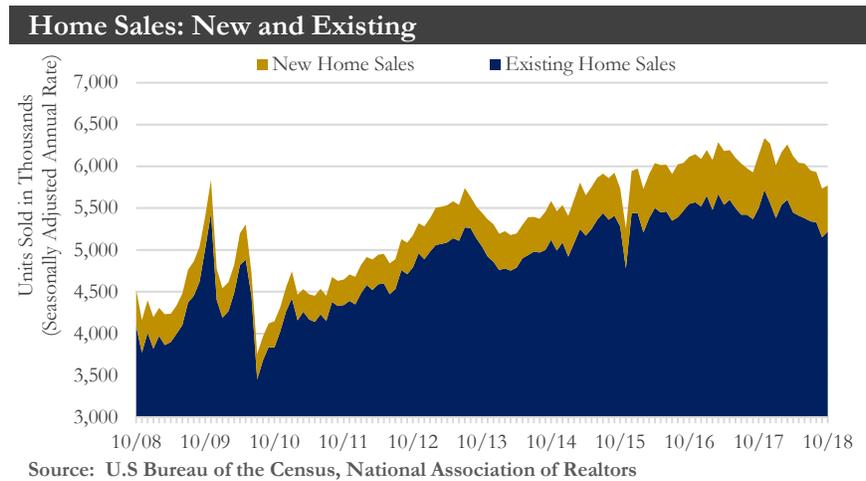


**CMC UPDATE: Existing Home Sales Rebound**  
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November 21, 2018

Existing home sales rose 1.4% to 5.22 million units (annualized) in October, marking the first increase since March. Home resales improved across most regions, except the Midwest. Inventories were up 2.8% from the same month last year. Median existing home prices were up 3.8% y/y.

Although home resales took an important positive step in October, overall activity is still down some 5% y/y. The key question now is whether October marks the start of a new and improved trend, or simply a brief pause to an underwhelming short-term outlook. With interest rates rising and affordability continuing to deteriorate, the malaise in resale activity likely has some more room to run. Still, a strong labor market and expectation for a more gradual increase in mortgage rates may help limit the potential downside.



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