



Mad Money Recap

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Cramer's 'Mad Money' Recap: Housing Nightmare Over (Final)

Scott Rutt

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"I'm calling a housing bottom tonight," an exuberant Jim Cramer told the viewers of his "Mad Money" TV show Tuesday.

Cramer's call comes 14 days ahead of his original prediction, which called for a bottom in the housing market by June 30. However, after today's housing start numbers showed strength even in the nation's hardest hit areas, he amended his original call that was made back in August 2008.

Cramer said the latest reports showing a rise in housing starts and permits were too large to ignore. He said it proves the glut of excess inventory is finally behind us and home builders feel they can safely get rid of the land they've been sitting on by building homes.

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Cramer said his housing bottom is not a call to buy the homebuilders, but rather a signal that home price depreciation has largely ended. He said that home prices will not be rising just yet, but they also will not be falling any longer.

Cramer said his bottom call also disproves the theory that interest rates have moved too far to promote home ownership.

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Cramer said the stocks to own during a housing bottom are banks like **Wells Fargo** (WFC Quote), **JPMorgan Chase** (JPM Quote) and **Bank Of America** (BAC Quote), all of which he owns for his charitable trust, Action Alerts PLUS and all of which have large mortgage exposure.

Cramer said new home formation, low interest rates, tax incentives and excess inventory have all made this bottom possible, and now is the time to step up and take notice.

Off the Charts

In his "Off The Charts" segment, Cramer went head to head with colleague Rick Bensingor over the chart of specialty drug maker **Sepracor** (SEPR Quote). Bensingor sees Sepracor heading higher, but Cramer feels otherwise.

Bensingor said that Sepracor could hit \$20 a share, a 30% gain, given the stock has broken its 200-day moving average and year long downtrend line. Bensingor also said the stock has support from its recent lows, which should further bolster the stock's price