Indicator/Action Economics Survey:		Last Actual:	Regions' View:
Fed Funds Rate *(after the FOMC meeting on June 17-18)* Range: 0.00 to 0.25 percent Median: 0.125 percent (mid-point of target range)		0.00% to 0.25%	The two day FOMC meeting wraps Wednesday and will be accompanied by the release of the latest round of the Committee's central tendency forecasts and Chairwoman Yellen's post-meeting press conference. The FOMC will likely vote to trim another $10 billion from the Fed's asset purchases, bringing down the rate of monthly purchases to $35 billion. Though they will have to dance around what now looks to be a sizeable contraction in real GDP in Q1 we expect the FOMC's assessment of current conditions to remain largely intact and we look for little, if any, change to the forward guidance around the path of the Fed funds rate. Though she is likely to stress a still elevated degree of labor market slack means monetary policy will remain highly accommodative for some time to come, Dr. Yellen is nonetheless likely to face questions pertaining to the "normalization" of monetary policy, particularly given the disparate views expressed by various Fed officials in their public comments. For instance, will the Fed actively work down its now sizeable balance sheet, will they stop reinvesting proceeds of maturing assets before or after they begin raising the funds rate, and what are some of the policy tools with which they may attempt to manage the vast sum of excess reserves in the banking system as part of the policy normalization process. No doubt these topics have and will come up in the Committee's internal discussions but we do not think it likely they are ready to externally comment on them at this point. So, while at some point these and similar issues will have to be addressed publically, we do not think this week's FOMC meeting will be it.
May Industrial Production Range: -0.1 to 0.8 percent Median: 0.5 percent	Monday, 6/16	Apr = -0.6%	<u>Up</u> by 0.6 percent with stepped up manufacturing output accounting for the bulk of the overall increase.
May Capacity Utilization Rate Range: 78.6 to 79.2 percent Median: 78.9 percent	Monday, 6/16	Apr = 78.6%	<u>Up</u> to 79.0 percent.
May Consumer Price Index Range: 0.0 to 0.4 percent Median: 0.2 percent	Tuesday, 6/17	Apr = +0.3%	<u>Up</u> by 0.2 percent. We're looking for the rate of food price increases to moderate a bit after a string of three consecutive 0.4 percent monthly gains. Rents and medical costs will remain the main sources of upward pressure and while gasoline prices will add to the increase in the headline index, seasonal increases in gasoline prices remain significantly below normal. On a year-over-year basis, we look for the headline CPI to be up 2.0 percent.
May Core Consumer Price Index Range: 0.0 to 0.3 percent Median: 0.2 percent	Tuesday, 6/17	Apr = +0.2%	<u>Up</u> by 0.2 percent, though we're but a rounding error away from a smaller 0.1 percent increase. Year-over-year, we look for the core CPI to be up 1.8 percent. While core CPI inflation is rapidly approaching the 2.0 percent mark, remember it is the core PCE deflator that is of greater interest to the Fed and with less emphasis on rents and more emphasis on medical costs (which are also measured differently in the PCE deflator) core PCE inflation will take longer get there.
May Housing Starts Range: 990,000 to 1,100,000 units Median:1,035,000 units SAAR	Tuesday, 6/17	Apr = 1.072 mil	<u>Down</u> to an annualized rate of 1.030 million units. Multi-family starts rose sharply in April, topping 400,000 units, and given the inherently volatile nature of the multi-family segment the temptation would be to count on a sizeable fall back in May, but multi-family permits have topped 400,000 for the past four months, coming in at 478,000 units in April. As such, we expect multi-family starts to remain above 400,000 in May. We do look for a pullback in single family starts, where the "strength" seen in March and April, when starts ran well above permits, reflects payback from deferred activity in the winter months with permits having yet to hold significantly above the 600,000 mark. As for May housing permits, we look for a <u>decrease</u> to an annual rate of 1.040 million units.
Q1 Current Account Balance Range: -$108.0 to -$89.0 billion Median: -$96.6 billion	Wednesday, 6/18	Q4 = -$81.1 bil	<u>Widening</u> to $-106.3 billion. Revised trade data suggest the current account deficit for Q4 2013 will be larger than initially estimated, and a wider trade gap will be the main driver of the larger Q1 current account deficit, along with what we expect to be a smaller balance on the income account.
May Leading Economic Index Range: 0.4 to 0.7 percent Median: 0.6 percent	Thursday, 6/19	Apr = +0.4%	<u>Up</u> by 0.6 percent.

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