



ANALYST QUICK NOTES

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Housing-Related Stocks

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Why We Are Bullish on Housing-Related Stocks

- A Key Question for Homeowners: Will I be able to make a payment every month for the next 360 months?
 - 10 Favorable Indicators:
 - Unemployment Rate: Down to 4.3% in May from 10% in 2009.
 - Duration of Unemployment: Down to 24 weeks in May, from 40 weeks in 2011.
 - Mortgage Bankers Association Credit Availability Index: Up to 99.5 from 62 in 2013.
 - 30-year Mortgage Rate: A reasonable 4.2%.
 - U. Michigan Expected Income: Trending higher since late 2014, +1.8%.
 - U. Michigan Consumer Sentiment 94.5, up from 56 in 2008.
 - “Jobs Hard to Get” Index falls to 18.2 in May from 49 in 2009, Conference Board.
 - Home prices still rising: About 5.75% YOY, S&P Case-Shiller.
 - Housing Affordability Index still favorable: 156 in April, Natl. Assn. Realtors.
 - Household Debt Lower: 103.8% of household income in March vs. 133% in 2007.
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