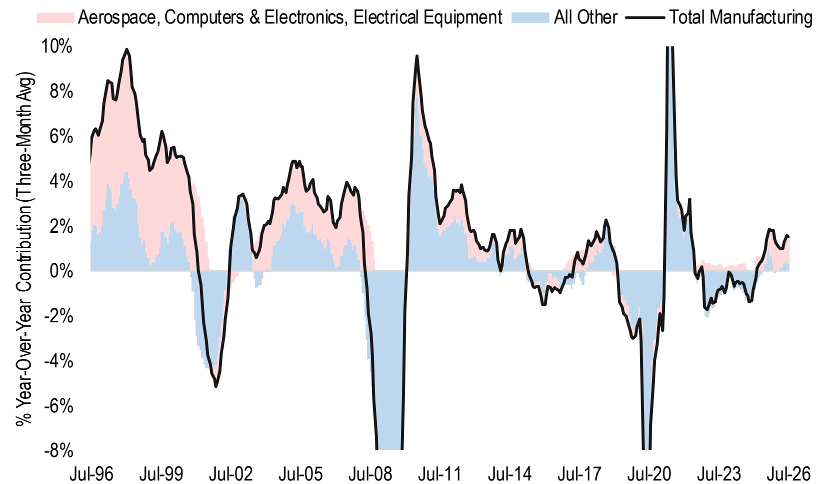
Last Week's Data in Charts

Industrial Production

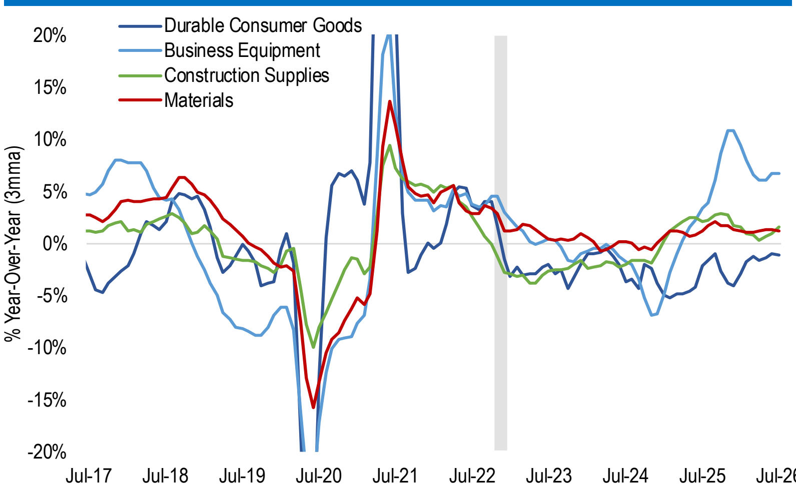
Industrial Production Expanded in July on Top of Upward Revisions to Prior Month



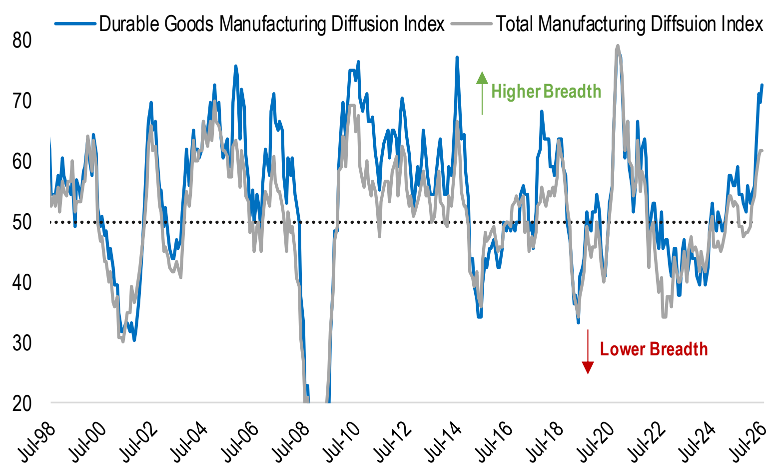
Surge in Tech, Aerospace, Defense and Energy Production Providing Support to Other Sectors



Durable Goods Production Still Strong, Carried by Robust Business Equipment Output



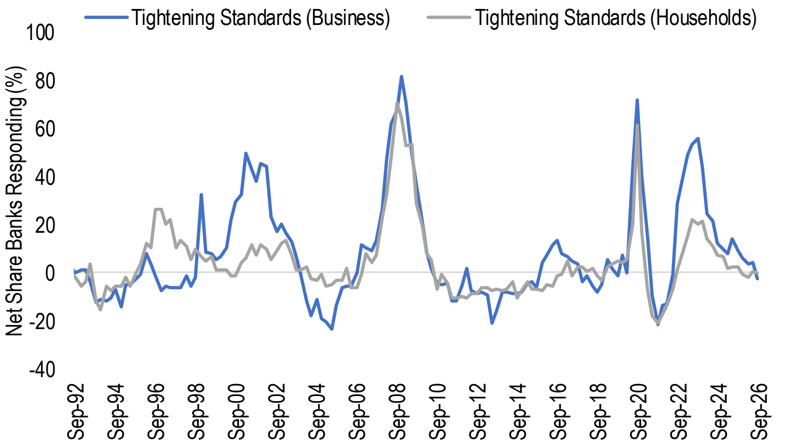
Durable Goods Breadth Rose to a Multi-Year High with Strong Gains in Metals and Electrical Equipment



