



OVERNIGHT MONEY: Casing Case-Shiller

By Bernie Becker, Peter Schroeder and Erik Wasson - 06/27/11 10:24 PM ET

Days until Aug. 2 debt-ceiling deadline: **36**.

TUESDAY'S BIG STORY:

Who's ready for another round of housing data? Anyone?

Lucky you: The latest version of the Standard & Poor's/Case-Shiller home price index is due out tomorrow morning, with many hoping it won't be a repeat performance of its last offering.

At the end of May, the index reported that home prices in the first quarter of 2011 **dropped** by 4.2 percent, erasing all gains in home prices made since the housing bubble burst and leading the creators of the index to declare a double dip in home prices was under way.

Still, there may be hope for tomorrow's report, which will shine a light on home prices over the three-month period ending in April. Several home price indexes have already shown gains in April — the Federal Housing Finance Agency's monthly index **showed** a 0.8 percent gain — so some think the highly visible S&P/Case-Shiller index might also beat bleak expectations.

That, to be sure, would be some sorely needed positive information about the housing market and economy as a whole.

WHAT ELSE TO WATCH FOR:

About those 36 days: As it happens, Day One of President Obama's intervention in debt ceiling talks have come and gone without an agreement. The president's Monday daybook included meetings with Senate Minority Leader Mitch McConnell (R-Ky.), who has demanded that Obama take both tax hikes and stimulus spending **off the table**, and Senate Majority Leader Harry Reid (D-Nev.).

The White House, though, is sticking by its declaration that any deal will have to include revenue raisers. Jay Carney, the White House press secretary, said Monday that the administration was interested in discussing tax credits and deductions for the oil-and-gas industry, corporate jet owners and depreciation provisions for manufacturers.

Sources also have told The Hill that the White House is pushing for a proposal, included in the president's 2012 budget, that would force hedge fund managers and other investors to pay income tax rates, instead of the lower capital gains rates.

And, as The Hill's Alexander Bolton and Sam Youngman report, this all amounts to talks over the Bush tax cuts for high earners being put off for [another](#) day.

Presidential daybook: Obama is headed to Iowa on Tuesday to reiterate a recent White House push: the importance of manufacturing for the U.S. economy.

A little preview: Perhaps looking to put a little fear into deficit negotiators, the Bipartisan Policy Center is set on Tuesday to unveil its detailed explanation of what happens if the debt ceiling is breached on Aug. 2.

Former Sen. Pete Domenici (R-N.M.), who co-chaired a deficit reduction panel for the policy center, and Jay Powell, former under Treasury Secretary for Finance under President George H.W. Bush, are expected to outline the mechanics and risks of default.

She's a BRICS-House: The Woodrow Wilson International Center for Scholars is slated to convene on Tuesday to discuss the emerging economies lovingly referred to as BRICS (that would be Brazil, Russia, India, China and South Africa, for those keeping score at home). A handful of foreign finance experts will be on hand to offer their take.

Speaking of which: Top U.S. officials are scheduled to meet with Pranab Mukherjee, the Indian financial minister, on Tuesday. Treasury Secretary Timothy Geithner and Secretary of State Hillary Clinton are expected to push India to open up to direct foreign investment in Indian financial sector and retail sector.

The hearing roundup, House-free edition:

-- Senate Banking is holding a housing market meeting of the minds on Tuesday morning. As lawmakers continue to craft an overhaul of the still-ailing housing market, Banking members will this time explore how they can ensure small financial institutions will remain able to access the secondary market for mortgages. Experts from the housing side and the banking side will be on hand to offer their take.

-- At that same time, and just a few floors away, Senate Finance will look at the tax gap with local business owners from Montana (home of Max Baucus, the committee chairman) and Utah (stomping grounds of Orrin Hatch, its ranking member).

First candle on the cake: As the Dodd-Frank financial reform approaches its first birthday, liberals will gather Tuesday to ask "what further reforms" are necessary to reduce Wall Street's share of the overall economy. Demos' discussion is scheduled to feature Damon Silvers of the AFL-CIO, Scott Paul of the Alliance for American Manufacturing and Thomas Hoenig of the Kansas City Fed.

Quick hits:

-- Sens. Joe Lieberman (I-Conn.) and Tom Coburn (R-Okla.) are set to team up for a Tuesday announcement on how changes to Medicare can help reduce the federal debt. Lieberman's proposed changes to the

entitlement program, announced earlier this month, have not exactly been embraced by Democratic leadership in the chamber.

-- The National Academy of Social Science is set to discuss the idea, floated by Democrats, of changing how cost-of-living increases are calculated to help strengthen Social Security.

-- The left-leaning Economic Policy Institute is scheduled to host a discussion on the planned AT&T/T-Mobile merger.

-- And the Cato Institute looks to address what it says is the need to roll back U.S. dumping policies.

(Other) economic indicators:

-- The Conference Board will be out with its monthly numbers on U.S. consumer confidence.

BREAKING MONDAY:

Don't be sad...: Because two out of three ain't bad? Rep. Sandy Levin (D-Mich.) announced Monday that he would not back a trade pact with Colombia unless the legislation implementing the agreement included a plan for protecting workers in the South American country, our Vicki Needham [reports](#).

The Obama administration has said it supports such a plan, but that the implementing legislation is not the right vehicle. Levin, whose Colombia position could help sway other House Dems, did say he backed the other two pending deals, with South Korea and Panama.

GOP lawmakers have been pushing to get all three deals through Congress as soon as possible.

Shocker?: Business organizations aren't thrilled about the administration's ideas for new tax revenues, *Dow Jones* reports.

All for one...: French banks stand at the ready to assist with the Greek bailout, *The New York Times* [reports](#).

Not quite a fili-Bernie: But Sen. Bernie Sanders (I-Vt.) did spend an hour and a half on the Senate floor Monday bucking up Democrats and [slamming](#) the GOP on budget issues and what he sees as the need for new revenues, The Hill's Floor Action blog reports.

BREAKING (OVER THE WEEKEND):

Back to those 36 days: The markets may not be fully considering the idea that the U.S. could default on its debt – but, as our Peter Schroeder reported, a research arm of Standard & Poor's has estimated that holders of U.S. debt could lose up to [\\$100 billion](#) if the American credit rating is downgraded.

WHAT YOU MIGHT HAVE MISSED:

On the Money's Monday:

-- Erskine Bowles, Alan Simpson: A \$2 trillion debt-ceiling down-payment [first](#), more significant reforms later.

-- Harry Reid: My Obama talks were [productive](#).

-- No budget resolution? No worries: Senate to start [marking up](#) appropriations bills.

-- Top Fed policymaker: We can do [better](#) than the mortgage-interest deduction.

- Anti-poverty groups: Don't hurt the [poor](#) in deficit deal.
- Treasury is [staffing](#) up its new financial research office.
- An insurance expert gets tapped for [FSOC](#).
- And income [inches](#) up in May, while consumer spending effectively does not.

Please send feedback and tips to bbecker@thehill.com.

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