

Indicator/Action Economics Survey:

Last Actual:

Regions' View:

Fed Funds Rate: Target Range Midpoint <i>(After the FOMC meeting on September 20-21):</i> Target Range Midpoint: 0.375 to 0.625 percent Median Target Range Midpoint: 0.375 percent	0.375%	The August employment report is the last one the FOMC will see before their September meeting. History, however, tells us the August data tend to be very noisy, as we've noted below. As such, the August employment report may move the markets further than it moves the FOMC.
July Personal Income Range: 0.2 to 0.6 percent Median: 0.4 percent	Monday, 8/29 Jun = +0.2%	<u>Up</u> by 0.4 percent. Our forecast is based on the large gain in private sector labor earnings seen in the monthly employment report. This does not always carry over into the personal income data, so there is some downside risk to our call. Either way, rental income and dividends supported top-line income growth in July.
July Personal Spending Range: 0.2 to 1.0 percent Median: 0.3 percent	Monday, 8/29 Jun = +0.4%	<u>Up</u> by 0.3 percent, with spending on consumer durables (mainly motor vehicles) and household services doing the heavy lifting and spending on nondurable consumer goods flat to slightly lower.
August Consumer Confidence Range: 94.5 to 98.0 Median: 97.0	Tuesday, 8/30 Jul = 97.3	<u>Down</u> to 96.7.
Q2 Nonfarm Productivity (2nd estimate) Range: -0.7 to -0.4 percent Median: -0.6 percent SAAR	Thursday, 9/1 1 st est = -0.5%	<u>Down</u> at an annual rate of 0.6 percent. A downward revision to growth in nonfarm business output will yield a slightly larger decline in labor productivity. The trend rate of productivity growth will remain stuck at an anemic 0.4 percent.
Q2 Unit Labor Costs (2nd estimate) Range: 1.9 to 4.2 percent Median: 2.1 percent SAAR	Thursday, 9/1 1 st est = +2.0%	<u>Up</u> at an annualized rate of 3.6 percent. We expect upward revisions to Q2 growth in labor compensation, per the Q2 GDP data, will result in unit labor costs rising at a much faster pace than was initially estimated.
August ISM Manufacturing Index Range: 51.0 to 53.2 percent Median: 52.0 percent	Thursday, 9/1 Jul = 52.6%	<u>Down</u> to 51.9 percent. We've been a bit surprised by the vigor of new orders and current production over the past few months, and look for them to have eased a bit in August. If we're wrong on this, our forecast will be too low; either way the headline index will show further moderate expansion in the factory sector.
July Construction Spending Range: -0.4 to 1.0 percent Median: 0.5 percent	Thursday, 9/1 Jun = -0.6%	<u>Up</u> by 0.6 percent.
July Trade Balance Range: -\$44.2 to -\$38.7 billion Median: -\$43.0 billion	Friday, 9/2 Jun = -\$44.5 billion	<u>Narrowing</u> to -\$40.1 billion. The advance report showed a sharply lower goods deficit. Assuming that carries over into the final report the overall trade deficit (the balance on services is the new information here) will be much narrower.
July Factory Orders Range: 0.2 to 2.6 percent Median: 1.8 percent	Friday, 9/2 Jun = -1.5%	<u>Up</u> by 2.2 percent mainly on a jump in orders for durable goods. A sizeable and broad based increase in core capital goods orders is a hopeful sign for business investment spending, but the key question now is whether it will be sustained.
August Nonfarm Employment Range: 125,000 to 215,000 jobs Median: 189,000 jobs	Friday, 9/2 Jul = +255,000	<u>Up</u> by 172,000 jobs with private payrolls <u>up</u> by 186,000 jobs and government payrolls <u>down</u> by 14,000 jobs. Between 2009 and 2014 the initial August estimate was revised up by an average of 74,000 jobs. As if on cue, last year saw the initial August estimate revised down by 20,000 jobs. The one constant is what has been a low response rate to the BLS's payroll survey for the month of August. Assuming that holds this year, don't get too attached to whatever number you see this Friday – odds are it will change significantly before all is said and done.
August Manufacturing Employment Range: -15,000 to 5,000 jobs Median: -3,000 jobs	Friday, 9/2 Jul = +9,000	<u>Down</u> by 6,000 jobs.
August Average Weekly Hours Range: 34.4 to 34.5 hours Median: 34.5 hours	Friday, 9/2 Jul = 34.5 hrs	<u>Down</u> to 34.4 hours. We have doubts that the longer workweek reported for July will survive revision but even if it does we think the mix of jobs over the past several months is more consistent with a 34.4 hour workweek.
August Average Hourly Earnings Range: 0.1 to 0.3 percent Median: 0.2 percent	Friday, 9/2 Jul = +0.3%	<u>Up</u> by 0.2 percent, for an over-the-year increase of 2.5 percent. Along with our calls on job growth and hours worked, this would leave aggregate private sector earnings up just 0.1 percent (3.9 percent year-on-year). This is one area in which a seemingly small change in average weekly hours can make a big difference.
August Unemployment Rate Range: 4.8 to 4.9 percent Median: 4.8 percent	Friday, 9/2 Jul = 4.9%	<u>Down</u> to 4.8 percent. There is potential for a sharp decline in the labor force if younger adults dropped out and headed back to school. It has proven hard to seasonally adjust for the timing of this yearly swing, which has often wreaked havoc on the August estimate for the labor force and, in turn, the jobless rate.

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