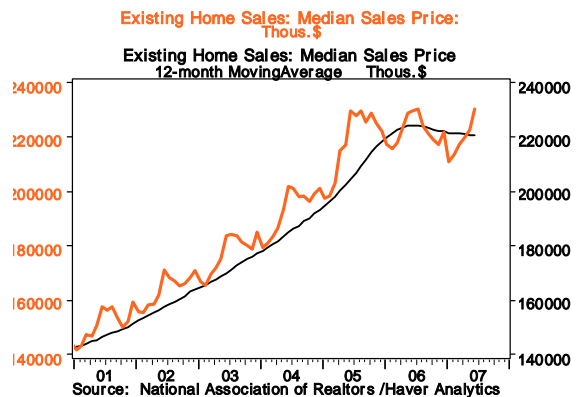
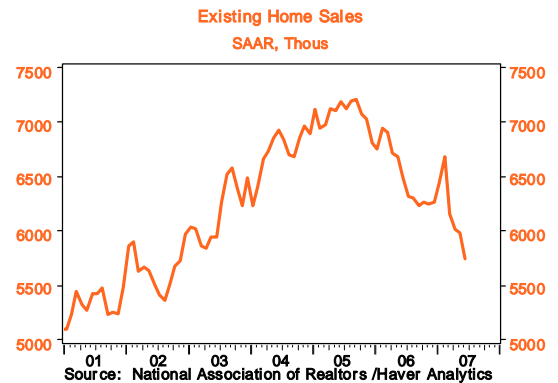


JUNE EXISTING HOME SALES

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- Existing home sales declined 3.8% in June to an annual rate of 5.75 million, the lowest since November 2002. The consensus expected level of sales was 5.86 million.
- Sales dropped in every major region, particularly the Northeast and West. By type of home, sales slowed for both single-family structures and condos/coops.
- The median price of an existing home rose to \$230,100 in June (not seasonally adjusted) and is up 0.3% versus a year ago.
- The months' supply of existing homes (how many months it will take to clear the inventory of unsold homes at the current sales rate) was unchanged at 8.8, as a drop in the inventory of homes for sale offset the slowdown in the pace of sales.



Implications: Today's report on existing home sales is consistent with our view that although the worst of the housing drop is behind us, the sector will remain a drag on real GDP growth. The level of sales is the lowest since November 2002 and down 11.4% versus last year. The median price of an existing home is up 0.3% versus last year, the first positive year-to-year comparison since last summer. However, this may be due to a rapid drop in sub-prime lending that disproportionately affects sales of low priced homes.

We look for tomorrow's report on new home sales and next week's release of the Case-Shiller home price indexes to shed more light on the housing market.

Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Jun-07		May-07	Apr-07	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
Existing Home Sales	-3.8%	5750	5980	6010	5913	6168	-11.4
Northeast	-7.3%	1010	1090	1040	1047	1093	-7.3
Midwest	-2.8%	1370	1410	1400	1393	1442	-8.1
South	-1.7%	2260	2300	2380	2313	2410	-11.4
West	-6.8%	1100	1180	1190	1157	1220	-19.1
Median Sales Price (\$ NSA)	3.3%	230,100	222,700	219,800	224,200	219,083	0.3

Source: National Association of Realtors

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