



HOPEFUL SIGNS ON THE ECONOMY

KEY ECONOMIC STATISTICS

PRODUCER PRICE INDEX

↑0.7%

March 2010

NEW ORDERS OF DURABLE GOODS

↓1.3%

EXCL. TRANSPORTATION

↑2.8%

March 2010

NEW SINGLE-FAMILY HOME SALES

↑26.9%

March 2010

EXISTING HOME SALES

↑6.8%

March 2010

FHFA HOME PRICE INDEX

↓0.2%

February 2010

S&P/CASE-SHILLER HOME PRICE INDEX
COMPOSITE 20, SA

unchanged

February 2010

INITIAL JOBLESS CLAIMS
4-WEEK AVG

460,250 ↑2,750

Week Ending April 17, 2010

THIS WEEK

Thursday, April 29

JEC HEARINGLong-term Unemployment:
Causes, Consequences, and
Solutions

210 Cannon, 2:00 p.m.

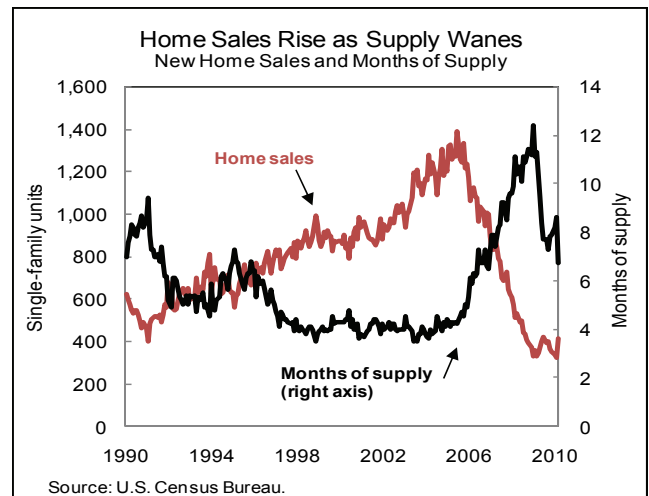
Friday, April 30

Gross Domestic Product
Q1 2010

New Home Sales Surge. The U.S. Census Bureau and the Department of Housing and Urban Development reported that sales of new single-family homes in March 2010 were at a seasonally-adjusted annual rate of 411,000, which was 26.9 percent above the revised February 2010 rate of 324,000 and 23.8 percent higher than the March 2009 rate (See chart). Most of the growth was concentrated in the South, where the rate of home sales grew by 43.5 percent. The significant leap in home sales may be due to the impending expiration of the home buyer tax credits at the end of April 2010, which could have encouraged home buyers who had already planned on buying a home to accelerate their purchase to qualify for the tax credit. The approaching expiration date of the credit may also have spurred sales of existing homes. The National Association of Realtors reported that existing home sales rose by 6.8 percent in March 2010 to a seasonally-adjusted annual rate of 5.35 million units, which is 16.1 percent above the March 2009 rate.

Mixed Results on Home

Prices. The S&P/ Case-Shiller Home Price Index showed that 10-City and 20-City Composite Indices were both higher in February 2010 than a year ago. However, prices were not uniformly higher across all cities. Instead, 11 out of the 20 cities saw year-over-year declines in prices. All three cities in California, Los Angeles, San Diego, and San Francisco, saw increases, along with Boston, Cleveland, Dallas, Denver, Minneapolis, and Washington DC. In addition, 19 out of the 20 cities saw a decline monthly decline from January to February, indicating that prices may not yet have stabilized. Economists and policymakers typically follow the seasonally-adjusted figures of the popular S&P/Case-Shiller Home Price Indices for information on home prices. However, the S&P said that their seasonally unadjusted figures are a more accurate reflection of the state of housing prices "due to the large increases in foreclosures as well as other market dislocations." Only 2 out of the 20 cities, Los Angeles and San Diego, saw year-over-year increases using the unadjusted data.



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Excluding Aircraft, Durable Goods Orders Rise. The U.S. Census Bureau reported that durable goods orders, excluding transportation, rose by 2.8 percent in March to \$136.5 billion. Transportation orders fell due to historically volatile changes in orders of nondefense aircraft and parts, which fell by \$6.5 billion (67.1 percent) in March. The narrower measure that excludes transportation is generally considered a better indicator of the health of the market for durable goods than the broad measure including transportation orders. New orders including transportation rose 11.6 percent from March 2009, while new orders excluding transportation rose 10.1 percent from last March.