Economic Crisis: The Sovereign Debt Bubble

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When the next census is over America will probably have 320 million people. The number of Americans 50 years ago was about 184 million. Our budget then was about $100 billion. Today it is supposed to be $3.8 trillion. We call that spending gone wild. Government control of the economy has become bigger and all consuming at what will prove to be an unsustainable pace. Markets are telling us the world has serious sovereign debt problems as witnessed recently with the financial debacles in Ireland and now Greece with others to follow. Arrogant government, Fed officials and Wall Street telling us the borrowings are necessary to save our economy, when in fact just the opposite will prove to be true. Chairman Bernanke tells us inflation expectations are stable and will be subdued for some time to come. Our big questions are what is he hiding at the Fed? Why doesn't he want an audit? What has the Fed been doing that it doesn't want us to know about? Could it be the funnel of insider information flowing to Wall Street and banking or the operations of the "Presidents Working Group on Financial Markets"? In their minutes it would be found that inflation is recognized as a friend not an enemy. The independence Mr. Bernanke speaks about is a subterfuge to keep what the Fed is doing away from prying eyes. We do not believe this is any way to run a monetary system.

As we forecast Fed Chairman Bernanke was reconfirmed as the Republican National Committee doled out campaign contributions (payoffs) so that Senators could see their way to confirming Ben. Treasury Secretary Geithner and former Secretary Paulson lied before the congressional committee and as usual nothing happened. Again three illuminists waltz free to again rape our financial system. Democrats in scumbag fashion didn't seat the newly elected Scott Brown and was able to increase short-term government by $1.9 trillion, so they wouldn't have to increase it before the November elections. What a wonderful government we have. If Americans do not dump the incumbents of both parties our country is doomed.

It should stand foremost in everyone's mind that we have had zero interest rates for 14 months and there is no end in sight. The Fed in its secrecy, because you do not have a need to know, won't admit that they paid banks, Wall Street firms, insurance companies, other corporations and foreign banks 100 cents on the dollar for virtually worthless bonds. The Fed saved the financial system and the US taxpayer will pay for it. Incidentally, these recipients are all back doing the same thing they did before, which brought the financial system down. The Fed created more than $2 trillion for this bailout, as well as via the purchase of Treasuries and Agencies.

In this process the Fed lost control of the Fed funds' rate, a new rate process will probably be interest paid on excess bank reserves. This could lead to a drain in reserves of $1 to $2 trillion. Part of those reserves are toxic garbage that the Fed has to find a way to get rid of at $0.20 to $0.30 on the dollar and in process not let anyone know what the publics' losses are. Keep in mind that if these securities had not been "purchased many banks, brokerage houses, insurance companies and transnational conglomerates would have been bankrupt by now.

China expanded bank loans in January by a phenomenal $200 billion plus. This is in addition to $1.3 trillion in previous expansions. As a result house prices rose 9.5% year-on-year. Their manufacturing fed giant oil and copper imports rose 33% to 25%, as consumption rose 40%.

As a result the People's Bank raised reserve requirements by 50 bps, or 1/2%. Whether this becomes an isolated event or whether it is the beginning of real tightening, remains to be seen. If they are serious they will need higher rates than that. This tactic is used rather than raising interest rates, which will attract additional hot money flow. The bank says they are guiding the economy back to normality. They are expecting other countries to follow their lead in ending stimulus. The question now for China and the rest of the world is will world stock and bond markets, as well as asset values fall as the stimulus and quantitative easing ends? Our forecast is a fall in GDP, higher unemployment, an easing to a very small degree in inflation and a big fall in stock, bond and real estate prices. The temporary palliative will not carry their economy ahead on a permanent basis.

China can act aggressively because their enormous Forex position of some $2.4 trillion; a luxury not available to many countries. In addition we now have recognized sovereign debt problems mainly so that the dollar could rally and for other currencies to fall to make them more competitive. That is the price to be paid – recognition. Those conditions were well known long before the open exposure of Greece, Ireland, Portugal, Spain and Italy. The magical exposure was all prearranged. We could tell that was the plan by the long dollar positions of Goldman, Morgan and Citi, and in reverse their massive short positions in gold and silver bullion and shares that still as yet have only been partially covered.