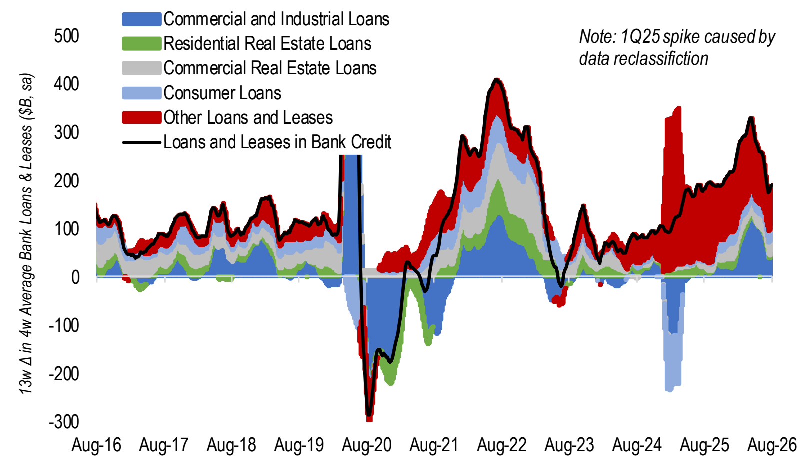
Durable goods are products that can be inventoried and have an average life of at least 3 years

Sources: Federal Reserve Board (FRB), Arch Global Economics

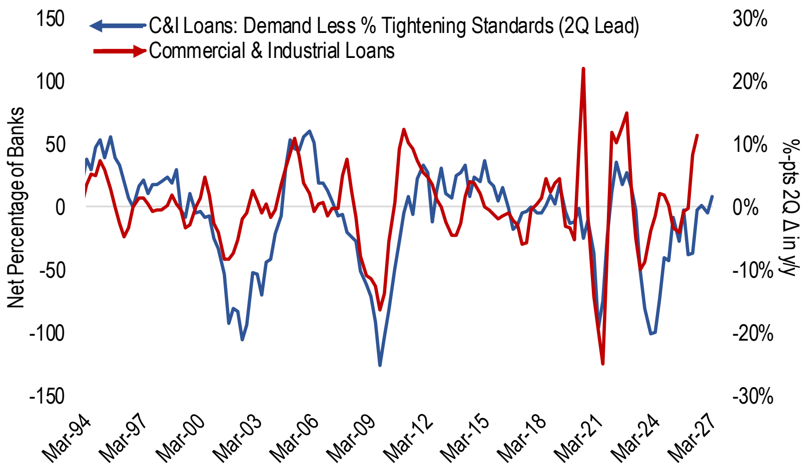
Banks Starting to Ease Credit Standards for Businesses and Households



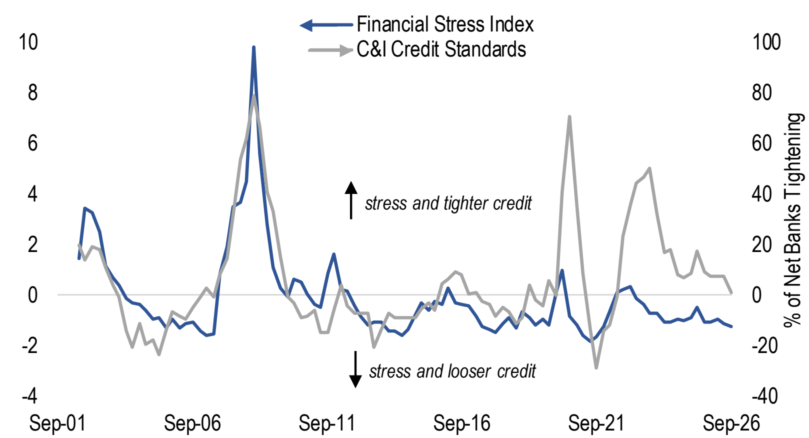
Bank Credit Impulse Has Been Strong despite Recent Moderation, Remaining Supportive of Growth



Banks No Longer Tightening Standards on Business Loans, and Demand Has Responded

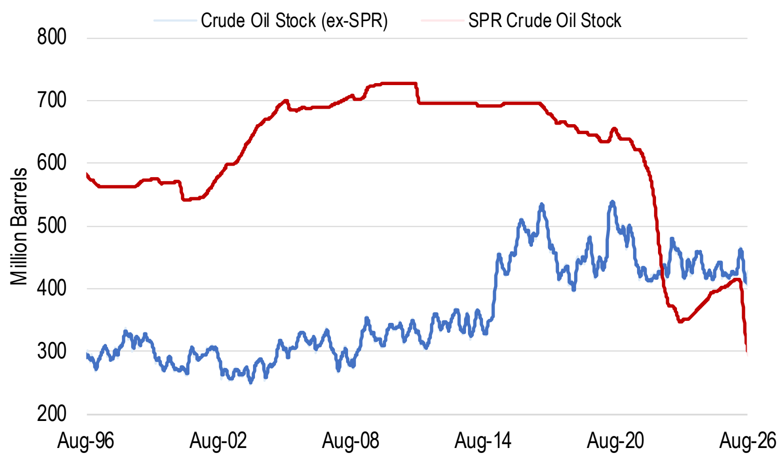


Bank Credit Tap Opening at the Margin, Coming More into Alignment with Low Levels of Financial Stress

