CFC solutions cooperative news
Economic & Market Watch

Economic & Market Watch Intelligence Brief

August 10, 2026

Briefing

- A combination of the ongoing effects of tariffs, the U.S.-Iran War and housing costs led to the highest quarter-over-quarter consumer inflation since 2022 (**Figure 1**). The consensus forecast from the Blue Chip panel of forecasters has consumer inflation dropping below 3% by the third quarter. Pessimists have it dropping only to 4%, while optimists see sub-2% inflation.
- In the short run, many factors can contribute to inflation. In the long run, inflation tends to emerge when the money supply grows faster than the economy (**Figure 2**). Excess money growth can result from the Federal Reserve purchasing Treasurys (usually in an effort to drive down interest rates). It can also result from negative supply shocks such as wars.
- In 1985, the sale price of the median home was slightly more than 3.5 times the median household's income (4.7 times the median full-time worker's wage). By 2015, the sale price had risen 250% to just under $300,000, but the median household's income had risen only 140%. This increased the price-to-income ratio from 3.5 to 5.2 (**Figure 3**). However, because mortgage rates were much lower in 2015 than in 1985, housing was more affordable.

Chart of the Week: Housing Prices

Year	Mortgage Rate	Median...		Mortgage Payment	
		Home Price	Household Income	Principle & Interest	Per Household Income
1985	12.4%	$84,000	$23,600	$890	45.5%
1995	7.9%	$133,000	$34,100	$970	34.3%
2005	5.9%	$237,000	$46,300	$1,400	36.2%
2015	3.9%	$294,000	$56,500	$1,380	29.3%
2025	6.6%	$415,000	$87,000	$2,650	36.6%
2025 Median Home Price at 2015 Average Mortgage Rate					
	3.9%	$415,000	$87,000	$1,946	26.8%

Commentary

The median home sale price reached an all time high of $443,000 in the fourth quarter of 2022. At a multiple of 5.8, that was also the high relative to the median household's income (**Figure 3**). While home prices have since retreated somewhat, a recent poll from the Bipartisan Policy Center found that 83% of respondents said Congress needs to take action to make housing more affordable.

However, evidence indicates that the larger factor driving housing costs isn't the elevated housing prices so much as elevated mortgage rates. The 30-year fixed mortgage rate is currently 6.6%. Prior to 2022, the last time the 30-year rate was that high was 2007. Even with current housing prices, if mortgage rates were today what they were in 2015, the cost of housing today would be among the cheapest since at least 1985 (**Chart of the Week**).

Even at today's home prices, if the 30-year mortgage rate was the same as it was in 2015, housing would be among the cheapest it's been since at least 1985.

Snapshots

Figure 1. Consumer Inflation (QoQ)