China will tighten up but not in a big way, because others won't and can't without there economies coming unglued, especially in the category of unemployment. World monetary authorities are hoping the deflationary underflow will in total or at least in part ward-off the inflation caused by monetized stimulus. That is wishful thinking. What is in motion is very dangerous, especially for the US, where the federal deficit has gone ballistic, probably reaching $1.5 to $2.0 trillion by September 30, 2010, the end of the fiscal year. Then there is the matter of debt that last year saw the Fed service 80% via monetization. This cannot persist indefinitely. As you can see the US and other economies are very vulnerable.

As all attention has been drawn over the past few weeks to Greece, Europe and China, it went almost unnoticed that the US had the largest trade deficit in a year, and that Freddie Mac will purchase hundreds of billions of dollars of toxic waster better known as collateralized debt obligation, in behalf of the American taxpayer. There is no end to America's financial problems.

This is the result of the market's reluctance to purchase these securities. These publicly supported bankrupt entities will spend another $200 billion buying these securities. This is an add on to the Fed's program of purchasing $1.25 trillion of these home loans, a program that is supposed to end next month.

If this is part of the Fed's exit strategy we are in serious trouble. These purchases are not going to solve the problems. The Fed is just moving these wasteful assets from one place to another. Under these circumstances how can there be a recovery and how can the dollar maintain its current strength? Leverage is still the method of speculators and inflation is still with us.

It looks like global financial and economic problems are not going to disappear anytime soon. Over and over again nations paper over problems never attempting to solve them. The current dilemma in Greece and at the Fed are perfect examples.

Observers are going to be shocked when China's stock market and real estate bubbles burst. The ramifications of these Chinese failures will resound worldwide. The biggest question is will China have to start selling off its $2 trillion dollar hoard to straighten out its problems? Only time will tell. What is important is that these problems exist. They are not being addressed and in time will resurface in a more virulent manner.

We see Greece as a reflection of where America is headed. Greece and America have many things in common, one of which is their governments consistently lie about everything. The EU and eurozone solution for Greece are budget cuts of 8.7% this year and down to 3% of GDP in three years. Can you imagine the US going through this? Well, get ready for it because this is where the US economy is headed. Instead of $780 billion stimulus plans we will have $780 billion in budget cuts. Not only would government start cutting staff, but also there would be major cuts in Medicare, Medicaid, Social Security, wages, etc. Yes, taxes would rise, as tax cuts would not be renewed.

We hear all about the corruption in Greece, but we are not surprised. They just copy what they see in the US. It is a revelation when we are told 30% of Greece's economy is underground. It has been a dark secret for many years that 30% of the US economy is underground as well. This began in the Vietnam era, and has gone on ever since. Today people say if illegal aliens do not have to pay taxes why should they. It is a government-sponsored program to do little or nothing about this problem, so what can government expect from the public?

Greece is a basket case, as are many other governments. The more we research the more we are convinced Greece is a setup and trial run to take other governments under, one at a time. This in part was done to boost the dollar's value versus other currencies. This could be the second inflationary leg of the depression similar to 1933. Again the only safe haven is gold and silver related assets.

As we mentioned before, Greece could well be a distraction so players would lose sight of US problems. A strong dollar does not mean the America's problems are over. Others' problems are not worse than ours. By the looks of things the Illuminists are not as yet ready to pull the plug on Europe. If they were they would have already pulled it. The EU, but in particular the eurozone, has become a failed experiment. Greece may be bad but California is going to be much worse. It represents 13% of US GDP and is the 7th largest economy in the world. They owe the federal government $6 billion and have a budget deficit of more than $6 billion. Then there are the $500 billion in municipal bonds they have outstanding, that could go into default. Then there is New Jersey with an $11 billion deficit. Pennsylvania hs talked about bankruptcy. Then come many others. Yes, Greece could be a diversion. If it is it will be a long-term diversion that could last 20 years. For those who do not know Greece has been in default in 105 of the last 200 years.

The bottom line is there is a limit to the amount of debt a sovereign country can handle. The Illuminists are setting the world up for a long string of sovereign defaults. Now you can better understand why you need gold and silver related assets.