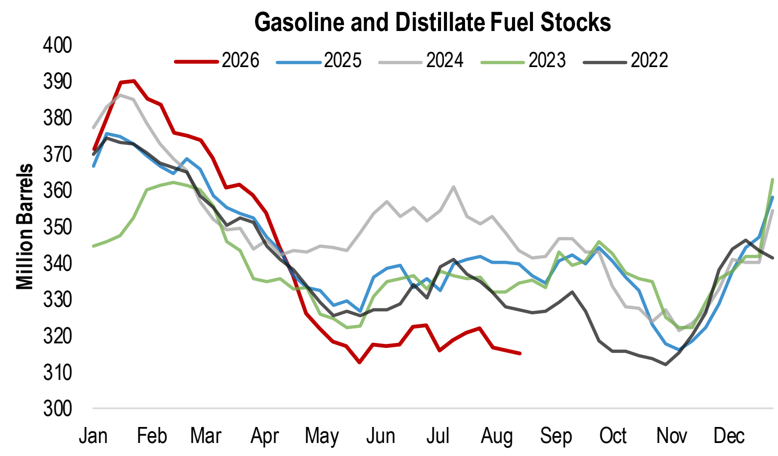


Sources: Federal Reserve Board, U.S. Treasury Department, Arch Global Economics

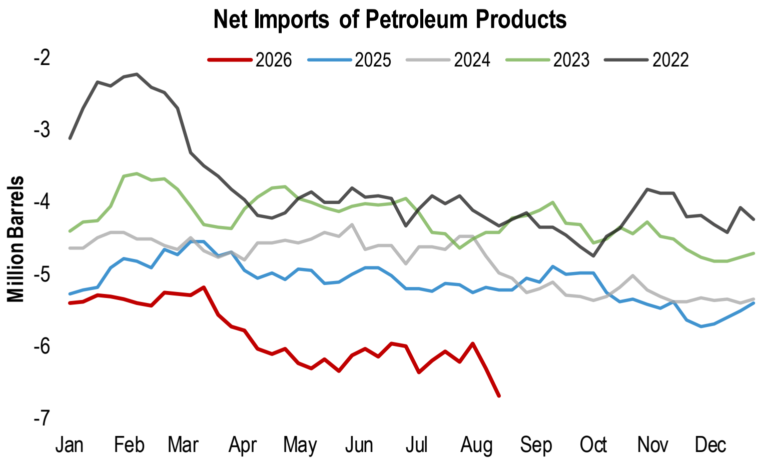
Energy Inventories Fell in the Week Ending Aug. 14 amid a ~5.3m Barrel SPR Release



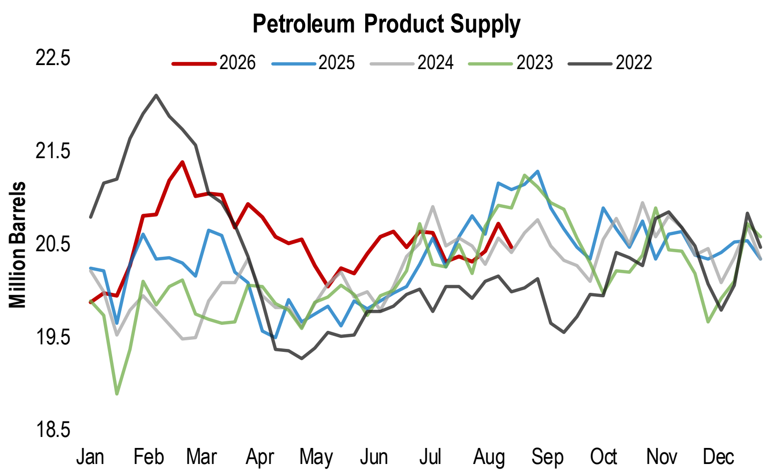
Gasoline and Distillate Fuel Stocks Remain at Seasonally Depressed Levels, down ~20% from Recent Peaks



Net Imports of Petroleum Products Declined as Exports Slowed Faster than Imports



Petroleum Product Supply, a Proxy for End Demand, Cooled for Second Straight Week



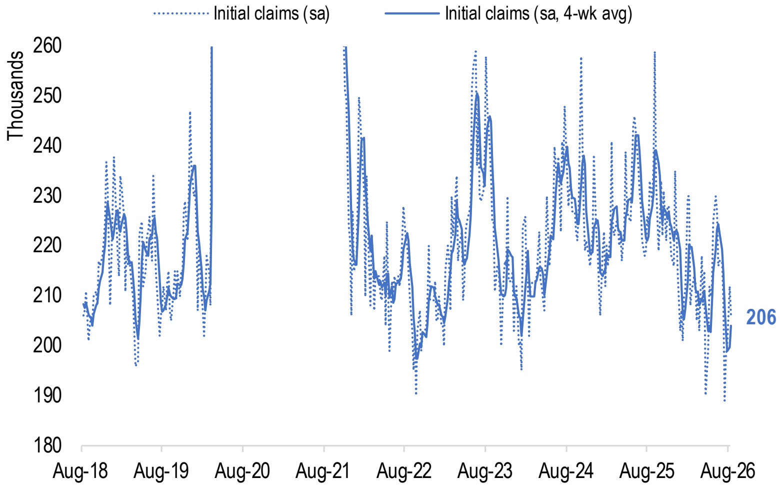
Sources: Energy Information Administration, Arch Global Economics

