

## Indicator/Action Economics Survey:

## Last Actual:

## Regions' View:

<b>Fed Funds Rate: Target Range Midpoint</b> <i>(After the May 1-2 FOMC meeting):</i> Target Range Midpoint: 1.625 to 1.625 percent Median Target Range Midpoint: 1.625 percent		Range: 1.50% to 1.75% Midpoint: 1.625%	To us, the most interesting takeaway from the minutes of the March FOMC meeting is that while the Committee sees fiscal policy as being a significant boost to growth, few members see the tax bill as leading to an increase in the economy's sustainable rate of non-inflationary growth. This helps account for the Committee's projections pegging the "neutral" funds rate at such a low level, and also seems to tilt the risks towards a steeper path of Fed funds rate hikes than implied by the March "dot plot."
<b>March Retail Sales</b> Monday, 4/16 Range: 0.2 to 0.5 percent Median: 0.4 percent	Feb = -0.1%	<u>Up</u> by 0.4 percent. It's no secret that we see the monthly retail sales report as less of a "top tier" data release and more of a "for whatever it's worth, which isn't much" data release given the magnitude of revisions to the initial estimate of retail sales in any given month. So, for whatever it's worth, which isn't much, motor vehicles will be a support for top-line retail sales in March, but gasoline will be a drag, at least in the seasonally adjusted data. A return to winter weather just as Spring was, at least allegedly, being sprung likely held down sales of apparel and building materials. One challenge with the retail sales data in any given year is the timing of Easter – that it varies from one year to the next makes it very difficult to properly seasonally adjust the data for any "Easter effects." With Easter having fallen so early this year there could be a larger than normal distortion in the March data. In other words, just your typical run of the mill, full of noise retail sales report. Whatever the headline number says, however, we remain constructive on the state of U.S. consumers; you'd have to just really, really want to not be constructive on the state of U.S. consumers given ongoing improvement in the labor market, record high household net worth, the boost to disposable income from the 2017 tax bill, and elevated consumer confidence.	
<b>March Retail Sales: Ex-Auto</b> Monday, 4/16 Range: 0.0 to 0.4 percent Median: 0.2 percent	Feb = +0.2%	<u>Up</u> by 0.2 percent.	
<b>March Retail Sales: Control Group</b> Monday, 4/16 Range: 0.3 to 0.6 percent Median: 0.3 percent	Feb = +0.1%	<u>Up</u> by 0.5 percent. A solid gain in control retail sales, a direct input into the GDP data on consumer spending, means a soft quarter will end on a firm note. That will set the stage for growth in real consumer spending to spring back in Q2.	
<b>February Business Inventories</b> Monday, 4/16 Range: 0.4 to 0.6 percent Median: 0.6 percent	Jan = +0.6%	We look for total business <u>inventories</u> to be <u>up</u> by 0.6 percent and for total business <u>sales</u> to be <u>up</u> by 0.4 percent. After having knocked five-tenths of a point off of top-line real GDP growth in Q4, inventories will add over a point to Q1 growth.	
<b>March Housing Permits</b> Tuesday, 4/17 Range: 1.275 to 1.500 million units Median: 1.330 million units SAAR	Feb = 1.321 million units SAAR	<u>Down</u> to an annualized rate of 1.311 million units. Any weather effects in the March data on residential construction should be confined to the starts data, but one wild card here is multi-family permits. Multi-family starts have been falling at a much more rapid pace than have multi-family permits – given the mammoth backlog of multi-family units under construction, we see both starts and permits as being still too high – and at some point there should be a correction in permits. This is more or less a standing downside risk to our permit forecasts. If/when there is such a pullback in multi-family permits, the first place it will be seen is in the not seasonally adjusted data. Speaking of which, we expect the unadjusted data to show 113,600 total housing permits in March, leaving the running 12-month total at 1.270 million units.	
<b>March Housing Starts</b> Tuesday, 4/17 Range: 1.200 to 1.310 million units Median: 1.260 million units SAAR	Feb = 1.236 million units SAAR	<u>Up</u> to an annualized rate of 1.268 million units. While (always volatile) multi-family starts plummeted in February, atypically mild winter weather likely accounts for what was a much faster pace of single family starts in February. There could be payback on each count in the March data. As always, our only interest here is in the not seasonally adjusted data, and we expect the unadjusted data to show total starts of 101,800 units. This would bring the running 12-month total to 1.214 million units, reflecting single family starts steadily grinding higher as multi-family starts fade.	
<b>March Industrial Production</b> Tuesday, 4/17 Range: 0.1 to 0.7 percent Median: 0.4 percent	Feb = +0.9%	<u>Up</u> by 0.4 percent. After each posted a sizeable increase in February we look for only a very modest increase in manufacturing output and a decline in mining output. A jump in utilities output, however, will push total IP higher.	
<b>March Capacity Utilization Rate</b> Tuesday, 4/17 Range: 77.6 to 78.2 percent Median: 77.9 percent	Feb = 77.7%	<u>Up</u> to 77.9 percent.	
<b>March Leading Economic Index</b> Thursday, 4/19 Range: 0.0 to 0.5 percent Median: 0.3 percent	Feb = +0.6%	<u>Up</u> by 0.4 percent.	

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