Indicator/Action Economics Survey:	Last Actual:	Regions' View:
Fed Funds Rate: Target Range Midpoint *(After the September 19-20 FOMC meeting):* Target Range Midpoint: 1.125 to 1.125 percent Median Target Range Midpoint: 1.125 percent	1.125%	With all due respect to Neil Armstrong, the process of normalizing the Fed's balance sheet could be a small step for a group of central bankers, a giant leap for central banking, or a decidedly unfunny pratfall. Time will tell, but we expect the FOMC to announce at this week's meeting that process will begin in October. As for the less monumental aspects of this week's meeting, the post-meeting statement should show few changes in the assessment of current economic conditions, though there will surely be recognition that incoming data will be highly volatile over coming months due to the effects of the hurricanes. In her post-meeting presser Dr. Yellen will likely be pushed to discuss what seems to be an increasingly divergent inflation outlook amongst FOMC members and how that might impact the path of the funds rate. Also, this week's meeting brings the release of updated economic projections and the latest edition of the "dot plot." We look for the dot plot to continue to show a median year-end funds rate target range mid-point of 1.125 percent – it would take five FOMC members who pegged that rate at 1.375 percent or higher at the June FOMC meeting to retreat to 1.125 percent to make that the median, and we don't see that happening. That of course doesn't make a December hike a done deal, but it does suggest, rightly so in our view, that it is too soon to take a December rate hike off the table, as many market participants seem to have done.
August Building Permits Tuesday, 9/19 Range: 1.120 to 1.280 million units Median: 1.220 million units SAAR	Jul = 1.230 million units SAAR	Down to an annualized rate of 1.162 million units. Of the four broad geographic regions designated by the Census Bureau, Texas falls into the South region, which far and away accounts for the highest numbers of building permits, housing starts, and home sales. We think the August data will show some modest effects of Hurricane Harvey, but those effects will be far more pronounced in the September data, which will also incorporate Hurricane Irma's effects on Florida. Rather than Hurricane Harvey, our August forecasts for permits and starts have more to do with the continued softening of multi-family activity and some less than friendly seasonal adjustment factors, which we expect will combine to yield some less than impressive headline numbers. As our regular readers know, we pay little attention to the headline prints and focus on the not seasonally adjusted data. We look for 105,200 total permits on a not seasonally adjusted basis, reflecting a nice rebound in single family permits after a surprisingly soft July while multi-family permits slip further. Our forecast would put the running 12-month total of housing permits at 1.239 million units.
August Housing Starts Tuesday, 9/19 Range: 1.100 to 1.225 million units Median: 1.175 million units SAAR	Jul = 1.155 million units SAAR	Up to an annualized rate of 1.168 million units. As with our forecast for housing permits, our starts forecast reflects a solid single family number, a soft multi-family number, and some unfriendly seasonal adjustment. On a not seasonally adjusted basis, we look for total housing starts of 104,000 units, allowing for modest weakening in the South region due to Harvey. Our forecast would put the running 12-month total at 1.192 million starts, with 832,000 single family starts over this period. Prior to the hurricanes, our forecast was for further steady, albeit somewhat slow, growth in single family permits and starts while multi-family activity continued to wane, thanks mainly to a backlog of multi-family units under construction that remains larger than at any time since the mid-1970s . Post-hurricanes, that still seems the likely path over the longer-term but there will no doubt be distortions in the data over the near-term – that the two states most heavily impacted, Florida and Texas, are so large means these effects will be felt in the aggregated national data. So, in an area of the data known for its volatility, it will be even more difficult separating the signal from the noise in the data on residential construction and sales over coming months.
Q2 Current Account Balance Tuesday, 9/19 Range: -\$116.0 to -\$108.4 billion Median: -\$112.6 billion	Q1 = -\$116.8 billion	Narrowing to -\$108.6 billion. A smaller trade deficit and a larger net balance on the income accounts should yield a smaller current account deficit. Our forecast would put the Q2 current account deficit at 2.3 percent of (nominal) GDP.
August Existing Home Sales Wednesday, 9/20 Range: 5.350 to 5.550 million units Median: 5.470 million units SAAR	Jul = 5.440 million units SAAR	Down to an annualized sales rate of 5.390 million units. Some closings in the South region were cancelled due to Hurricane Harvey, but there will be a bigger impact in the September data, which will also reflect the impact of Irma in Florida. As has been the case for some time, lean inventories will be a drag on sales; that we are now in the part of the year when listings typically drift lower suggests this drag won't soon fade. On a not seasonally adjusted basis, we look for sales of 528,000 units in August.
August Leading Economic Index Thursday, 9/21 Range: 0.1 to 0.4 percent Median: 0.2 percent	Jul = +0.3%	Up by 0.4 percent.

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