SPR = Strategic Petroleum Reserve

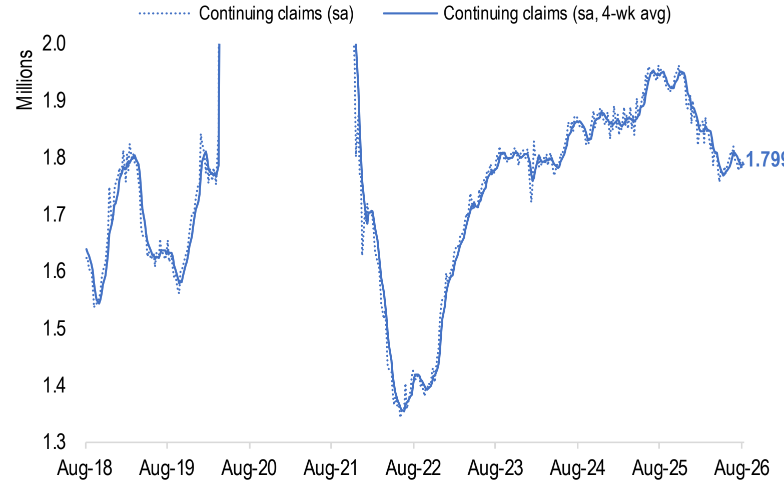
Last Week's Data in Charts

Jobless Claims

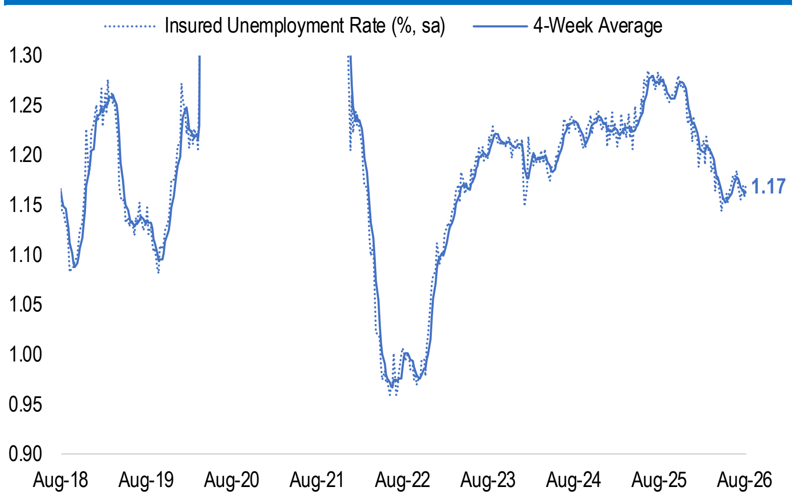
Initial Claims Moved Down to 206k (SA) in Week Ending Aug. 15, Four Weeks after Lowest Since 1969



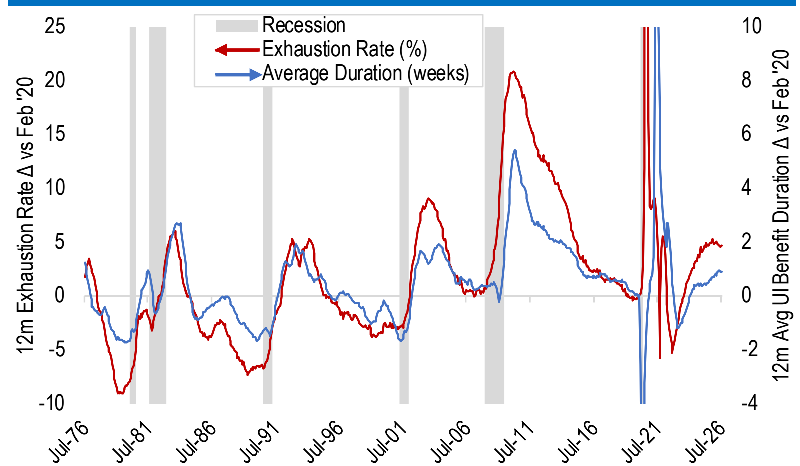
Continuing Claims Ticked Up to 1,799k (SA) in Week Ending Aug. 8, Leveling Off Recent Trend



Insured Unemployment Rate Inched Up to 1.17% in Week Ending Aug. 8, Just Above Multi-Year Low



