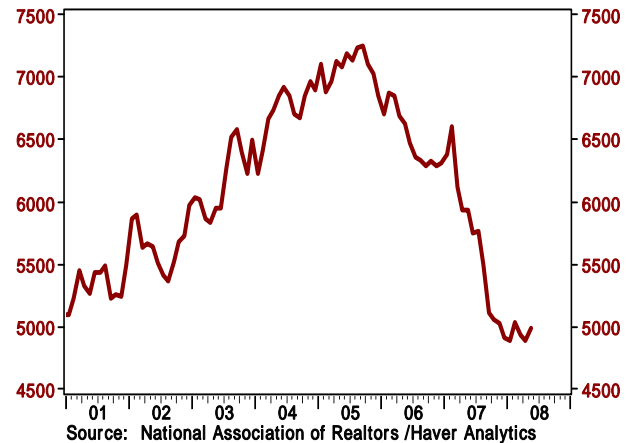


MAY EXISTING HOME SALES

Chief Economist – Brian S. Wesbury
Senior Economist – Robert Stein, CFA

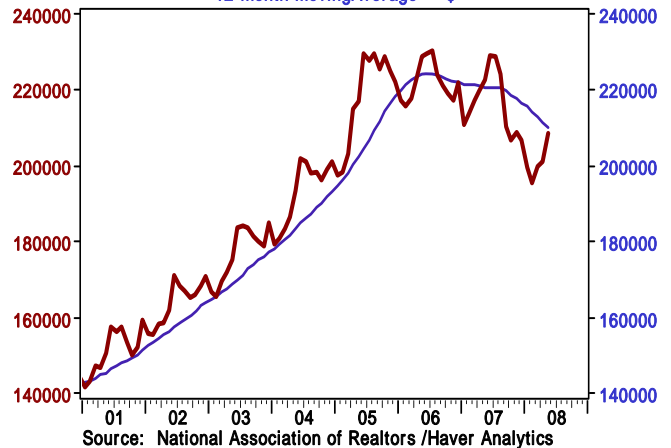
- Existing home sales increased 2.0% in May to an annual rate of 4.99 million, narrowly beating the consensus expected selling rate of 4.96 million. Existing home sales are down 15.9% versus a year ago.
- Sales were up in the Northeast, Midwest, and West, but down in the South. By type of home, sales were up for both single-family units and condos/co-ops.
- The median price of an existing home rose to \$208,600 in May (not seasonally adjusted) but is down 6.3% versus a year ago. Single-family home prices are down 6.8% versus last year.
- The months' supply of existing homes (at the current sales rate) declined to 10.8 in May from 11.2 in April. The months' supply of single-family homes declined to 10.4 in May from 10.7 in April.

Total Existing Home Sales
SAAR, Thous



Existing Home Sales: Median Sales Price

Existing Home Sales: Median Sales Price
12-month Moving Average



Implications: Although the housing sector is still hurting, it appears the pace of sales for existing homes has already bottomed out. For the past nine months the annual rate of sales has hovered between 4.89 million and 5.11 million. Today's reading came almost right in the middle of those figures. Moreover, comparisons versus a year ago have been improving. Sales are down 15.9% versus last year; as recently as February, the year-ago comparison was -23.8%. Meanwhile, the number of homes available for sale declined to (a still elevated) 3.8 million from 3.9 million last month, helping push down the months' supply of existing homes. Residential construction has further to fall in 2008 and home prices will likely continue to fall through mid-2009 (on a nationwide average basis), but the necessary pre-conditions for an eventual housing recovery are starting to take hold, including a decline in the inventory of completed new homes and a bottom in the pace of existing home sales.

Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	May-08		Apr-08	Mar-08	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
Existing Home Sales	2.0%	4990	4890	4940	4940	4942	-15.9
Northeast	4.6%	910	870	910	897	870	-15.0
Midwest	5.5%	1160	1100	1170	1143	1173	-16.5
South	-0.5%	1910	1920	1920	1917	1942	-17.0
West	2.0%	1020	1000	940	987	960	-12.8
Median Sales Price (\$, NSA)	3.7%	208600	201200	200100	203300	202033	-6.3

Source: National Association of Realtors

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