

DAILY GLOBAL COMMENTARY

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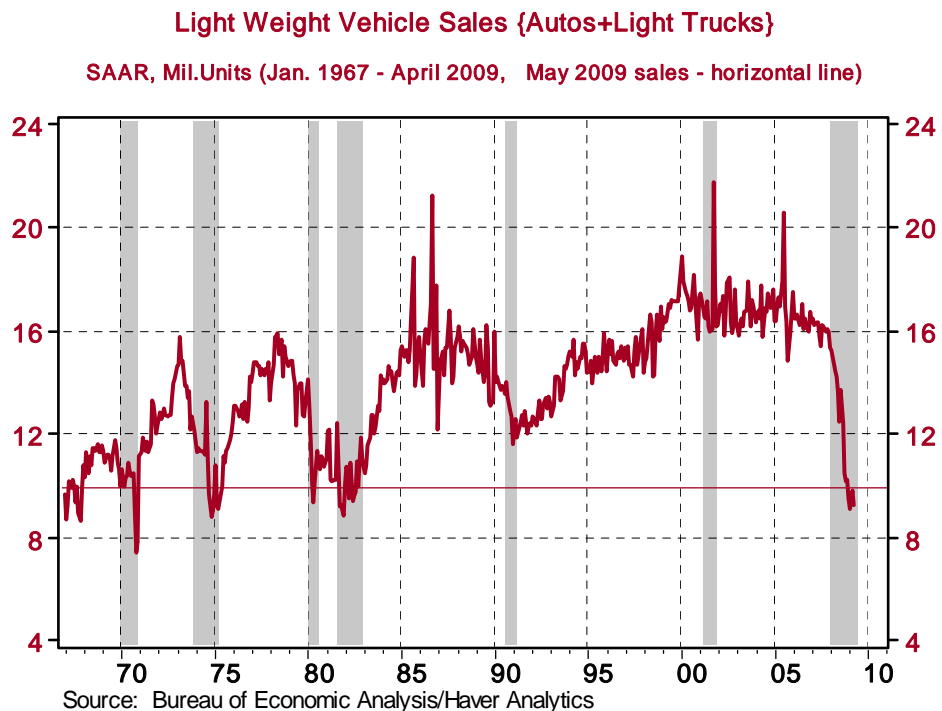
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Auto Sales Advanced in May

June 2, 2009

Sales of autos rose to an annual rate of 9.9 million units in May following a 9.31 million pace in April. The average of April-May sales exceeds the first quarter average of 9.5 million units. Auto sales will have to post a strong decline in June to fall short of the first quarter performance. This has a positive implication for consumer spending and real GDP in the second quarter.

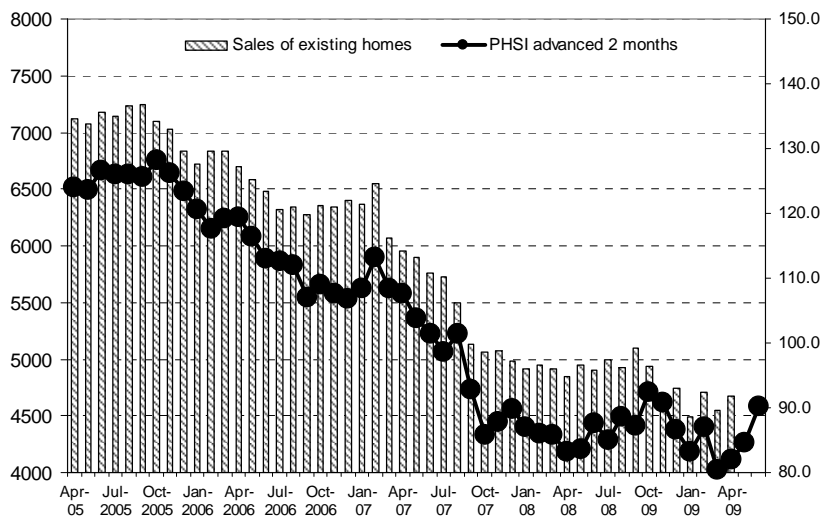
Chart 1



Pending Home Sales Index Surges in April

The Pending Home Sales Index (PHSI) of the National Association of Realtors increased 6.7% in April, the third consecutive monthly gain. According to the National Association of Realtors, PHSI leads actual sales of existing homes by 1-2 months. Sales of existing homes rose in February and April. The latest PHSI suggest that an increase in existing home sales during May is most likely.

Chart 2
Sales of Existing Homes vs. PHSI



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