Share of Unemployed Workers Exhausting Benefits Continued to Ease through July

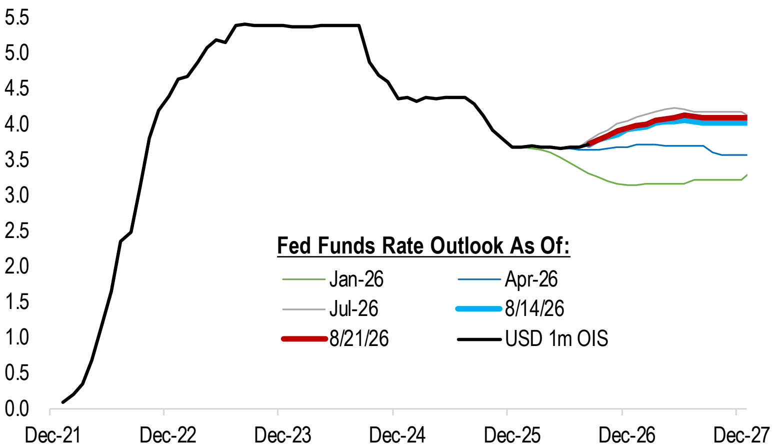


$$\text{Insured Unemployment} = \frac{\text{Continuing Claims}}{\text{Employed Population Eligible for Unemployment Insurance}}$$

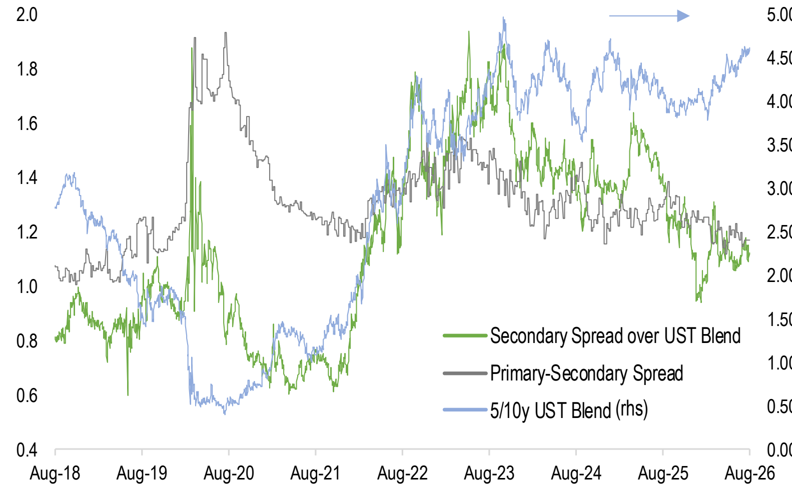
Sources: U.S. Department of Labor, Arch Global Economics

SA = Seasonally Adjusted

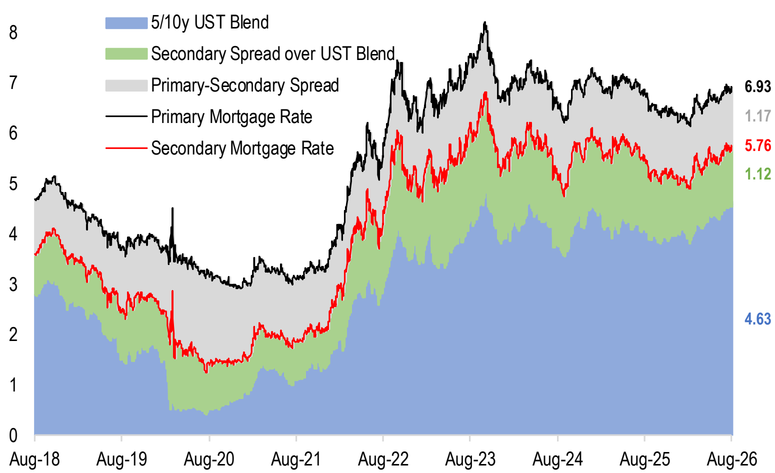
Market Rate Hike Odds Inched Higher on the Week, with One 25bps Rate Hike Now Fully Priced in for '26



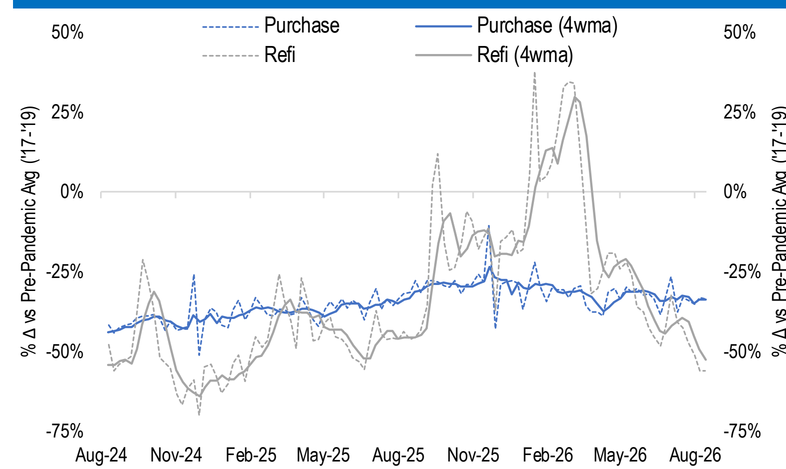
Mortgage Spreads Widened 3bps on the Week as 5/10y U.S. Treasury Yields Also Rose 5bps …



