

Indicator/Action Economics Survey:

Last Actual:

Regions' View:

Fed Funds Rate
(after the FOMC meeting on July 30-31)
Range: 0.00 to 0.25 percent
Median: 0.125 percent (mid-point of target range)

0.00% to 0.25%

The FOMC concludes a two-day meeting on Wednesday, but with no new FOMC forecasts and no post-meeting press conference this should be a fairly uneventful meeting. Don't be surprised if the post-meeting statement is used to reinforce the point that regardless of when the FOMC starts dialing down the rate of large-scale asset purchases the Fed funds rate is staying put for some time to come.

July Consumer Confidence
Range: 77.0 to 83.4
Median: 81.0

Tuesday 7/30 Jun = 81.4

Up to 83.4 based on an increase in the expectations component offsetting some slippage in the current conditions component.

Q2 Real GDP – First Estimate
Range: 0.4 to 1.8 percent
Median: 1.0 percent SAAR

Wednesday 7/31 Q1 = +1.8%

Up at an annualized rate of 1.2 percent. No pressure here, it isn't like the BEA will be issuing revisions to the entire historical GDP database at the same time they issue the Q2 estimate, which of course would make venturing a guess on Q2 growth somewhat silly. Oh, wait, the BEA will be doing just that but now we've put our number down there's no going back. The revisions will show the size of the economy to be somewhat larger than has been estimated up until now but the longer term growth trajectory will look basically the same. That said, we look for growth over recent quarters to be revised higher – the data on employment and income have been at odds with the GDP data so something has to give, and our money is on an upward revision to GDP growth over recent quarters.

Q2 Employment Cost Index
Range: 0.3 to 0.6 percent
Median: 0.4 percent

Wednesday 7/31 Q1 = +0.3%

Up by 0.3 percent with wage costs up by 0.3 percent and benefit costs up by 0.1 percent. Year-over-year the total ECI will be up by 1.5 percent, with wage costs up 1.6 percent and benefit costs up 1.4 percent.

July ISM Manufacturing Index
Range: 50.9 to 53.5 percent
Median: 51.8 percent

Thursday 8/1 Jun = 50.9%

Up to 52.4 percent with better readings on the orders, employment, and production components pushing the overall index higher.

June Construction Spending
Range: -0.4 to 0.7 percent
Median: 0.3 percent

Thursday 8/1 May = +0.5%

Down by 0.3 percent. We look for a smaller increase in residential construction outlays to be offset by lower commercial and public construction outlays, leading to a decline in total construction outlays in this highly volatile series.

June Personal Income
Range: 0.0 to 0.6 percent
Median: 0.4 percent

Friday 8/2 May = +0.5%

Up by 0.5 percent with private sector labor earnings, dividends, and interest income leading the way while government sector earnings remain a drag on top-line income growth, as sequestration is the gift that keeps on giving.

June Personal Spending
Range: 0.2 to 0.6 percent
Median: 0.5 percent

Friday 8/2 May = +0.3%

Up by 0.5 percent with spending on consumer durables up sharply and smaller gains in spending on services and nondurable consumer goods. Real spending, however, will be only slightly higher as we look for a 0.4 percent increase in the PCE deflator, with the core PCE deflator up by 0.1 percent. This would leave real consumer spending up by just 1.5 percent (annualized) for Q2.

June Factory Orders
Range: 0.8 to 3.5 percent
Median: 2.4 percent

Friday 8/2 May = +2.1%

Up by 2.4 percent on top of what will be an upward revision to May's increase. Transportation goods have powered overall durable goods orders higher of late but there has also been encouraging growth in orders for core capital goods.

July Nonfarm Employment
Range: 159,000 to 215,000 jobs
Median: 183,000 jobs

Friday 8/2 Jun = +195,000

Up by 205,000 jobs with private sector payrolls up by 216,000 jobs – we expect the goods producing industries to make a meaningful contribution, unlike the past few months – and government sector payrolls down by 11,000.

July Manufacturing Employment
Range: -10,000 to 10,000 jobs
Median: 1,000 jobs

Friday 8/2 Jun = -6,000

Up by 6,000 jobs. Some of this may be seasonal adjustment noise stemming from the annual auto industry shutdowns being less extensive than is typical, but the data on capital goods orders suggest rising factory payrolls over coming months.

July Average Weekly Hours
Range: 34.5 to 34.5 hours
Median: 34.5 hours

Friday 8/2 Jun = 34.5 hrs

Unchanged at 34.5 hours. That every single participant in the weekly survey expects 34.5 hours can of course mean only one thing – the actual number will be something other than 34.5 hours!

July Average Hourly Earnings
Range: 0.0 to 0.3 percent
Median: 0.2 percent

Friday 8/2 Jun = +0.4%

Up by 0.2 percent. Accounting for job gains, average hours, and average hourly earnings, we look for aggregate private sector earnings to be up by 0.4 percent which translates into an over-the-year increase of 4.7 percent, the largest such gain since March 2012 and easily ahead of inflation.

July Unemployment Rate
Range: 7.5 to 7.6 percent
Median: 7.5 percent

Friday 8/2 Jun = 7.6%

Unchanged at 7.6 percent.

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