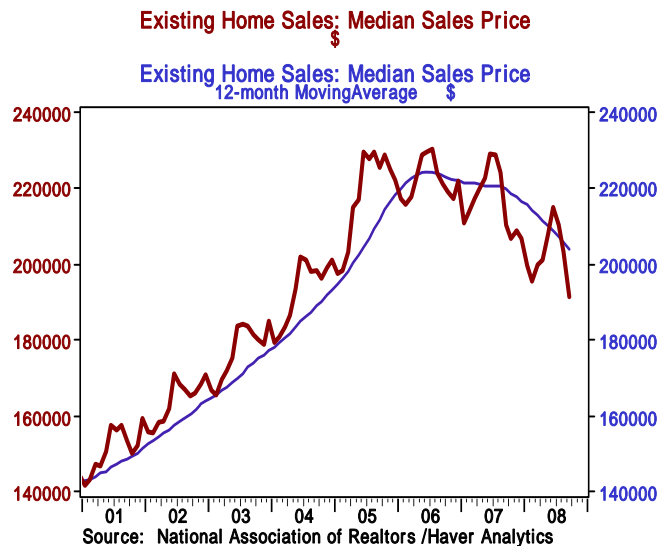
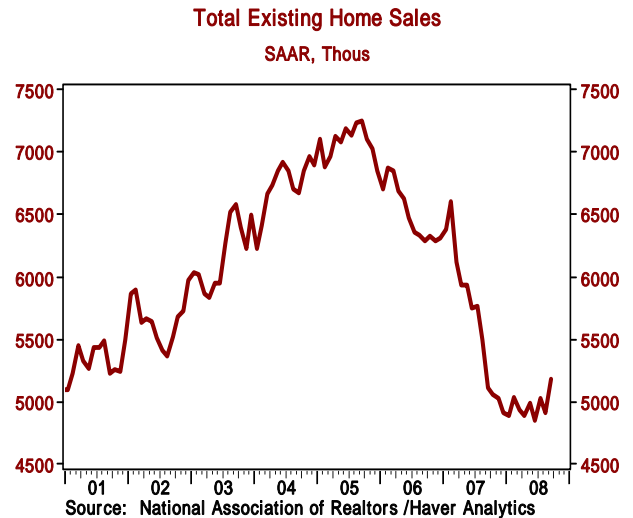


SEPTEMBER EXISTING HOME SALES

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- Existing home sales increased 5.5% in September to an annual rate of 5.18 million, much higher than the consensus expected selling rate of 4.95 million. Existing home sales are up 1.4% versus a year ago.
- Sales were up in the West, Midwest and South, but down slightly in the Northeast. All the increase in sales was due to single-family units; sales of condos/co-ops were unchanged.
- The median price of an existing home declined to \$191,600 in September (not seasonally adjusted) and is down 9.0% versus a year ago. Single-family home prices are down 8.6% versus last year.
- The months' supply of existing homes (at the current sales rate) fell to 9.9 in September from 10.6 in August. The months' supply of single-family homes fell to 9.4 in September from 10.0 in August.



Implications: The housing market is healing. The key implication of today's report on existing homes is that credit-worthy home buyers are able get loans. After hovering for twelve months in a range between 4.85 million and 5.11 million, existing home sales spiked up 5.5% in September to a 5.18 million annual rate. The monthly gain in September was the most in five years and the level of sales is now above where it was a year ago, the first time that has happened since 2005. Sales are rising as home sellers (including lenders who have foreclosed on previous owners) are cutting prices aggressively. The median sales price on an existing home is down 9% versus last year and the lowest since 2004. We expect further price declines in the year ahead as the industry continues to work off excess inventory. After hitting 11.0 in June – the highest level since 1985 – the months' supply of single-family existing homes has fallen to 9.4. In other news, yesterday's report on jobless claims showed that new claims for unemployment insurance increased 15,000 last week to 478,000. Meanwhile, continuing claims declined 6,000 to 3.72 million. These figures are consistent with payrolls declining about 165,000 in October.

Existing Home Sales <i>Seasonally Adjusted Unless Noted, Levels in Thous.</i>	Sep-08		Aug-08	Jul-08	3-month moving avg.	6-month moving avg.	Yr to Yr % Change
	% Ch.	level					
Existing Home Sales	5.5%	5180	4910	5020	5037	4973	1.4
Northeast	-1.2%	840	850	910	867	872	-7.7
Midwest	4.4%	1190	1140	1130	1153	1138	-2.5
South	2.2%	1900	1860	1850	1870	1883	-7.8
West	16.8%	1250	1070	1130	1150	1083	34.4
Median Sales Price (\$, NSA)	-5.7%	191600	203100	210300	201667	204867	-9.0

Source: National Association of Realtors

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