… Lifting Mortgage Rates Back toward 7% after Two Weeks of Declines



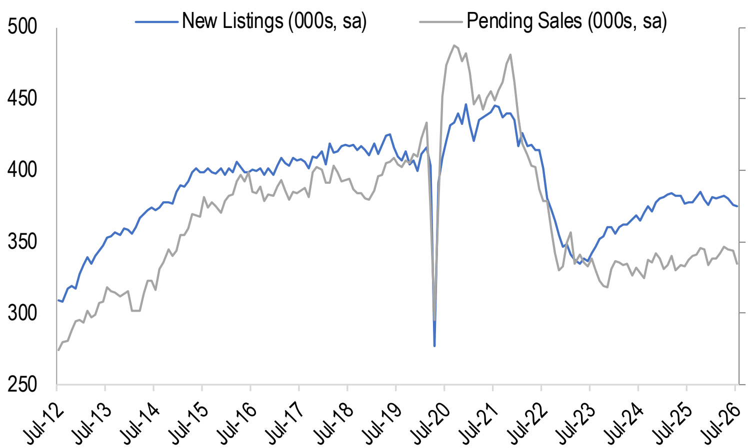
Mortgage Purchase Apps Roughly Unchanged, but Refi Apps Cooled to Slowest Pace Since Jan. '25



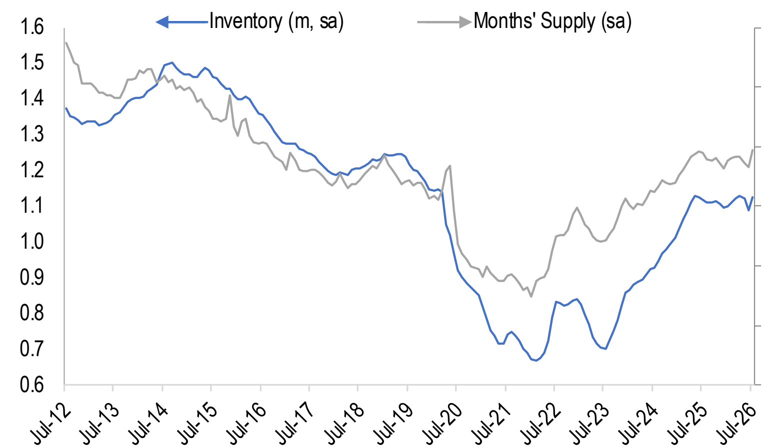
Secondary Spread: Current Coupon Option-Adjusted Spread over 5/10y UST Blend
Primary-Secondary Spread: Primary Mortgage Rate - Secondary Mortgage Rate

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

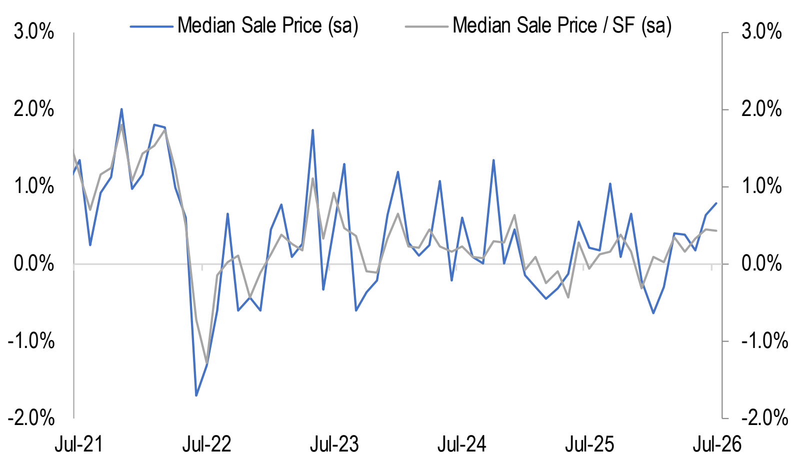
Pending Sales Have Cooled Since Mortgage Rates Spiked, But New Listings Have Also Slowed …



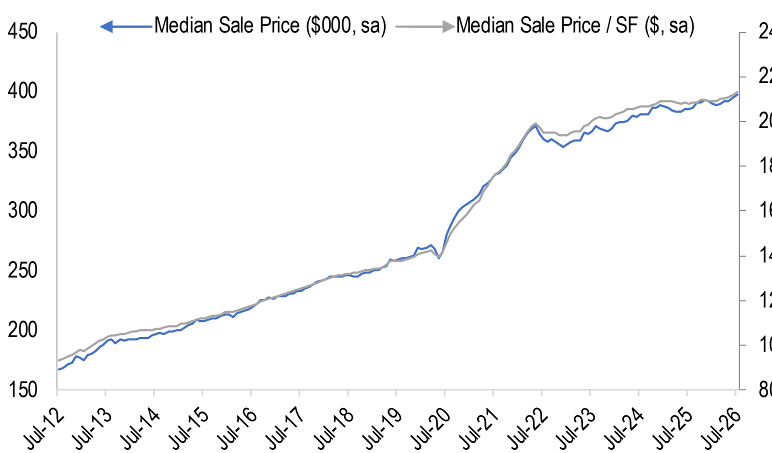
… Which Has Kept Inventory and Months' Supply in Check



