

## Case-Shiller: How bad?

The December Case-Shiller house price index shows an unexpected acceleration in the year on year decline, from -3.8% (revised from -3.7%) in November to -4.0% (Consensus: -3.6%; Decision Economics: -3.5%).

But, seasonally adjusted numbers actually show a slowing in month-to-month declines from -0.7% in November (and in October and September) to -0.5% in December--hinting, faintly, at stabilization in prices. Notably, 15 out of 20 regional figures showed steady or slowing month-to-month declines

To the degree that the seasonal adjustment can be trusted, that slowdown is the more important indication--suggesting, again faintly, that current supply and demand are coming more closely into balance. Obviously, any solid conclusion will require much additional corroborating evidence.