The latest G-7 meeting in N. Canada was another non-event. They reaffirmed that stimulus has to keep flowing or the seven major world economies won't be able to make it. Little of what really went on got into the media, which is usually the case. Governments in recent years have become more and more secretive. Most nations generally want lower deficits, but in reality never practice what they preach. That gives us a bottom line as we are left with little more than blatant hypocrisy. It has simply become a pure political game and as a result there is no path back to economic and financial normality. No one wants to purge a system that no longer functions properly. The looting goes on unabated. They are all a disgrace, but we know exactly what they are up too. Thank goodness for newsletters, talk radio and the Internet, otherwise we'd still have darkness being only able to access the controlled media.

Last week the Dow gained 0.9%, S&P 0.9%, the Russell 2000 3% and the Nasdaq 1001.9%. Banks fell 0.2%, broker/dealers rose 1.3%, cyclicals 2.5%, transports 2.5%, consumers 1.6%, as utilities lost 1.3%. High tech rose 1.8%, semis 4%, Internets 1.8%, as biotechs fell 0.2%. Gold bullion rose $27.00, the HUI gained 3.2%, as the USDX dollar index fell 0.3% to 80.22.

Two-year Treasury bills rose 5 bps to 0.74%, 10-year notes rose 13 bps to 3.70 and 10-year German bunds gained 7 bps to 3.19%.

Freddie Mac 30-year fixed rate mortgage rates declined 4 bps to 4.97%. The 15's fell 6 bps to 4.34% one-year ARM's jumped 9 bps to 4.33% and 30-year jumbo's rose 2 bps to 5.92%.

Fed credit increased $1.8 billion last week. It is up 22% yoy. The Fed foreign holdings of Treasury and Agency debt jumped $9.3 billion to $2.956 trillion. Custody holdings, for foreign central banks yoy are up $395 billion, or 15.4%.

M2 narrow money supply increased $7 billion to $8.471 trillion yoy; it has expanded 1.8%.

Total money market funds assets fell again $6.7 billion to $3.198 trillion. Year-on-year they have fallen $705 billion, or 18.1%.

China's lending surged to 1.39 trillion yuan ($203 billion) in January and property prices climbed the most in 21 months as banks extended more credit in anticipation the government will tighten monetary policy. Lending was more than in the previous three months combined. Property prices in 70 cities rose 9.5% from a year earlier... China's 9.35 trillion yuan of loans in the past year has added to the risk that the world's fastest-growing major economy may overheat.

Fannie Mae and Freddie Mac's plan to step up purchases of delinquent loans may boost prepayments on their securities. Freddie Mac said yesterday that it would buy 'substantially all' loans with payments late by 120 days or more from its securities in the next month. Fannie Mae said later that it will 'increase significantly' its buyouts, setting a less aggressive timeline. The value of Freddie Mac's delinquent loans is $70 billion, while Fannie Mae has $130 billion of the debt. 'This is going to be a wad of cash coming into the fixed- income markets and it's not immediately clear where it's going to be reinvested,' said Jim Vogel, head of agency-debt research at FTN Financial.

More than a fifth of U.S. homeowners owed more than their properties were worth in the fourth quarter according to Zillow.com. In the fourth quarter, 21.4% of owners of mortgaged homes were underwater, up from 21% in the previous three months.

Like millions of American households, the Mortgage Bankers Association found itself stuck with real estate whose market value has plunged far below the amount it owed its lenders. On Friday, CoStar Inc., a provider of commercial real estate data, said it had agreed to buy the MBA's 10-story headquarters building in Washington, D.C., for $41.3 million. That is well below the $79 million the trade group agreed to pay for the glass-walled building in 2007.

Senator Evan Bayh of Indiana announced yesterday that he will not seek a third term in November, a decision that, combined with other Democratic departures, could imperil the party's prospects of retaining control of the Senate.

Bayh cited the lack of bipartisanship on Capitol Hill as his main reason for leaving, adding to skepticism that the fractiousness in Washington can be repaired and undermining President Obama's efforts to build bridges. [The rats are leaving the sinking ship. As it says in the Bible the writing is on the wall.]

HERE has been no global warming for 15 years, a key scientist admitted yesterday in a major U-turn.

Professor Phil Jones, who is at the centre of the "Climategate" affair, conceded that there has been no "statistically significant" rise in temperatures since 1995.

The admission comes as new research casts serious doubt on temperature records collected around the world and used to support the global warming theory.

Researchers said yesterday that warming recorded by weather stations was often caused by local factors rather than global change.

The revelations will be seized upon by sceptics as fresh evidence that the science of global warming is flawed and climate change is not man-made.