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 Aug. 12, 2026

Location Matters: Some Markets Remain Tight with Solid HPA, While Others Have Softened and Lost Value

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	**1.6%**	**0.9%**	**0.3%**	**0.0%**	**20.9%**	**0.0%**	**98.9%**	**0.2%**	**-4.5**	**-4.5**	**0%**	**14%**	**15%**
Atlanta	-0.1%	*1.4%*	-0.5%	**-2.0%**	22.9%	*-1.1%*	*98.1%*	*0.1%*	*24.5*	*24.0*	3%	45%	54%
Austin	**-3.9%**	-0.1%	**-1.8%**	**3.6%**	**27.4%**	**-1.6%**	**97.4%**	0.3%	**43.5**	**46.0**	-3%	**135%**	**161%**
Baltimore	-0.4%	**-1.9%**	*-1.1%*	*-0.5%*	21.2%	*0.6%*	**100.4%**	*0.1%*	*-1.3*	*-5.3*	**10%**	*-1%*	**-11%**
Boston	0.0%	*-0.2%*	*1.1%*	0.7%	*17.8%*	*0.8%*	**101.3%**	**0.0%**	4.3	3.3	**14%**	*4%*	**-4%**
Chicago	**4.5%**	0.7%	**4.6%**	-0.3%	**11.8%**	*-1.2%*	**100.7%**	**0.6%**	**-11.3**	**-10.8**	-1%	**-32%**	**-33%**
Dallas	**-2.3%**	1.1%	-0.1%	**2.2%**	**28.0%**	-0.2%	*97.6%*	*0.1%*	15.5	15.3	*-6%*	55%	59%
Denver	**-2.4%**	**-1.6%**	**-2.0%**	-0.3%	**29.6%**	**-1.5%**	98.9%	0.2%	12.8	16.3	*-4%*	**101%**	**100%**
Houston	*-1.8%*	*1.4%*	**-1.8%**	-0.2%	*25.9%*	-0.4%	**97.3%**	**0.4%**	*20.0*	15.5	-2%	44%	46%
Los Angeles	*-1.4%*	-0.1%	-0.5%	0.4%	**16.0%**	-0.6%	*99.9%*	*0.4%*	1.3	5.3	-3%	30%	41%
Miami	**2.8%**	**2.2%**	**3.3%**	**4.7%**	**13.4%**	*-0.9%*	**95.5%**	*0.3%*	*22.5*	*23.5*	**-17%**	*14%*	41%
Minneapolis	**2.2%**	**2.1%**	0.9%	*-0.6%*	23.5%	**1.9%**	*100.1%*	**-0.1%**	3.3	3.5	**9%**	20%	*20%*
Nashville	0.3%	0.3%	*1.4%*	-0.4%	20.6%	0.2%	*98.1%*	0.2%	11.5	6.3	*6%*	55%	42%
New York	**7.1%**	**3.9%**	**2.5%**	**-2.3%**	**13.7%**	*0.8%*	**101.0%**	0.3%	**-42.5**	**-40.0**	-2%	**-32%**	**-29%**
Phoenix	*-0.7%*	0.6%	0.7%	*1.8%*	21.9%	0.3%	*97.9%*	*0.0%*	*23.3*	**25.8**	*-5%*	**101%**	**114%**
Portland	-0.4%	*1.3%*	-0.6%	0.2%	**27.6%**	*0.9%*	99.6%	0.3%	5.0	7.5	-3%	42%	51%
Riverside	*-1.1%*	-0.2%	-0.1%	0.7%	*18.1%*	-0.2%	99.1%	*0.4%*	*-2.3*	4.8	**-10%**	21%	38%
San Diego	-0.2%	0.8%	*-1.3%*	-0.4%	20.9%	**-1.6%**	99.4%	**0.6%**	3.0	9.5	*-6%*	*18%*	36%
Seattle	**-4.1%**	*-0.6%*	**-2.3%**	0.9%	*25.1%*	**2.4%**	99.1%	**-0.1%**	5.3	3.5	**16%**	**92%**	42%
Tampa	*1.7%*	0.0%	-0.6%	0.0%	*25.2%*	**-1.9%**	**97.2%**	0.3%	*19.5*	15.5	*-5%*	**96%**	*89%*
Washington DC	*-0.9%*	**-1.6%**	-0.1%	-0.2%	*18.4%*	0.3%	*99.7%*	0.2%	14.5	11.3	**8%**	47%	32%

Data as of Aug. 16, 2026, and reflect 4-week averages.