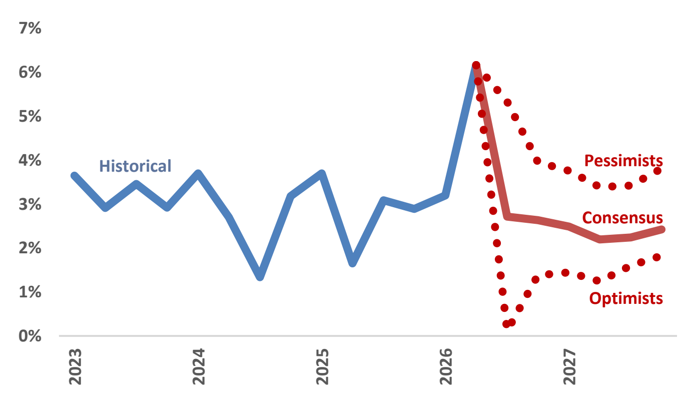


Figure 2. Money Growth & Inflation

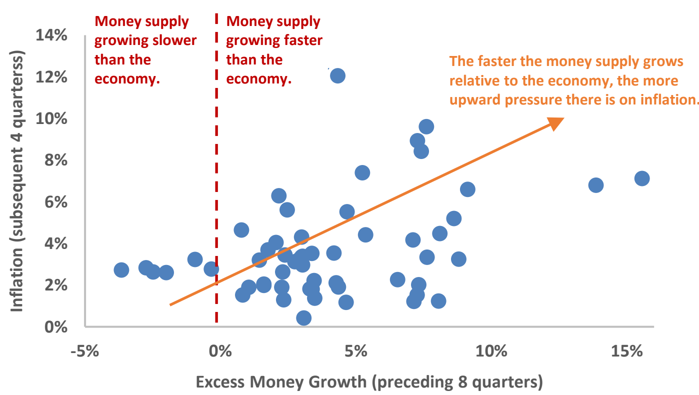
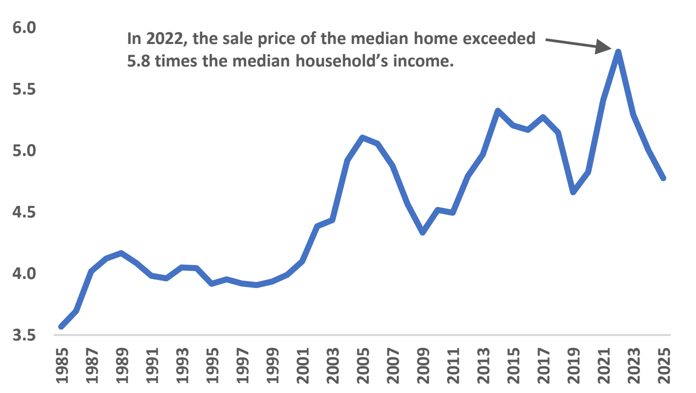


Figure 3. Median Home Price per Median Household Income



The Economic & Financial Research Team


John Suter, VP


Antony Davies, Director


Sam Kem, Sr. Analyst

Email: EconomicResearch@nrucfc.coop

CFC solutions cooperative news
Economic & Market Watch

Economic & Market Watch Dashboard

August 10, 2026

Key Indicators

INTEREST RATES[1]

	Current	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
Fed Funds Target[2] (%)	3.75	3.75	4.00	4.00	4.25	4.25
SOFR (%)	3.62	3.64	3.64	3.59	3.50	3.42
2Y UST (%)	4.22	3.98	3.89	3.80	3.74	3.68
5Y UST (%)	4.38	4.08	4.02	3.97	3.93	3.90
10Y UST (%)	4.68	4.44	4.39	4.35	4.33	4.32
30Y UST (%)	5.22	4.94	4.86	4.87	4.86	4.85

ECONOMY

	Current	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
PCE Inflation (YoY %)	3.7	2.8	2.5	2.5	2.3	2.1
CPI Inflation (YoY %)	3.5	2.9	2.5	2.4	2.3	2.2
Real GDP (QoQ %)	1.5	1.9	1.9	2.0	2.1	2.1
Unemployment (%)	4.1	4.3	4.3	4.3	4.3	4.3
Consumer Spending (QoQ %)	3.2	1.7	1.9	1.9	2.0	2.0
Industrial Production (YoY %)	1.1	1.4	1.2	1.6	1.7	1.7

Equities & Currency

	Current	Year ago	YoY Δ
DJIA	53,950	43,975	22.7%
Nasdaq	26,625	21,385	24.5%
S&P 500	7,755	6,373	21.7%
US Dollar Index	$1,203.10	$1,208.16	(0.1%)

