

DAILY GLOBAL COMMENTARY

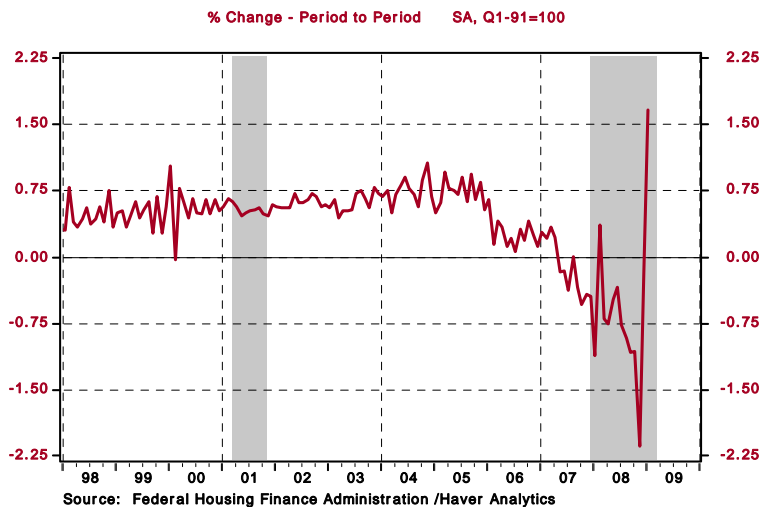
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Home Prices – Meaningful Turnaround?
March 24, 2009

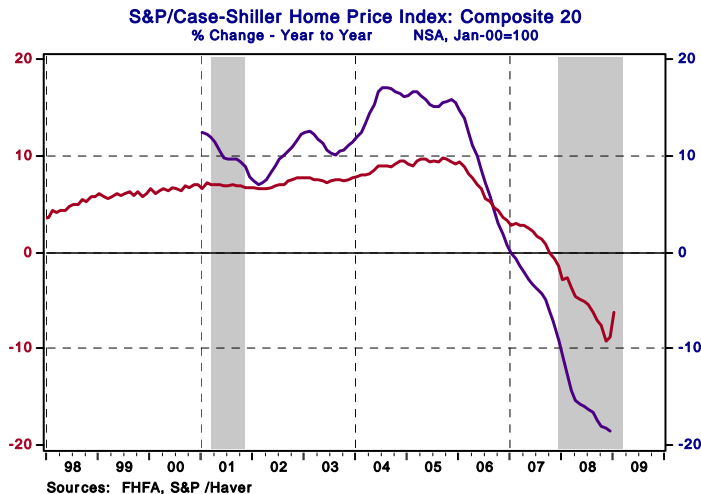
The House Price Index of the Federal Housing Finance Agency (FHFA) rose 1.67% in January. The noteworthy increase of the House Price Index reflects widespread gains, with seven of the nine regional indexes advancing in January. Prices fell only in the Pacific (-0.9%) and West South Central (-0.03%) regions.

Chart 1
FHFA House Price Index: Purchase Only, United States



On a year-to-year basis, the FHFA House Price Index fell 6.3% in January – the second monthly decline that is smaller than the largest drop recorded in November 2008 (-9.15%). The Case-Shiller Price Index fell 18.6% on a year-to-year basis in December. The Case-Shiller Price Index for January will be published on March 31 which may confirm this information.

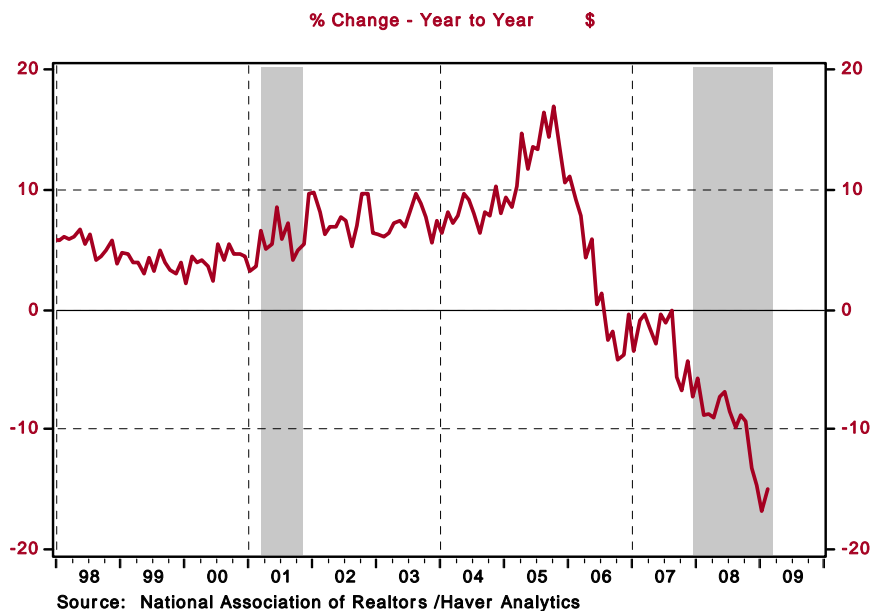
Chart 2
FHFA House Price Index: Purchase Only, United States
% Change - Year to Year SA, Q1-91=100



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The median price of an existing single-family home dropped 15% from a year ago in February 2009. This is a smaller drop than the 16.7% decline of January, which could possibly be the bottom for the median existing home price, a tentative judgment that is subject to change in the months ahead. It is essentially too early to confirm that home prices are on their way back, but it is still worthy of mention, for now.

Chart 3
NAR Median Sales Price: Existing 1-Family Homes, United States



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