Sources: Redfin, 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
8/24/26	8:30 AM	Chicago Fed Nat Activity Index	Jul	-0.08	-0.09	--	-0.02	index, nsa
8/25/26	9:00 AM	FHFA House Price Index m/m	Jun	--	0.2	--	0.3	%, sa
8/25/26	9:00 AM	S&P CoreLogic CS 20-City m/m SA	Jun	--	0.1	--	0.1	%, sa
8/25/26	9:00 AM	S&P CoreLogic CS 20-City y/y NSA	Jun	--	1.8	--	1.6	%, nsa
8/25/26	10:00 AM	New Home Sales	Jul	--	620	--	628	k, saar
8/25/26	10:00 AM	New Home Sales m/m	Jul	--	-1.4	--	1.6	%, sa
8/25/26	10:00 AM	Conf. Board Consumer Confidence	Aug	--	90.2	--	90.8	index, sa
8/26/26	7:00 AM	MBA Mortgage Applications w/w	Aug 21	--	--	--	-0.4	%, sa
8/26/26	8:30 AM	Personal Income m/m	Jul	--	0.2	--	0.2	%, sa
8/26/26	8:30 AM	Personal Spending m/m	Jul	--	0.1	--	0.3	%, sa
8/26/26	8:30 AM	Real Personal Spending m/m	Jul	--	0.0	--	0.4	%, sa
8/26/26	8:30 AM	PCE Inflation m/m	Jul	--	0.1	--	-0.1	%, sa
8/26/26	8:30 AM	PCE Inflation y/y	Jul	--	3.6	--	3.7	%, nsa
8/26/26	8:30 AM	PCE Core Inflation (ex Food and Energy) m/m	Jul	--	0.2	--	0.1	%, sa
8/26/26	8:30 AM	PCE Core Inflation (ex Food and Energy) y/y	Jul	--	3.3	--	3.3	%, nsa
8/26/26	8:30 AM	Durable Goods Orders m/m	Jul P	--	0.5	--	0.5	%, sa
8/26/26	8:30 AM	Cap Goods Ship Nondef Ex Air m/m	Jul P	--	1.0	--	2.0	%, sa
8/26/26	8:30 AM	Personal Consumption q/q	2Q S	--	3.2	--	3.2	%, saar
8/26/26	8:30 AM	Cap Goods Orders Nondef Ex Air m/m	Jul P	--	0.7	--	1.2	%, sa
8/26/26	8:30 AM	GDP Annualized q/q	2Q S	--	1.5	--	1.5	%, saar
8/26/26	8:30 AM	Core PCE Deflator q/q	2Q S	--	3.4	--	3.4	%, saar
8/27/26	8:30 AM	Retail Inventories m/m	Jul	--	0.2	--	0.0	%, sa
8/27/26	8:30 AM	Wholesale Inventories m/m	Jul P	--	0.2	--	0.2	%, sa
8/27/26	8:30 AM	Initial Jobless Claims	Aug 22	--	208	--	206	k, sa
8/27/26	8:30 AM	Continuing Claims	Aug 15	--	1,792	--	1,799	k, sa
8/28/26	10:00 AM	U. of Mich. Sentiment	Aug F	--	51.0	--	51.0	index, 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
8/17/26	8:30 AM	Empire Manufacturing	Aug	**20.6**	10.0	--	15.6	index, sa
8/17/26	10:00 AM	NAHB Housing Market Index	Aug	**35.0**	33.0	--	34.0	index, sa
8/18/26	8:30 AM	Import Price Index m/m	Jul	**-0.4**	0.1	-0.3	0.3	%, nsa
8/18/26	8:30 AM	Import Price Index y/y	Jul	**5.9**	6.7	6.7	7.1	%, nsa
8/18/26	8:30 AM	Housing Starts	Jul	**1,239**	1,345	1,415	1,427	k, saar
8/18/26	8:30 AM	Housing Starts m/m	Jul	**-12.4**	-5.9	19.7	19.0	%, sa
8/18/26	8:30 AM	Building Permits	Jul P	**1,443**	1,375	--	1,374	k, saar
8/18/26	8:30 AM	Building Permits m/m	Jul P	**5.0**	0.6	--	-2.6	%, sa
8/18/26	9:15 AM	Industrial Production m/m	Jul	**0.2**	0.3	0.3	0.1	%, sa
8/18/26	9:15 AM	Capacity Utilization	Jul	**76.3**	76.3	76.2	76.1	sa
8/18/26	10:00 AM	Pending Home Sales m/m	Jul	**-2.3**	0.0	-4.8	-5.4	%, sa
8/18/26	10:00 AM	Pending Home Sales y/y	Jul	**-2.5**	1.1	2.7	2.3	%, nsa
8/19/26	7:00 AM	MBA Mortgage Applications w/w	Aug 14	**-0.4**	--	--	3.6	%, sa
8/19/26	2:00 PM	FOMC Meeting Minutes	Jul 29	**--**	--	--	--	
8/20/26	8:30 AM	Philadelphia Fed Business Outlook	Aug	**47.4**	24.8	--	41.4	index, sa
8/20/26	8:30 AM	Initial Jobless Claims	Aug 15	**206**	210	212	209	k, sa
8/20/26	8:30 AM	Continuing Claims	Aug 8	**1,799**	1,788	1,781	1,777	k, sa
8/20/26	10:00 AM	Conference Board Leading Index m/m	Jul	**0.2**	0.1	-0.1	-0.2	%, sa
8/21/26	9:45 AM	S&P Global US Manufacturing PMI	Aug P	**53.2**	53.9	--	53.9	index, sa
8/21/26	9:45 AM	S&P Global US Services PMI	Aug P	**56.8**	54.0	--	54.6	index, sa
8/21/26	9:45 AM	S&P Global US Composite PMI	Aug P	**56.0**	54.0	--	54.5	index, sa

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

Sources: Bloomberg Consensus Survey of Economists, Arch Global Economics