

DAILY GLOBAL COMMENTARY

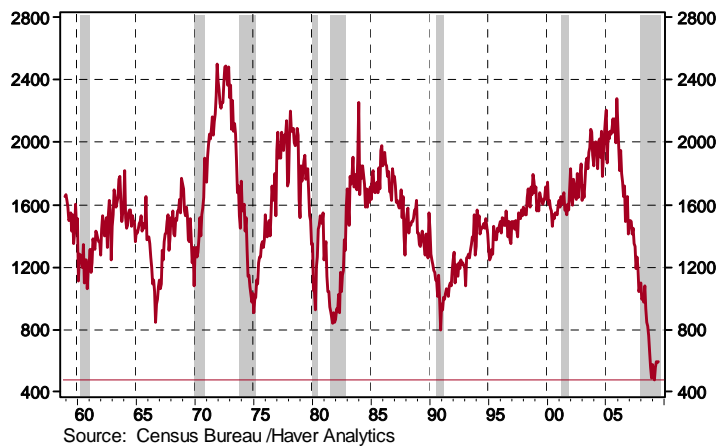
Northern Trust
Global Economic Research
50 South LaSalle
Chicago, Illinois 60603
northerntrust.com

Asha G. Bangalore
agb3@ntrs.com

Housing Starts – Multi-family Units Led the Charge in August
September 17, 2009

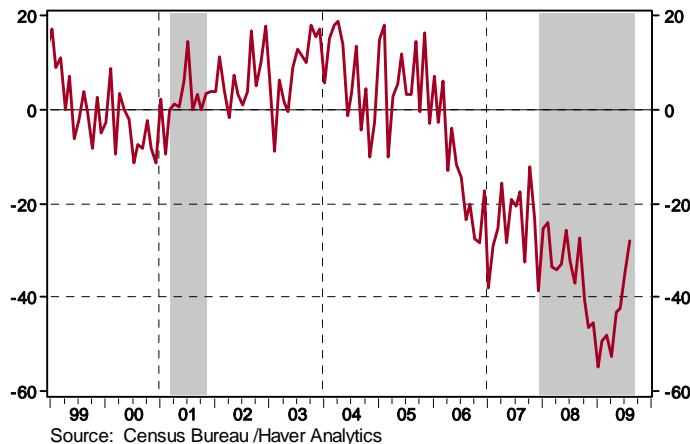
Starts of new homes increased 1.5% to an annual rate of 598,000 in August, with a 25% increase in starts of multi-family units accounting for all the gain. The level of housing starts is the highest since November 2008. The 3.0% drop in starts of single-family units (479,000 vs. 494,000 in July) is the first decline since January.

Chart 1
Housing Starts
SAAR, Thous.Units



On a year-to-year basis, starts of new homes have dropped nearly 28%, which is a noticeable deceleration in the pace of activity from the 55% record decline seen in January 2009.

Chart 2
Housing Starts: Total
% Change - Year to Year NSA, Thous.Units

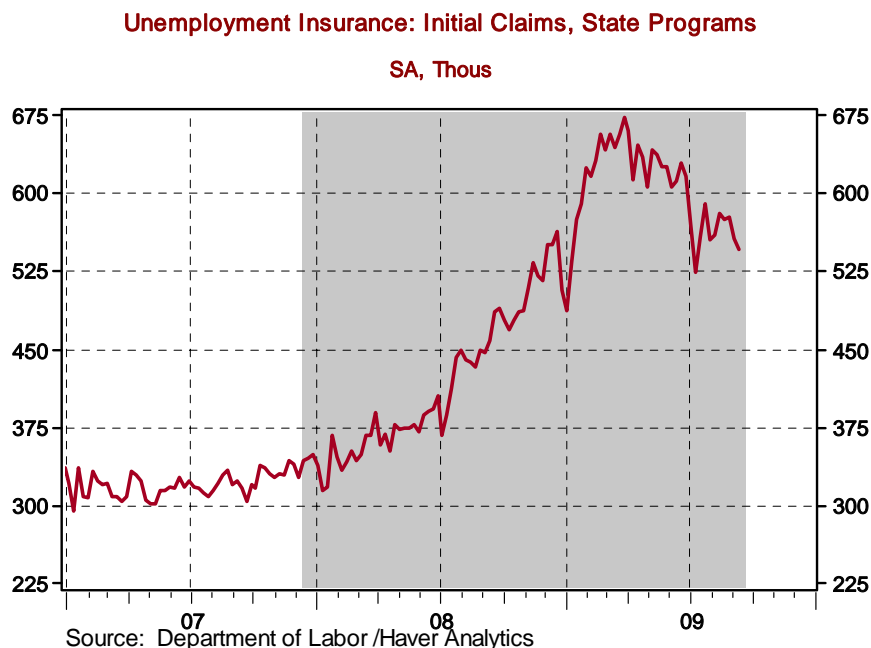


On a regional basis, starts of new homes increased in the Northeast (23.8%) and Midwest (+0.9%), held steady in the West and fell in the South (-2.5%). The number of permits issued for new homes increased 2.6% to 579,000 in August; with permit extensions for single-family units posting a small 0.2% drop. Construction of new homes will gather strong momentum only when the employment gains are robust and sustained.

Jobless Claims – Initial Claims Decline, Continuing Claims Advance

Initial jobless claims fell 12,000 to 545,000 during the week ended September 12. Initial jobless claims are down 129,000 from the peak (674,000) recorded during the week ended March 28, 2009.

Chart 3

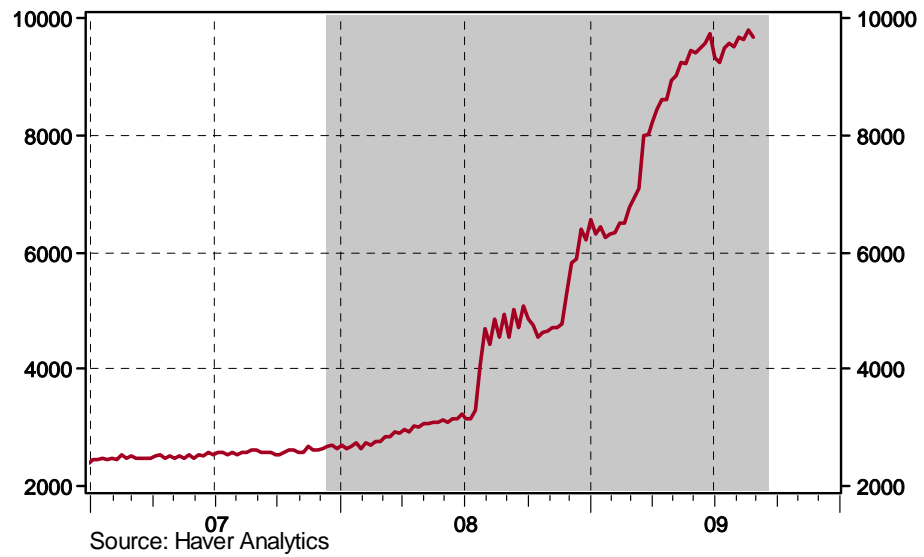


Continuing claims, which lag initial claims by one week, moved up 129,000 to 6.23 million and the insured unemployment rate rose to 4.7% from 4.6% in the prior week. Total continuing claims inclusive of claims under special programs stood at 9.677 million for the week ended August 29, marginally lower than the previous week's reading of 9.79 million. The upward trend of this tally remains the troubling aspect of the weekly report on the labor market.

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Chart 4

Total Continuing Claims including Special Programs
Regular Claims, SA ; Special Programs, NSA (thous)



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