The Daily Express has led the way in exposing flaws in the arguments supporting global warming.

Last month we revealed how the UN's International Panel on Climate Change was forced to admit its key claim that Himalayan glaciers would melt by 2035 was "speculation" lifted from a 1999 magazine article. The influential IPCC then admitted it had got the key claim wrong and announced a review.

The Daily Express has also published a dossier listing 100 reasons why global warming was part of a natural cycle and not man-made.

Yesterday it emerged that Professor Jones, whose raw data is crucial to the theory of climate change, had admitted he has trouble "keeping track" of the information.

Colleagues have expressed concern that the reason he has refused Freedom of Information requests for the data is that he has lost some of the crucial papers.

Professor Jones also conceded for the first time that the world may have been warmer in medieval times than now. Sceptics have long argued the world was warmer between 800 and 1300AD because of high temperatures in northern countries.

Climate change advocates have always said these temperatures cannot be compared to present day global warming figures because they only apply to one specific zone.

But Professor Jones said: “There is much debate over whether the Medieval Warm Period was global in extent or not. The MWP is most clearly expressed in parts of North America, the North Atlantic and Europe and parts of Asia.

> “For it to be global in extent, the MWP would need to be seen clearly in more records from the tropical regions and the southern hemisphere. There are very few climatic records for these latter two regions.

“Of course, if the MWP was shown to be global in extent and as warm or warmer than today, then obviously the late 20th century warmth would not be unprecedented.” Professor Jones first came under scrutiny when he stepped down as director of the University of East Anglia’s Climatic Research Unit in which leaked emails were said to show scientists were manipulating data.

Researchers were accused of deliberately removing a “blip” in findings between 1920 and 1940, which showed an increase in the Earth’s temperature.

John Christy, professor of atmospheric science at the University of Alabama and a former lead author on the IPCC, said: “The apparent temperature rise was actually caused by local factors affecting the weather stations, such as land development.”

Ross McKitrick, of the University of Guelph, Canada, who was invited to review the IPCC’s last report said: “We concluded, with overwhelming statistical significance, that the IPCC’s climate data are contaminated with surface effects from industrialization and data quality problems. These add up to a large warming bias.”

International demand for long-term U.S. stocks, bonds and financial assets grew at a slower pace in December than a month earlier, as China sold U.S. government securities, a U.S. Treasury Department report showed.

Net buying of long-term equities, notes and bonds totaled $63.3 billion for the month, compared with net purchases of $126.4 billion in November, the Treasury said in Washington. Including short-term securities such as stock swaps, foreigners purchased a net $60.9 billion in December, compared with net buying of $30.7 the previous month.

China has questioned the dollar’s dominance as the world’s reserve currency. In the U.S., spending to avert an economic collapse sent the federal budget deficit above $1 trillion for the first time ever in fiscal 2009, and economists said that may deter investment from abroad.

“The U.S. may not be able to get its government spending under control,” said Chris Rupkey, chief financial economist at Bank of Tokyo-Mitsubishi UFJ Ltd. in New York, before today’s report. “But it is still seen as an island of relative safety.”

China was a net seller of U.S. Treasuries for a second straight month, after sales of $34.2

billion, the report showed. Japan replaced China as the top foreign holder of U.S. government debt, after net purchases of $11.5 billion raised its total to $768.8 billion.

Economists surveyed by Bloomberg News ahead of today's survey projected long-term U.S. financial assets would show a net increase of $35.4 billion in December. Estimates ranged from $15 billion to $68.2 billion, according to the seven forecasts compiled in the survey.

Manufacturing in the New York region expanded in February at the fastest pace in four months as companies boosted payrolls in anticipation of accelerating orders and sales.

The Federal Reserve Bank of New York's general economic index rose to 24.9 this month, higher than anticipated, from 15.9 in January. Readings above zero in the so-called Empire State Index signal growth in the area covering New York and parts of New Jersey and Connecticut.

Manufacturers are increasing output to replenish depleted inventories as business and consumer spending pick up and exports surge. The factory expansion may persist for months, leading to gains in hiring and incomes that will probably also give the rest of world's largest economy a lift.

JPMorgan Chase & Co., the second- biggest U.S. lender, agreed to buy the non-U.S. units of RBS Sempra Commodities LLP for $1.7 billion to expand its energy- and metals-trading units.

