

## May 5, 2007 Review

### Comments

Liquidity and why it matters

### Credit

### Commercial Real Estate

### Commodities

### Currency

### Diversification

### Derivatives

### Housing

- May 1 (Bloomberg) -- An index of pending sales of existing homes in the U.S. unexpectedly fell to the lowest level in four years in March, signaling the real-estate slump may linger as prospective buyers hold out for lower prices. The index of signed purchase agreements, or pending home resales, fell 4.9 percent to 104.3, the lowest since March 2003, after a revised 1.1 percent gain in February, the National Association of Realtors said today in Washington. The index was down 10.5 percent from March 2006. A wave of subprime mortgage defaults is throwing more homes back on to the market and prompting banks to tighten lending standards. Many buyers are also waiting for prices to fall further before venturing into the market, economists said. "The spring selling season is shaping up to be a major disappointment," said Mike Larson, a real-estate analyst at Weiss Research in Jupiter, Florida. "It will take lower home prices to spur more buying and clear out the large inventory overhang we're facing." Economists expected pending sales to rise 0.1 percent after an originally reported 0.7 percent gain in February, according to the median of 22 forecasts in a Bloomberg News survey of economists. Estimates ranged from a decline of 4.2 percent to a gain of 2 percent.

#### **Pending Sales of Existing Homes in U.S. Fell in March**

[http://www.bloomberg.com/apps/news?pid=20601087&sid=aXZRdKh\\_WP1s&refer=home](http://www.bloomberg.com/apps/news?pid=20601087&sid=aXZRdKh_WP1s&refer=home)

**Housing Finance**

**Macro Economic**

**Retail**

**Retirement**

**Risk**

**Savings Rate**

**Tech**

**Wall Street**

**I Disagree . . . and why**

[Article of the week:](#)

**UM EMBA**