



HOUSING MARKET INDEX AND LEADING ECONOMIC INDICATOR RELEASES

Hello everyone. Thank you for joining us once again here at Seifried & Brew for our weekly webcast. I am Jamie Sumner, chief analyst. For this week's webcast we want to look over some of the housing data that came out last week as well as their leading Economic Indicators. This week we have the **FOMC meeting**. So that's a positive starting today and ending tomorrow with their release in their statements. So, it will be interesting to see how they interpret the second quarter results in here. But for now, let's just look at those economic releases from last week.

We had the **Housing Market Index** come out. And as you can see for July (Slide 2), it kind of dipped down which is what it's been doing over the past couple of months. We trended this out all the way back to 2000. You can see how during that Great Recession it's kind of leading into that Great Recession and we've recuperated almost entirely that index. So that's the optimism in the housing market; picked up a bunch which is what we've seen in the overall numbers and starts, and **Existing Home Sales** and **New Home Sales** throughout this time period. But most recently you can see we've had a little bit of trail off. Some of that is due to the overall prices of building a house with it, with the lumber prices going up. So that has that negative impact, but we're still fairly strong up here in near that 70 range.

(Slide 3) When we look at the June numbers for the **Building Permits**, we can see that we had a big uptick with the building permits. This is a positive because both the April and May numbers had been below the first quarter. So overall, we've seen this pick up in June which is a positive for the third quarter in here. However, when we look at the overall quarter for building permits, we are below where we were in the first quarter. (Slide 4) And that's similar to what we've seen inside the **Housing Starts**. You can see in the second quarter we had a dip, but this June number kind of picked up a lot. And these pickups in those housing starts and the permits (Slide 5) led to the leading economic indicators picking up year-over-year in here at that 4% rate. Month over a month it was up 0.6%, higher than the anticipated by consensus, at 0.4%. So, this is very good. This is what we want to see in here as we lead into the third quarter with these releases.

Also this week, we have, as I mentioned before, we have the Fed meeting. So, we get the release from the Fed. We are not anticipating any movements on the **Fed Funds rate**. We're anticipating that stays in the same market, similar, the 99% probability that it will remain where it is right now. The GDP is coming out on Friday. That's the advanced estimate for the **second quarter GDP**. The economic side economists have put that at about a 2.4% growth rate for the second quarter. So, it will be interesting to see how that rolls out in here with the softness that we've had somewhat inside the retail sales numbers and some of these building housing numbers.

That's what we have for you this week. Next week we should have an interesting webcast. We look forward to seeing you back here again next week. Have a great week everyone.

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