

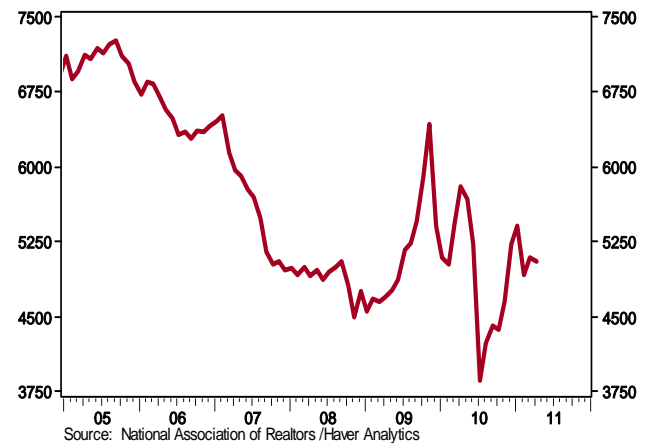
APRIL EXISTING HOME SALES

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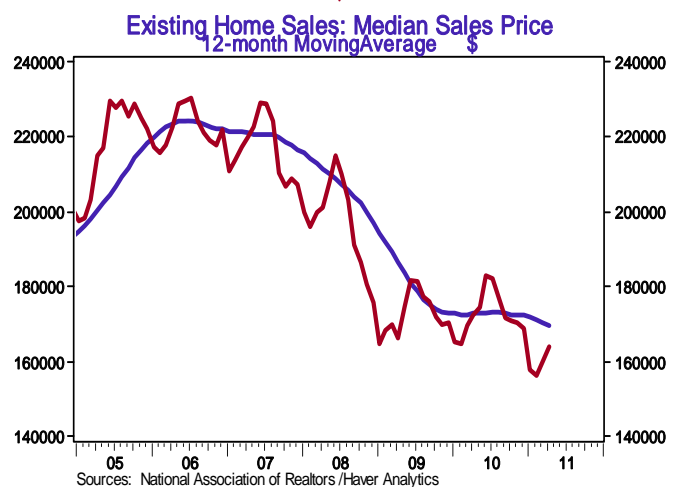
- Existing home sales declined 0.8% in April to an annual rate of 5.05 million units, below the consensus expected pace of 5.20 million units. Existing home sales are down 12.9% versus a year ago.
- Sales in April were up in the Midwest, but down in the Northeast, West, and South. Sales fell for both single-family homes and condos/coops.
- The median price of an existing home rose to \$163,700 in April (not seasonally adjusted), but is down 5.0% versus a year ago. Average prices are up 1.6% versus last year.
- The months' supply of existing homes (how long it would take to sell the entire inventory at the current sales rate) rose to 9.2 from 8.3 in March. The increase in the months' supply was mostly due to an increase in inventories, although the pace of sales also slightly slowed.

Implications: A 0.8% drop in existing home sales during April shows that housing is still struggling. And even though the median price of an existing home rose to \$163,700, prices are still down 5% in the past year. Amidst this struggle, there are many positive fundamentals that could help form the bottom of the market – higher wages, better job growth, low interest rates, and great prices. Nonetheless, credit conditions remain very tight. So, while we expect the sales of existing homes to climb back to their long-term trend of about 5.5 million units annually, the process will be slow and volatile. In other news this morning, the Philadelphia Fed index, a measure of manufacturing activity in that region, fell to +3.4 in May from +18.5 in April. The consensus had expected a slight increase to +20.0. Manufacturing is still growing but not as fast as earlier this spring. We expect this index to rebound as soon as the Japanese parts shortages end. Also this morning, new claims for unemployment insurance fell 25,000 last week to 409,000. Continuing claims for regular state benefits declined 81,000 to 3.71 million. We expect claims to generally decline over the next several weeks as issues due to early auto plant shutdowns related to the disaster in Japan and the brutal tornado season pass.

NAR Total Existing Home Sales, United States
SAAR, Thous



Existing Home Sales: Median Sales Price



Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Apr-11		Mar-11	Feb-11	3-month	6-month	Yr to Yr % Change
	% Ch.	level					
Existing Home Sales	-0.8%	5050	5090	4920	5020	5053	-12.9
Northeast	-7.5%	740	800	770	770	797	-32.1
Midwest	5.7%	1120	1060	1050	1077	1080	-16.4
South	-1.0%	1950	1970	1840	1920	1922	-9.3
West	-1.6%	1240	1260	1260	1253	1253	0.8
Median Sales Price (\$, NSA)	2.4%	163700	159800	156100	159867	162750	-5.0

Source: National Association of Realtors

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