Indicator/Action Economics Survey:		Last Actual:	Regions' View:
Fed Funds Rate: Target Range Midpoint *(After the FOMC meeting on June 16-17):* Target Range Midpoint: 0.125 to 0.125 percent Median Target Range Midpoint: 0.125 percent		0.125%	It's a mystery worthy of Sherlock Holmes – The Curious Case of the Cautious Consumer. Well, okay, maybe not one of the grand mysteries of our time but even so many analysts and journalists have been puzzled by consumer behavior of late. April retail sales were soft, continuing a string of retail sales reports that have surprised to the downside. Even allowing for price effects (food, gasoline) and weather effects that have obviously skewed headline retail sales over recent months, consumers remain reticent to spend. This despite lower gasoline prices and accelerating growth in aggregate labor earnings, as consumers instead have opted to build up savings. We've offered a few possible explanations, including still-high levels of household debt even as monthly debt service burdens sit at record lows. We think households are more concerned with their level of debt, and that consumers remain disciplined in the use of revolving credit to facilitate current consumption could be one sign of this. And, higher saving could reflect a greater, post-crisis, degree of risk aversion. The irony here is that for years consumers were chided for spending too much and saving too little, now they're saving more which, for some observers, is a seemingly mysterious plot twist.
April Housing Starts Range: 0.952 to 1.088 million units Median: 1.020 million units SAAR	Tuesday, 5/19	Mar = 0.926 mil	Up to an annual rate of 1.088 million units. Our estimate may be a bit ambitious, but we've factored in a sizeable rebound in multi-family starts with a more restrained rebound in single family starts. Weather held down starts in February and March as the ground was either frozen or too soggy to begin construction, and for the two-month period starts were meaningfully below permits, the difference of course being permits are far less prone to weather related distortions. This is in keeping with our general rule that when permits and starts are telling different stories, go with the permits. One downside risk to our call on starts is the West region, where California's ongoing water shortage could be holding down new construction activity. Either way, our high end call on starts does not mean we have all the sudden unleashed our inner housing bull, but simply reflects catch-up that will bring the run rate over the past few months back in line with the longer running trend rate. We look for total housing permits to increase to an annual rate of 1.064 million units. Note: with the April data Census will release benchmark revisions to the data on permits, starts, and completions going back to 1999 (for the seasonally adjusted data).
April Leading Economic Index Range: 0.0 to 0.4 percent Median: 0.3 percent	Thursday, 5/21	Mar = +0.2%	Up by 0.3 percent.
April Existing Home Sales Range: 5.010 to 5.300 million units Median: 5.222 million units SAAR	Thursday, 5/21	Mar = 5.190 mil	Up to an annual sales rate of 5.300 million units. Back-to-back sizeable year-over-year increases in pending home sales are one factor behind our outlook for April existing home sales. Still, inventories remain on the lean side which is likely acting as a constraint on sales and helping support sturdy house price appreciation. While our forecast would leave total existing home sales up 11.7 percent year-over-year, our estimates of distress/non-distress sales would leave the latter up better than 18 percent year-on-year. We have been noting over the past several months what has been a diminishing share of distress sales has meant nondistress sales have been growing at a faster rate than headline sales, which has been an underappreciated silver lining in the existing home sales data.
April Consumer Price Index Range: -0.4 to 0.2 percent Median: 0.1 percent	Friday, 5/22	Mar= +0.2%	Up by 0.1 percent, which yields an over-the-year decline of 0.2 percent. Expect the over-the-year declines to be larger in May, June, and July as those are the months in 2014 during which the CPI was rising at its fastest. Ah, those were the days – the days when headline inflation was running at 2.0 percent and a number of analysts were warning that was only the beginning of a sustained acceleration in inflation, an episode we (not so fondly) dubbed as the Great Inflation Scare of 2014. They weren't wrong, necessarily, just early.
April CPI – Core Range: 0.1 to 0.2 percent Median: 0.2 percent	Friday, 5/22	Mar= +0.2%	Up by 0.2 percent, for a year-on-year increase of 1.7 percent. While low energy prices are clearly biasing headline inflation lower, core inflation has been notably stable. While core goods prices continue to fall – we look for a 25th consecutive year-over-year decline in the April data – offsets have come from steadily rising rents and steady core services inflation of around 2.5 percent. With gyrating energy – and lately food – prices, core inflation is a more relevant measure of underlying inflation pressures and, as such, will be of more interest to the FOMC.

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