

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%

So much data, so little clarity. That could be the theme of a week full of top-tier data releases but the reality is that's been the theme for some time now. None of this week's releases is likely to change any minds, or opinions, of the underlying health of the U.S. economy. As always, the employment report will be the main focus but we'll look to the ISM Manufacturing Index for any signs of stabilization in the factory sector after a soft Q1.

April Personal Income

Range: 0.1 to 0.4 percent

Median: 0.3 percent

Monday, 6/1 Mar = 0.0%

Up by 0.2 percent. While job growth rebounded in April, the mix of jobs held down hours worked and average hourly earnings, so we look for a smaller gain in aggregate labor earnings than others apparently are, accounting for our below consensus estimate of growth in total personal income. Dividends and rental income should post solid gains.

April Personal Spending

Range: 0.1 to 0.3 percent

Median: 0.2 percent

Monday, 6/1 Mar = +0.4%

Up by 0.1 percent. With a decline in unit motor vehicle sales and soft control retail sales (reflecting in part the typical post-Easter pause), spending on services accounted for whatever growth there was in total consumer spending in April.

May ISM Manufacturing Index

Range: 51.0 to 52.5 percent

Median: 52.0 percent

Monday, 6/1 Apr = 51.5%

Up to 52.1 percent. Activity in the manufacturing sector should accelerate from the Q1 slowdown, but that acceleration will be a gentle one as the energy sector remains a drag. We will be interested to see if there is follow through on the rise in new export orders seen in April, if so that could point to firming global growth.

April Construction Spending

Range: 0.2 to 1.0 percent

Median: 0.6 percent

Monday, 6/1 Mar = -0.6%

Up by 0.9 percent mainly on higher residential construction outlays as starts and completions both jumped in April after a weather related slump in Q1.

April Factory Orders

Range: -0.6 to 1.0 percent

Median: -0.1 percent

Tuesday, 6/2 Mar = +2.1%

Up by 0.1 percent as we look for a moderate gain in orders for nondurable goods to offset the slight decline in durable goods orders.

April Trade Balance

Range: -\$49.5 to -\$40.9 billion

Median: -\$44.0 billion

Wednesday, 6/3 Mar = -\$51.4 bil

Narrowing to -\$42.4 billion.

Q1 Nonfarm Productivity (revised)

Range: -3.3 to -2.3 percent

Median: -2.9 percent

Thursday, 6/4 Q1 (pre) = -1.9%

Down at an annualized rate of 3.3 percent. Revised GDP data show output in the nonfarm business sector fell at an annualized rate of 1.6 percent in Q2, much more severe than the initial estimate of a 0.2 percent decline. As such, measured labor productivity will decline far more harshly than initially estimated.

Q1 Unit Labor Costs (revised)

Range: 4.4 to 6.4 percent

Median: 5.9 percent

Thursday, 6/4 Q1 (pre) = +5.0%

Up at an annualized rate of 6.4 percent, which is the flip side of the sharp downward revision to Q1 labor productivity. Keep in mind, though, with the data on productivity and unit labor costs the underlying trends are far more relevant than the quarterly swings, which can be exceptionally wide as seen in Q1. So, while weak, productivity is nowhere as weak as the revised Q1 headline number will imply, while trend growth in unit labor costs is nowhere near being as rapid as the revised Q1 figure will imply.

May Nonfarm Employment

Range: 188,000 to 250,000 jobs

Median: 220,000 jobs

Friday, 6/5 Apr = +223,000

Up by 237,000 jobs with private payrolls up by 241,000 jobs and government payrolls down by 4,000 jobs. Further job cuts in the energy sector and energy-related job losses will weigh on overall job growth, but hiring in the services industries should be robust.

May Manufacturing Employment

Range: 0 to 15,000 jobs

Median: 5,000 jobs

Friday, 6/5 Apr = +1,000

Up by 7,000 jobs.

May Average Weekly Hours

Range: 34.5 to 34.6 hours

Median: 34.5 hours

Friday, 6/5 Apr = 34.5 hrs

Up to 34.6 hours, though a heavy enough helping of seasonal services jobs could keep the workweek at 34.5 hours. As we have noted before, that one-tenth of an hour difference may seem small but has very large implications for growth in aggregate wage and salary earnings.

May Average Hourly Earnings

Range: 0.2 to 0.3 percent

Median: 0.2 percent

Friday, 6/5 Apr = +0.1%

Up by 0.2 percent which, together with our calls on job gains and hours worked, yields a 0.7 percent increase in aggregate wage and salary earnings (up 5.0 percent year-on-year).

May Unemployment Rate

Range: 5.3 to 5.4 percent

Median: 5.4 percent

Friday, 6/5 Apr = 5.4%

Down to 5.3 percent.

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