JPMorgan will acquire the firm's European and Asian global metals and oil units, Edinburgh-based Royal Bank of Scotland Group Plc said in a statement today. RBS was forced to sell its stake in Sempra by the European Union after receiving a 45.5 billion-pound ($71 billion) taxpayer bailout.

The purchase, led by JPMorgan global commodities chief Blythe Masters, expands the bank's commodities division just as U.S. President Barack Obama tries to curb banks' trading of securities for their own account. JPMorgan held talks to buy RBS Sempra's North American gas and power trading units as well, two people with knowledge of the talks said this month.

"This transaction maximizes the market value of our European and Asian businesses and represents a positive first step of an orderly exit by RBS from the joint venture," Donald E. Felsinger, chairman and chief executive officer of Sempra Energy, said in a statement today.

Sempra will receive about $940 million from the sale, the San Diego-based company said. RBS will receive about $799 million from the deal and expects to make a "small gain" from the sale, the bank said.

The government already has made so many promises to so many expanding "mandatory" programs. Just keeping these commitments, without major changes in taxing and spending, will lead to deficits that cannot be sustained.

It's time for some perspective.

Greece is in crisis because its budget deficit was thought to be 12.7% of its GDP.

Spain is perceived to be the next crisis because its budget deficit is 11.7% of its GDP.

A proposed bailout condition is Greece must reduce its deficit to the 3% of GDP level mandated by Maastricht.

The US will run a projected $1.6 trillion deficit. Its GDP is $14.2 trillion. This means the US budget deficit is projected, under the rosy economic assumptions of the Obama administration, to be 11.3% of its GDP. To get a budget deficit of 3% of GDP, the US must cut $900B of spending or increase taxes.

Dubai's stock market fell 3.5% after a report said the government's investment vehicle Dubai World may offer only 60 cents on the dollar to creditors. The company denied the Dow Jones report but that did not stop Dubai's index seeing its biggest drop in three weeks.

Volcker says must let big financial firms fail   Large financial institutions that engage in speculative activities for profit should be allowed to fail if they get in trouble, White House advisor Paul Volcker said on Sunday.

"If a big non-bank institution gets in trouble and threatens the whole system, there ought to be some authority that can step in, take over that organization and liquidate it or merge it — not save it," Volcker said on CNN. "It's called euthanasia, not a rescue."

"I don't think there's any question the Federal Reserve and other regulators were not on top of the housing picture," Volcker said.

The next US bank or financial institution that becomes insolvent is likely to be nationalized or merged into another entity with possible covert guarantees. That's what current politics dictate.

We have been screaming for the past several years that food and energy inflation are boosting retail sales. Also, the government has been reporting higher retail sales than industry sources or sales taxes indicate.

Texas collects $1.66 billion of January Sales, 14% below last year.

The U.S. Census Bureau announced today that advance estimates of U.S. retail and food services sales for January, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $355.8 billion, an increase of 0.5 percent (±0.5%)* from the previous month and 4.7 percent (±0.5%) above January 2009. Gasoline stations sales were up 29.0 percent (±1.5%) from January 2009 [+0.4% m/m].

Seeking Alpha comments on the ugly 30-year US Treasury auction last week: To see such a MASSIVE drop off in Indirect Buyers (40% down to 28%) is a MAJOR warning sign that Foreign Governments are no longer willing to buy long-term US debt.

This auction was a very small step away from a failed auction. To see Primary Dealers buying so much (remember they HAVE to buy it) and Indirect Buyers so little, only confirms what I've been saying for months: that the US is entering a Debt Spiral; a situation in which it must issue more and more debt (while rolling over trillions of old debt) at the very time that fewer and fewer investors are willing to lend to the US for any lengthy period of time (more than ten years).

Gradually we are getting confirmation that Chinese "posturing" about offloading US debt is all too real. The most recent TIC data confirmed the Treasury's greatest nightmare: China is now dumping US bonds. In December China sold $34.2 billion of debt ($38.8 billion in Bills sold offset by $4.6 billion in Bonds purchased), lowering its total holdings $755.4 billion, the lowest since February 2009, and for the first time in many years relinquishing the top US debt holder spot to Japan, which bought $11.5 billion (mostly in Bonds, selling $1.4 billion Bills) bringing its total to $768.8 billion. Also, very oddly, the surge in UK holding continues, providing yet another clue as to the identity if the "direct bidder" – as we first assumed, these are merely UK centers transacting primarily on behalf of China as well as hedge funds, which are accumulating US debt under the radar. UK holdings increased from $230.7 billion to $302.5 billion in December: a stunning $70 billion increase in a two month span. Yet, with the identity of the UK-based buyers a secret, it really could be anyone… Anyone with very deep pockets.

