



Indicator/Action Economics Survey:

Last Actual:

Regions' View:

Fed Funds Rate

(after the FOMC meeting on October 29-30)

Range: 0.00 to 0.25 percent

Median: 0.125 percent (mid-point of target range)

0.00% to 0.25%

The FOMC concludes what figures to be an uneventful two-day meeting on Wednesday. We look for no changes in the pace of the large-scale asset purchases and do not expect any refinement of the forward guidance around these purchases to come out of this meeting. The FOMC's assessment of the economy will likely be downgraded a bit and they may point to a heightened degree of uncertainty given the disruption in the flow of economic data.

September Industrial Production

Monday, 10/28 Aug = +0.4%

Range: 0.1 to 0.5 percent

Median: 0.3 percent

Up by 0.4 percent.

September Capacity Utilization Rate

Monday, 10/28 Aug = 77.8%

Range: 77.7 to 78.2 percent

Median: 78.0 percent

Up to 78.0 percent.

September Retail Sales

Tuesday, 10/29 Aug = +0.2%

Range: -0.3 to 0.3 percent

Median: 0.1 percent

Down by 0.2 percent, with motor vehicle sales acting as a heavy weight on the headline sales number. Thanks to a quirk in the calendar, motor vehicle sales over the Labor Day weekend got pulled into the August data at the expense of the September data. This contributed to a 5.1 percent decline in unit vehicle sales in September and we expect a corresponding sharp decline in the dollar volume of motor vehicle sales (the retail sales data are based on the dollar volume of sales, not unit sales). It is worth noting, however, even with September's decline Q3 motor vehicle sales were up from Q2 and, through Q3, 2013 sales were running 7 percent ahead of 2012's sales rate.

September Retail Sales Ex-Auto

Tuesday, 10/29 Aug = +0.1%

Range: 0.1 to 1.2 percent

Median: 0.3 percent

Up by 0.3 percent. Aside from motor vehicles, the September retail sales report will be a mixed bag showing modest growth in sales. We look for some support from gasoline sales on volume and/or seasonal adjustment (unadjusted pump prices fell during the month). Control (or, core) retail sales should post a 0.2 percent increase, which puts nominal Q3 control sales up at an annualized rate of 3.7 percent from Q2.

September Producer Price Index (PPI)

Tuesday, 10/29 Aug = +0.3%

Range: -0.2 to 0.3 percent

Median: 0.2 percent

Up by 0.3 percent, which yields an over-the-year increase of just 0.7 percent.

September Core PPI

Tuesday, 10/29 Aug = 0.0%

Range: 0.0 to 0.2 percent

Median: 0.1 percent

Up by 0.1 percent, up by 1.3 percent year-over-year.

September Business Inventories

Tuesday, 10/29 Aug = +0.1%

Range: 0.2 to 0.6 percent

Median: 0.3 percent

Up by 0.6 percent with sizeable increases in wholesale and manufacturing inventories.

October Consumer Confidence

Tuesday, 10/29 Sep = 79.7

Range: 72.5 to 79.1

Median: 75.0

Down to 73.1. Other indicators of confidence, particularly the higher frequency indicators, showed sharp declines during the drama in Washington and we look for both the present conditions and expectations components of the Conference Board's index to have fallen.

September Consumer Price Index

Wednesday, 10/30 Aug = +0.1%

Range: -0.1 to 0.3 percent

Median: 0.2 percent

Up by 0.2 percent, yielding a year-over-year increase of 1.2 percent.

September Core CPI

Wednesday, 10/30 Aug = +0.1%

Range: 0.1 to 0.2 percent

Median: 0.2 percent

Up by 0.2 percent, for an over-the-year increase of 1.8 percent.

October ISM Manufacturing Index

Friday, 11/1 Sep = 56.2%

Range: 53.0 to 56.6 percent

Median: 55.1 percent

Down to 55.2 percent as activity cools slightly. If there will be any visible effects of the doings in DC it will be in the new orders component, and we do look for a decline in the October data. Given the strength of new orders in recent months along with lean inventories, it is unlikely the current production component will show any ill effects from the shutdown. Overall, the manufacturing sector should continue to post moderate growth in the months ahead, unless of course the ongoing fiscal policy divide saps business confidence. Again, the behavior of new orders will be the first place to look for evidence of this.

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