

Existing Home Sales: Steady progress, but slow

September existing-home sales fall an in-line 3.0% (Consensus: -2.0%; Decision Economics: -1.8%) from a prior-month level revised up by 0.6%.

Only the Northeast region (+2.6%) saw a sales increase in the month, but declines in the other regions were all smaller than the relatively large sales increases seen in each the month before.

The inventory of unsold homes shrank 2.0%, which--because the decline lagged the drop in sales--still resulted in a rise in the months supply, to 8.5 months from 8.4.

Recent months-supply levels remain quite high in relation to much of the available history, but do seem to be consistent with relatively stable prices--at least in the seasonally adjusted Case-Shiller numbers. That is encouraging--particularly since the inventory continues to shrink in absolute size.

Fed views will certainly not change. All will be reassured by the apparent stabilization--as opposed to decline--in the market, but doves will be unhappy with the rate of progress. Hawks will see no reason to attempt to juice things further--on principle, and because expecting little effect in any case.