L.A. budget crisis threatens jobs, credit rating

The $212 million budget shortfall, projected to more than double next year, is attributed mainly to plunging tax revenue blamed on the region's sagging economy, falling property values and a 15 percent jobless rate — one of the highest of any major U.S. city.

"The last time we saw this kind of drop in revenue was the Great Depression," Miguel Santana, the city's chief financial officer, told Reuters. "It speaks to how severe this budget crisis is."

By Opposing Just A 5% Pay Cut, L.A.'s Union Hardliners Show Why California Is Doomed.

The Hill: The risk from the financial crisis was overblown and many of the TARP bailouts were unnecessary, Gov. Tim Pawlenty said in an interview published today. Speaking to Esquire magazine, Pawlenty suggested the bailout was contrived by Goldman Sachs execs for their own self interest. He referred to an unnamed story he read on how the bailout was conceived.

"In this story, Paulson, former Goldman Sachs CEO, was meeting with other Goldman Sachs executives, trying to figure out what to do, and surprise, surprise, they came up with the conclusion that the federal government should bail out Goldman Sachs," Pawlenty said.

"So I don't take as an article of faith that the financial world would have come to an end if we had let more of these institutions fail," he added.

http://thehill.com/blogs/blog-briefing-room/news/80951-pawlenty-financial-crisis-risk-was-overblown

Police in the Greek capital say a bomb has exploded at the offices of American financial services firm JPMorgan Chase & Co., causing no injuries.

The blast occurred early evening Tuesday in an upscale area of central Athens, following a warning telephone call to an Athens newspaper.

The extent of the damage was not immediately clear.

America's fragile high street banks are bracing themselves for a fresh financial crunch as a wave of commercial property mortgages go sour on offices, shops and factories, causing losses of up to $300bn (£192bn) hitting nearly 3,000 small- and medium-sized financial institutions.

A congressional oversight panel charged with scrutinising the Obama administration's bailout efforts has warned that $1.4tn of loans covering commercial premises will reach maturity between 2011 and 2014. After a plunge in property prices, nearly half of these loans are underwater, with borrowers owing more than their underlying property is worth.

An analysis by the panel found that 2,988 of America's 8,100 banks have potentially dangerous exposure to commercial property loans. The impact could damage hopes of a US economic recovery and could cause a further squeeze in the availability of credit to consumers and businesses.

"Are we arguing that this is a serious problem that we need to get in front of? The answer is yes," said Elizabeth Warren, chairman of the oversight panel. "It's like throwing a handful of sand into the economic recovery."

She said that if banks see that their commercial property liabilities are mounting, they will hold back on lending elsewhere: "They'll tend to husband their money so that it's not available for small business loans.

A new report says hotels in Hawaii lost $741 million last year, $1.1 billion since the tourism slump began in 2008.

The report by the industry consulting firm Hospitality Advisors LLC says hotel occupancy throughout the state averaged 66.5 percent in 2009. That's down from 70.5 percent in 2008.

Hospitality Advisors says last year's rate was the lowest since it began reporting hotel data in 1987.

Company President and Chief Executive Officer Joseph Toy says 2009 was a tough year for the visitor industry in Hawaii and across the nation.

He says the speed and depth of the downturn was unprecedented, and the hotel industry has never experienced the level of rate discounting that is continuing.

Hotels have been heavily discounting room rates to generate demand.

The sudden pullout of three corporate giants from a leading alliance of businesses and environmental groups could be the death knell for climate change legislation languishing on Capitol Hill.

ConocoPhillips, BP America and Caterpillar's announced Tuesday they will pull out of the U.S. Climate Action Partnership, citing complaints that the bills now in Congress are unfair to American industry.

Net long-term TIC flows were $63.3 billion. The November total net figure was revised to $30.7 billion: net long-term TIC figures was revised to $126.4 billion from $126.8 billion

The February NAHB housing market index rose to 17, up from January's 15. Another negative for builders is that lumber prices have increased 32% this year.

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