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%	There is never a good time to get bad data. That said, the September retail sales report could not have come at a worse time. While headline sales were expected to have declined in September, thanks to motor vehicle sales settling down after a sizzling – and unsustainably high – August sales pace and retail gasoline prices dropping further, the underlying details of the September retail sales report were surprisingly weak. In already jumpy markets, that acted as a catalyst for a steep decline in global equities while fixed income rallied and yields on 10-year U.S. Treasury notes dropped below 2.0 percent for the first time since mid-2013 before regaining some ground. While the fundamentals of the U.S. economy are not consistent with yields where they now are, the problem is sentiment has taken a distinct turn for the worse which, if it persists, could drag the fundamentals down with it. All of this will likely make an already cautious FOMC even more so.
September Existing Home Sales Range: 4.950 to 5.200 million units Median: 5.100 million units SAAR	Tuesday, 10/21	Aug = 5.050 mil	Up to an annual sales rate of 5.120 million units. This would still leave sales down year-over-year for an 11th consecutive month. These over-the-year declines, however, reflect fading investor activity and fewer distress sales, and nondistress sales continue to steadily improve, albeit at a slower than anticipated pace. We expect beginning with the November data year-over-year sales will turn positive as the comparisons become easier. As to the September data, aside from top-line sales the key metric to watch will be inventories. The NAR's inventory data are not seasonally adjusted so the proper way to look at the data is on a year-over-year basis, particularly as September tends to be a seasonally weak month for inventory. Unlike sales, inventories of existing homes for sale have been posting over-the-year gains, and easing inventory constraints are one factor behind a slowing pace of price appreciation.
September Consumer Price Index Range: -0.2 to 0.1 percent Median: 0.0 percent	Wednesday, 10/22	Aug = -0.2%	Up by 0.1 percent, but just barely so thanks to some friendly upward rounding. Energy will act as a drag on the headline CPI and we have incorporated a smaller increase in food prices than in recent months into our headline forecast. Our call on the total CPI would yield a year-over-year increase of 1.6 percent, but after posting 2.1 percent prints in May and June, inflation is moving away from the Fed's target in what would be considered the wrong direction. The weak trends in Q3, during which headline CPI rose at an annualized rate of just 1.1 percent after a 3.0 percent annualized increase in Q2, will persist in Q4 given what have been further declines in energy prices and tame readings on wholesale level inflation.
September CPI – Core Range: 0.1 to 0.3 percent Median: 0.2 percent	Wednesday, 10/22	Aug = +0.0%	Up by 0.1 percent, which yields an over-the-year increase of 1.7 percent, with most of the increase accounted for by rising rents. For Q3 as a whole, our call would mean the core CPI rose at an annualized rate of just 1.3 percent, following a 2.5 percent annualized increase during Q2.
September Leading Economic Index Range: 0.4 to 0.8 percent Median: 0.7 percent	Thursday, 10/23	Aug = +0.2%	Up by 0.8 percent.
September New Home Sales Range: 425,000 to 510,000 units Median: 470,000 units SAAR	Friday, 10/24	Aug = 504,000	Check the revision to the previously released estimate for August. That, not looking at the headline number, is task number one when the Census Bureau releases the September report. Even allowing for the typical high degree of volatility in this series, we simply do not see anything in the related data that would support the original August headline print and, even if by some odd turn that number doesn't get knocked lower, it would by no means be a sustainable pace. As for the September headline number, we look for new home sales to fall to an annual rate of 444,000 units, which is more in line with the underlying trend. While we realize the NAHB survey of builder sentiment has been more constructive over recent months, we're not ready to bump our expectations for new home sales meaningfully higher until we see collaborating evidence in the data on single family housing permits and starts and purchase mortgage applications. There has been some modest improvement in single family construction, and this should be reflected in a slight gain in new home inventories, but inventories nonetheless remain far below any levels that could be considered normal. This is one factor that accounts for why sales of homes on which construction has not yet been started have been accounting for an atypically high share of overall new home sales, and we look for this to have been the case again in September.

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