Indicator/Action Economics Survey:		Last Actual:	Regions' View:
Fed Funds Rate: Target Range Midpoint *(After the FOMC meeting on July 26-27):* Target Range Midpoint: 0.375 to 0.375 percent Median Target Range Midpoint: 0.375 percent		0.375%	Last week's releases showed more of the same – growth in consumer spending remains solid, the manufacturing sector remains wobbly, and core inflation is creeping higher but mainly due to rents and medical costs. We expect this week's data to show housing remains a support for growth, though you may have to look at the raw data to see this. So, despite what has been considerable turmoil in the world, the U.S. economy continues to trudge down the same well-worn path of slow but steady growth, and will likely remain on this path in the quarters ahead.
June Housing Starts Range: 1.095 to 1.180 million units Median: 1.168 million units SAAR	Tuesday, 7/19	May = 1.164 million	Up to an annualized rate of 1.169 million units. Per our normal practice, however, our focus will be on the unadjusted (i.e., not seasonally adjusted, not annualized) data, which we find a far more useful indicator of underlying trends. We look for not seasonally starts of 110,000 units. This would put the 12-month moving sum at 1.153 million units, with 760,000 single family units (which would be the highest 12-month total since July 2008) and 393,000 multi-family units, down from what we expect will be the cyclical peak of just over 400,000 units.
June Housing Permits Range: 1.100 to 1.200 million units Median: 1.150 million units SAAR	Tuesday, 7/19	May = 1.136 million	Down to an annualized rate of 1.128 million units with a drop in multi-family permits offsetting an increase in single family permits. On a not seasonally adjusted basis, we look for total permits of 106,000 units, which would leave the 12-month moving sum at 1.158 million units. That is actually well below levels seen earlier this year, reflecting lower multi-family permits. Our forecasts for permits and starts have this decline in multi-family activity continuing while single family activity continues to gradually trend higher. While this translates into steadily increasing completions of single family units, the wild card in the multi-family deck is the notably high number of units under construction. One has to go back to the early 1970s to see as many multi-family units, in structures with five-or-more units, under construction as there currently are. When these units come on line and how quickly they are absorbed will govern the impact on rent growth and the rate of new multi-family construction going forward. While our forecast calls for an orderly deceleration in multi-family construction, history suggests what we actually see may be quite a bit bumpier.
June Leading Economic Index Range: 0.1 to 0.5 percent Median: 0.2 percent	Thursday, 7/21	May = -0.2%	Up by 0.2 percent.
June Existing Home Sales Range: 5.350 to 5.560 million units Median: 5.470 million units SAAR	Thursday, 7/21	May = 5.530 million	Up to an annualized sales rate of 5.540 million units. On a not seasonally adjusted basis we look for sales of 567,000 units, which is down slightly from June 2015 but we think some of this year's sales got pulled forward into what was a very strong May. In any event, our call would leave the 12-month moving sum of unadjusted sales at 5.357 million units, reflecting a further steady advance. As we have been noting for some time, lean inventories remain a constraint on sales. June is a month in which there is typically little change in inventory and if that pattern holds this year June will mark the 13th consecutive month in which listings will have fallen on a year-over-year basis. This is helping fuel a faster rate of price appreciation than would otherwise be the case, though what are highly favorable mortgage rates are helping cushion the impact on affordability. Though we can't quantify it with any degree of precision, we do think one factor impeding the normal supply-demand dynamics in the current cycle is the rise of the single family REITs that have come onto the scene in recent years, taking advantage of large pools of distress selling at considerable discounts. As a result, a higher than normal share of the single family stock is in the rental segment of the market, which has been acting as a constraint on for-sale inventories. It could be that at some point these REITs opt to cash in on what has been sturdy price appreciation by placing at least some of their holdings for sale; some appear to be heading down that path now. When that takes place on a larger scale, we think the impacts will be felt primarily at the lower price points, where much of this rental stock would figure to land. Limited for-sale inventory of lower priced units is a key reason sales to first-time buyers continue to account for a significantly below-average share of total existing home sales. If we are right and at some point these REITs cash in (or, is it cash out?), it could have a disruptive impact in many larger markets across the U.S., though our suspicion is there is ample demand to absorb any such transition of units from rental to for-sale units.

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