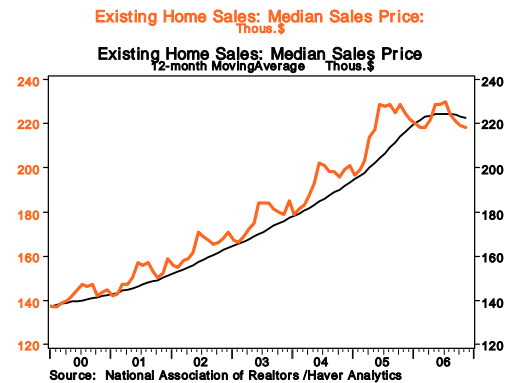
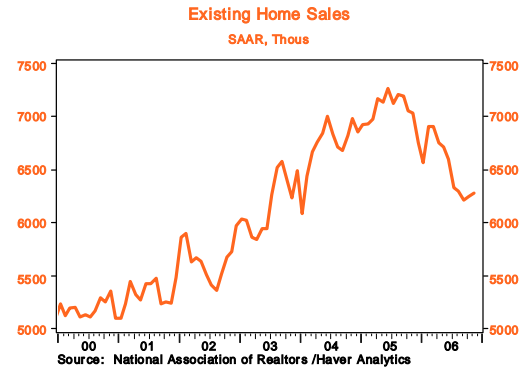




## NOV EXISTING HOME SALES

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- Existing home sales increased 0.6% in November to an annual rate of 6.28 million, better than the 0.8% drop expected by the consensus.
- By region, the increase in existing home sales can be attributed to strength in the Northeast. By type of home, both single-family home sales and condo/coop sales accounted for the gain.
- The median price of an existing home fell 0.5% in November to \$218,000. The median sales price is down 3.1% versus last year. The 12-month moving average of the median sales price has been declining since a peak in July 2006.



**Implications:** In the past two days both new home sales and existing home sales have surprised on the upside. The unsold supply of existing homes dropped to 7.3 in November from 7.4 in October, corroborating yesterday's report of the drop in the months' supply of new homes. Still, the correction in housing is not over. There is more pain to be felt in this sector, although not as much pain as we have felt already. In other news today, the Chicago Purchasing Managers' Index increased to 52.4 in December, which was better than the consensus expected 50.0 and last month's 49.9. The main factor behind the jump in the Chicago PMI was an increase in the new orders component of the index.

Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Nov-06		Oct-06	Sep-06	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
<b>Existing Home Sales</b>	<b>0.6%</b>	<b>6280</b>	6240	6210	6243	6327	-10.7
<b>Northeast</b>	<b>6.0%</b>	<b>1060</b>	1000	1040	1033	1055	-4.5
<b>Midwest</b>	<b>0.0%</b>	<b>1420</b>	1420	1410	1417	1438	-9.6
<b>South</b>	<b>-1.6%</b>	<b>2470</b>	2510	2520	2500	2517	-10.2
<b>West</b>	<b>0.8%</b>	<b>1320</b>	1310	1250	1293	1317	-17.5
<b>Median Sales Price (\$ NSA)</b>	<b>-0.5%</b>	<b>218</b>	219	221	219	224	-3.1

Source: National Association of Realtors