

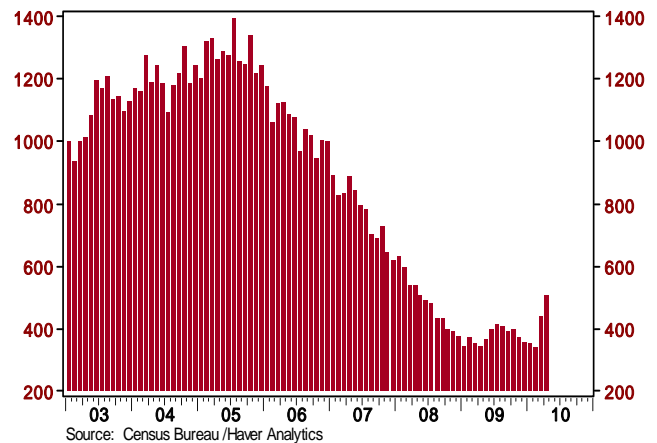
APRIL NEW HOME SALES

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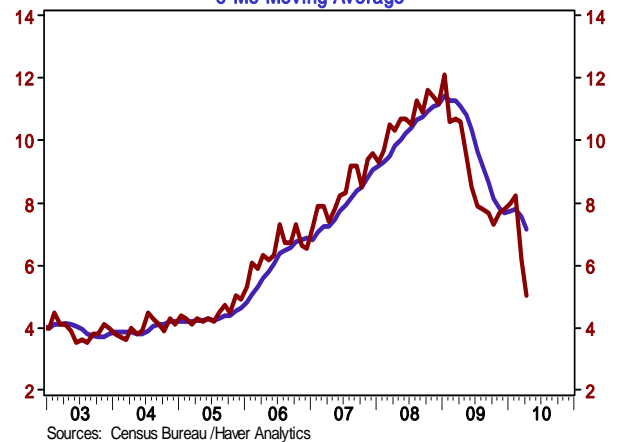
- New single-family home sales surged 14.8% in April to a 504,000 annual rate, blowing away the consensus expected pace of 425,000.
- Sales were up in all major regions of the country except the Northeast where they remained unchanged.
- At the current sales pace, the supply of unsold new homes declined to 5.0 months in March. Most of the drop in the months' supply was due to the faster pace of sales, although the level of inventories also declined 16,000 to 211,000 and is down 63.1% from the peak in mid-2006.
- The median price of new homes sold was \$198,400 in April, down 9.5% from a year ago. The average price of new homes sold was \$249,500, down 7.5% versus last year.

Implications: New home sales once again blew away expectations, spiking sharply upward in April, surging to an annual rate of 504,000 and hitting a two year high. In addition, revisions came out for the past two years and sales had net gains of 87,000 homes at an annual rate. Inventories are also now at their lowest level since 1968. Today's blowout number is due to two factors. First, the homebuyer tax credit ran out at the end of April, so buyers rushed to take advantage of the credit. Second, a combination of an improving economy with homes that are substantially more affordable than they were a few years ago with extremely low interest rates and prices the lowest since 2003 have led people to start buying again. New home sales will probably have a pull back in the months to come as people pushed their purchases forward in order to get the credit, but we believe they will continue to trend upward over the next couple of years eventually getting to a 950,000 annual sales pace. In other housing news, yesterday's price indicators were mixed. The Case-Shiller index, a measure of home prices in the 20 largest metropolitan areas, was unchanged in March (seasonally-adjusted), but up 2.4% versus a year ago. Meanwhile, the FHFA index, a measure of prices for homes financed by conforming mortgages, was up 0.3% in March, but down 2.2% versus last year.

New 1-Family Houses Sold: United States
SAAR, Thous



Months' Supply at current Sales Rate
Seasonally Adjusted
Months' Supply at current Sales Rate
6-Mo Moving Average



New Home Sales	Apr-10		Mar-10	Feb-10	3-mo moving avg	6-mo moving avg	Yr to Yr % Change
	% Ch	Level					
<i>All Data Seasonally Adjusted, Levels in Thousands</i>							
New Single Family Homes Sales	14.8%	504	439	338	427	392	47.8
Northeast	0.0%	39	39	31	36	37	85.7
Midwest	31.6%	75	57	49	60	60	87.5
South	10.8%	278	251	170	233	208	38.3
West	21.7%	112	92	88	97	88	41.8
Median Sales Price (\$, NSA)	-9.7%	198,400	219,600	219,700	212,567	216,217	-9.5
		Apr-10	Mar-10	Feb-10	3-mo Avg	6-mo Avg	12-mo Avg
Months' Supply at Current Sales Rate (Levels)		5.0	6.2	8.2	6.5	7.2	7.6

Source: Bureau of the Census

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