



Indicator/Action Economics Survey:

Last Actual:

Regions' View:

Fed Funds Rate

(after the FOMC meeting on October 28-29)

Range: 0.00 to 0.25 percent

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

0.00% to 0.25%

Well, we know they bend, but will they actually break? While others are asking that question about the new and improved albeit perhaps not as sturdy iPhone, we find ourselves asking that question about the economies that comprise the Euro Zone. After the Euro Zone economy ground to a halt in Q2 there are no signs of improvement and the ECB's latest doomed to fail plan to fuel bank lending has been greeted by data showing bank lending contracted for a 28th consecutive month in August while inflation expectations continue to drift lower and outright deflation remains a nontrivial threat. It seems a matter of when, not if, the ECB will take the quantitative easing plunge, though as we have discussed elsewhere we harbor little hope it will help revive the Euro Zone economy. The expectation of "QE – ECB Style" as the Bank of England and the Fed approach the policy normalization starting line is one factor fueling the recent rise of the U.S. dollar, with an assist from elevated geopolitical tensions. The strength of the dollar will be an ongoing theme over coming quarters. And, for the record, the *Economic Preview* will bend, and fold for that matter, but it will never, ever break.

August Personal Income

Range: 0.2 to 0.4 percent

Median: 0.3 percent

Monday, 9/29 Jul = +0.2%

Up by 0.3 percent. Private sector earnings growth improved a bit in August but growth in rental income and dividend income looks to have slowed a bit over recent months. Year-over-year, personal income will be up 4.2 percent.

August Personal Spending

Range: 0.2 to 0.6 percent

Median: 0.4 percent

Monday, 9/29 Jul = -0.1%

Up by 0.4 percent. Sharply higher motor vehicle sales will lift spending on consumer durables and higher utilities outlays will support spending on services. What should be a decline in the PCE deflator means we will see an even larger gain in real consumer spending.

September Consumer Confidence Index

Range: 90.0 to 96.7

Median: 92.4

Tuesday, 9/30 Aug = 92.4

Down to 92.2.

Sep. ISM Manufacturing Index

Range: 57.3 to 59.5 percent

Median: 58.5 percent

Wednesday, 10/1 Aug = 59.0

Down to 58.2 percent, a still solid print but we look for pullbacks in the sub-indexes for production and new orders after sizeable advances in August and we look for the employment sub-index to settle back a bit as well.

August Construction Spending

Range: -0.8 to 1.0 percent

Median: 0.4 percent

Wednesday, 10/1 Jul = +1.8%

Down by 0.6 percent. The monthly construction spending data can be volatile and after July brought outsized increases across the board – residential, nonresidential, and public – we look for some giveback in the August data.

August Factory Orders

Range: -10.2 to -7.0 percent

Median: -9.0 percent

Thursday, 10/2 Jun = +10.5%

Down by 9.7 percent which simply reverses the spike seen in July when orders for commercial aircraft soared and pulled total orders higher. The key piece of data will be core capital goods orders, which posted a solid gain in August.

August Trade Balance

Range: -\$44.7 to -\$39.0 billion

Median: -\$40.7 billion

Friday, 10/3 Jul = -\$40.5 bil

Widening slightly to -\$40.8 billion.

September Nonfarm Employment

Range: 155,000 to 265,000 jobs

Median: 210,000 jobs

Friday, 10/3 Aug = +142,000

We look for total nonfarm payrolls to be up by 226,000 jobs, with private sector payrolls up by 217,000 jobs and government payrolls up by 9,000 jobs. What upon the initial release was a soft August headline number should be revised higher and September's job gains should be in line with the recent trend rate. Job gains have been notably broad based over the past several months so we will be interested in whether this remained the case in September.

September Manufacturing Employment

Range: 5,000 to 16,000 jobs

Median: 12,000 jobs

Friday, 10/3 Aug = 0

Up by 16,000 jobs with the bulk of these job gains coming in the durable goods industries.

September Average Weekly Hours

Range: 34.5 to 34.5 hours

Median: 34.5 hours

Friday, 10/3 Aug = 34.5 hrs

Unchanged at 34.5 hours. Average weekly hours have been steady for the past several months but we expect at some point the workweek will lengthen, which would be a sign the labor market has shifted into a higher gear.

September Average Hourly Earnings

Range: 0.1 to 0.3 percent

Median: 0.2 percent

Friday, 10/3 Aug = +0.2%

Up by 0.2 percent which along with our calls on employment and hours worked yields a 0.4 percent increase in aggregate private sector earnings, for a year-over-year increase of 4.4 percent.

September Unemployment Rate

Range: 6.0 to 6.1 percent

Median: 6.1 percent

Friday, 10/3 Aug = 6.1%

Down to 6.0 percent.

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