

No need for commentary on the housing rollover in large part confirmed by May pendings released yesterday -- you have heard my song about the fundamentals of the housing market for a long time. What is notable is how far off ALL 'economists' estimates were...not one even came close. What does this mean for the level optimism presently built into bank loan, mbs and real estate asset valuation models by the very same economists vs what reality will ultimately be over the next couple of quarters.

Excerpt from [Bloomberg](#):

"The **index of pending home resales dropped 30 percent** from the prior month...The drop was the biggest in records dating to 2001 and compared with a 14 percent decrease forecast in a Bloomberg News survey of economists. **Forecasts for the decline in pending home sales ranged from 4 percent to 25 percent**, according to a Bloomberg News survey of **36 economists**. Sales rose 6 percent in April."

There's [another] storm a' comin' folks.