

Indicator/Action Economics Survey:

Last Actual:

Regions' View:

Fed Funds Rate: Target Range Midpoint <i>(After the December 12-13 FOMC meeting):</i> Target Range Midpoint: 1.375 to 1.375 percent Median Target Range Midpoint: 1.375 percent		Range: 1.00% to 1.25% Midpoint: 1.125%	We look for the FOMC to raise the mid-point of the Fed funds rate target range by 25 basis points at this week's meeting. The Committee will also release updated economic and financial projections, including an updated 'dot plot.' We'll caution, however, that this edition of the dot plot will have very little signaling value given what will be significant changes in the composition of the FOMC over coming months. This includes the looming departure of Fed Chairwoman Yellen, who will conduct her final press conference at the conclusion of this week's meeting.
November PPI – Final Demand Range: 0.2 to 0.5 percent Median: 0.4 percent	Tuesday, 12/12	Oct = +0.4%	<u>Up</u> by 0.5 percent, which yields a year-on-year increase of 3.2 percent, with higher energy prices accounting for much of November's increase.
November Core PPI Range: 0.1 to 0.3 percent Median: 0.2 percent	Tuesday, 12/12	Oct = +0.4%	<u>Up</u> by 0.1 percent, for a year-on-year increase of 2.4 percent.
November Consumer Price Index Range: 0.2 to 0.4 percent Median: 0.4 percent	Wednesday, 12/13	Oct = +0.1%	<u>Up</u> by 0.4 percent, leaving the headline CPI up 2.2 percent year-on-year. Contrary to typical seasonal patterns, unadjusted retail gasoline prices rose this November, and this increase will be magnified in the seasonally adjusted data. As such, gasoline accounts for half of the increase in the CPI in our forecast.
November Core CPI Range: 0.2 to 0.2 percent Median: 0.2 percent	Wednesday, 12/13	Oct = +0.2%	<u>Up</u> by 0.2 percent, for a year-on-year increase of 1.8 percent. We look for slightly smaller increases in primary and owners' equivalent rents than were posted in October, and while the forecast anticipates another increase in prices for used motor vehicles, it will not be as large that seen in October. Though core goods prices were up mildly in October, the forecast anticipates a decline in November, which will yield the 55 th year-on-year decline in core goods prices in the last 56 months. All in all, there will be little in the November CPI data to suggest any meaningful build-up of broad based inflation pressures.
November Retail Sales Range: 0.2 to 0.8 percent Median: 0.3 percent	Thursday, 12/14	Oct = +0.2%	<u>Up</u> by 0.8 percent. We have as much confidence in our above-consensus forecast as we do in our forecast for retail sales in any given month, which is to say none at all. The initial estimate of retail sales in any given month is prone to large, in many cases ridiculously large, revisions, so that trying to forecast the next month's sales without knowing those revisions is often little more than a fool's errand. Which of course has never stopped us. The initial October estimates for motor vehicle sales, sales by nonstore retailers, and restaurant sales look like prime candidates for sizeable revisions. If so, our November forecast for the change in retail sales will likely be well off the mark, but we would be much closer on the level of sales. In any event, though unit motor vehicle sales were down in November, that mainly reflected weaker fleet sales (not included in the retail sales data) while sales to consumers (reported in the retail sales data) were solid, and the mix of sales remains revenue friendly with sales heavily tilted towards higher priced SUVs/light trucks. We also look for a large increase in sales by nonstore retailers, which would mainly reflect robust online sales. As with the CPI, the atypical increase in retail gasoline prices this November will artificially inflate the seasonally adjusted retail sales data.
November Retail Sales: Ex-Auto Range: 0.3 to 1.0 percent Median: 0.6 percent	Thursday, 12/14	Oct = +0.1%	<u>Up</u> by 0.9 percent.
November Retail Sales: Control Range: 0.0 to 0.7 percent Median: 0.3 percent	Thursday, 12/14	Oct = +0.3%	<u>Up</u> by 0.7 percent.
October Business Inventories Range: -0.2 to 0.2 percent Median: -0.1 percent	Thursday, 12/14	Sep = 0.0%	Total business <u>inventories</u> will be <u>down</u> by 0.2 percent, while total business <u>sales</u> will be <u>up</u> by 0.6 percent.
November Industrial Production Range: 0.2 to 0.5 percent Median: 0.3 percent	Friday, 12/15	Oct = +0.9%	<u>Up</u> by 0.3 percent with manufacturing accounting for the bulk of the increase.
November Capacity Utilization Rate Range: 77.1 to 77.4 percent Median: 77.2 percent	Friday, 12/15	Oct = 77.0%	<u>Up</u> to 77.2 percent..

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