



Indicator/Action Economics Survey:

Last Actual:

Regions' View:

Fed Funds Rate: Target Range Midpoint

(After the FOMC meeting on March 15-16):

Target Range Midpoint: 0.375 to 0.375 percent

Median Target Range Midpoint: 0.375 percent

0.375%

On top of a full slate of top-tier data is the FOMC meeting. This meeting brings fresh FOMC projections, including the "dot plot," and Chairwoman Yellen will hold a post-meeting press conference. There will be no change to the Fed funds rate this week but we expect the post-meeting statement to imply April is in play. We also expect the revised dot plot to imply three 25-basis point funds rate hikes this year – our forecast has all along been, and remains, two such hikes.

February Retail Sales

Range: -0.5 to 0.4 percent

Median: -0.1 percent

Tuesday, 3/15 Jan = +0.2%

Down by 0.3 percent. Those prone to swing between euphoria and despair based on headline numbers will have a field day with this one if our call is on the mark. The rest of us will sort through the details and decide this one looks worse than it feels. First, the nine percent decline in retail gasoline prices in February will act as a major drag on top-line retail sales. Also, control sales rose a strong 0.6 percent in January, so there could be pay back in February (assuming the January data are not revised down). Our calls would leave total sales up 3.8 percent year-on-year and ex-gasoline sales up 5.5 percent, hardly cause for despair.

February Retail Sales: Ex-Auto

Range: -0.5 to 0.4 percent

Median: -0.2 percent

Tuesday, 3/15 Jan = +0.1%

Down by 0.5 percent. Unit vehicle sales were basically flat between January and February but the mix of sales – more SUVs/light trucks, fewer cars – was more revenue friendly, so we think motor vehicles will have added to total retail sales.

February Retail Sales: Control Group

Range: -0.2 to 0.3 percent

Median: 0.2 percent

Tuesday, 3/15 Jan = +0.6%

Unchanged. As has often been the case over the past several months, inflation adjusted control retail sales will be stronger than the nominal number, and growth of real consumer spending in Q1 will easily outpace that of Q4 2015.

February PPI – Final Demand

Range: -0.5 to 0.1 percent

Median: -0.2 percent

Tuesday, 3/15 Jan = +0.1%

Down by 0.4 percent, which would leave the headline PPI down 0.2 percent on an over-the-year basis.

February Core PPI

Range: 0.0 to 0.2 percent

Median: 0.1 percent

Tuesday, 3/15 Jan = +0.4%

Unchanged, which would translate into a year-over-year increase of 1.1 percent.

January Business Inventories

Range: -0.2 to 0.2 percent

Median: 0.0 percent

Tuesday, 3/15 Dec = +0.1%

We look for total business inventories to be unchanged and for total business sales to be down 0.3 percent.

February Consumer Price Index

Range: -0.3 to 0.2 percent

Median: -0.2 percent

Wednesday, 3/16 Jan = 0.0%

Down by 0.3 percent, yielding an over-the-year increase of 0.8 percent. Retail gasoline prices will down roughly 13 percent after accounting for seasonal adjustment and thus act as a sizeable drag on the total CPI with few offsets elsewhere in the data.

February Core CPI

Range: 0.1 to 0.2 percent

Median: 0.2 percent

Wednesday, 3/16 Jan = +0.3%

Up by 0.1 percent, for a year-on-year increase of 2.2 percent. We expect January's jumps in prices for new vehicles, apparel, and lodging to be reversed and the jump in medical costs to not be repeated, thus dampening the monthly increase in the core CPI. Rents remain the main driver of core CPI inflation.

February Housing Starts

Range: 1.085 to 1.180 million units

Median: 1.150 million units SAAR

Wednesday, 3/16 Jan = 1.099 mil

Up to an annualized rate of 1.148 million units as we (once again) look for some overdue catching up in the multi-family segment given how far starts have been running behind permits. We look for a modest increase in single family starts.

February Housing Permits

Range: 1.150 to 1.250 million units

Median: 1.200 million units SAAR

Wednesday, 3/16 Jan = 1.204 mil

Down to an annualized rate of 1.194 million units with single family permits notching another modest advance and multi-family permits declining.

February Industrial Production

Range: -0.6 to 0.1 percent

Median: -0.3 percent

Wednesday, 3/16 Jan = +0.9%

Down by 0.3 percent, with output lower in both the mining and utilities sectors offsetting slightly higher manufacturing output.

February Capacity Utilization Rate

Range: 76.6 to 77.5 percent

Median: 76.9 percent

Wednesday, 3/16 Jan = 77.1%

Down to 76.7 percent.

Q4 2015 Current Account Balance

Range: -\$120.0 to -\$110.0 billion

Median: -\$116.3 billion

Thursday, 3/17 Q3 = -\$124.1 bil

Narrowing to -\$116.4 billion. We look for an ever so slightly wider trade deficit to be offset by modestly larger balances on income and current transfers. Our call would leave the current account deficit equal to 2.6 percent of GDP.

February Leading Economic Index

Range: 0.1 to 0.4 percent

Median: 0.2 percent

Thursday, 3/17 Jan = -0.2%

Up by 0.2 percent.

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