Commodities

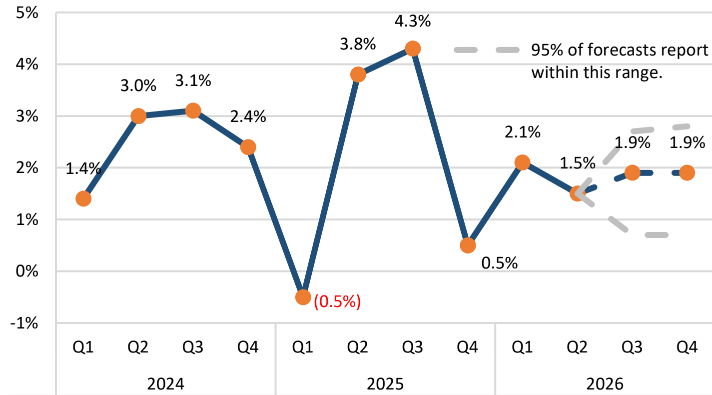
	Current	Year ago	YoY Δ
Crude Oil (Per Barrel)	$79.62	$63.96	24.5%
Natural Gas (Per MMBtu)	$2.78	$2.95	(5.8%)
Coal (Per Short Ton)	$12.79	$11.23	13.9%
Gold (Per Ounce)	$4,335.4	$3,343.00	29.7%
Corn (Per Bushel)	$4.42	$3.85	14.8%
Soybean (Per Bushel)	$11.55	$9.92	16.4%

Industry

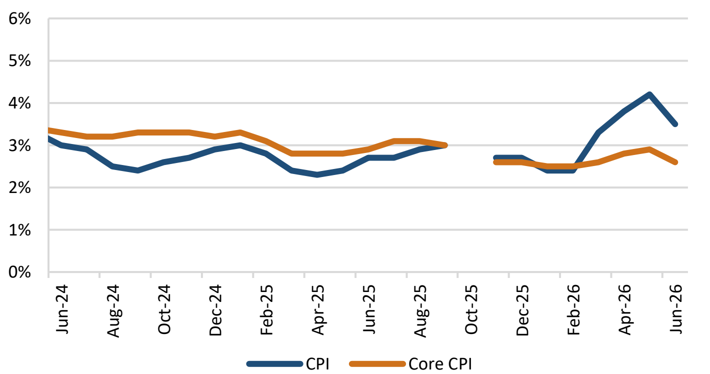
	Current	Year ago	YoY Δ
Natural Gas Storage (Billion Cubic Feet)	3,117	3,129	(0.4%)
U.S. Daily Power Consumption (MWh)	14,227,264	13,265,471	7.3%
World Container Index (Per 40ft)	$4,297	$2,424	77.3%

Forecasts

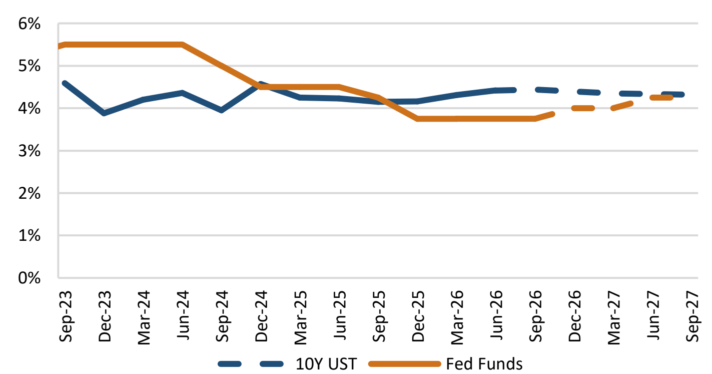
Real GDP Growth Trend



Headline vs. Core Inflation



10-Year US Treasury vs. Fed Funds Trend



[1] Unless otherwise indicated, forecasts are from the Blue Chip Professional Forecasters.
[2] Target rate forecast is based on futures market contracts.

Sources: © Oxford Economics, Blue Chip Financial Forecasts, Trading Economics, Moody's Analytics, Statista, Oxford Economics, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, U.S. Energy Information Administration, U.S. Treasury Department, Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Federal Reserve Bank of St. Louis, International Monetary Fund, World Bank, University of Michigan, The Conference Board.

Disclaimer: These materials are being provided to you as a service to our members for informational purposes only, and are not advice or recommendations of any kind. By receiving these materials, you agree not to share the materials outside of you cooperative, that CFC is not providing any representation or warranty regarding the information in these materials, and that CFC is not responsible for the consequences of any decisions made or actions taken in reliance on these materials. SOFR and EFFR are subject to the Terms of Use posted at newyorkfed.org. The New York Fed is not responsible for publication of SOFR or EFFR by CFC, does not sanction or endorse any particular republication, and has no liability for your use.