Indicator/Action Economics Survey:	Last Actual:	Regions' View:
Fed Funds Rate: Target Range Midpoint *(After the June 18-19 FOMC meeting):* Target Range Midpoint: 2.375 to 2.375 percent Median Target Range Midpoint: 2.375 percent	Range: 2.25% to 2.50% Midpoint: 2.375%	It's been a nice run, but there are an increasing number of signs that the long running and broad based expansion in the U.S. manufacturing sector is running out of steam. As measured in the data on industrial production, manufacturing output has contracted in each of the past four months. Orders for core capital goods, a proxy for business investment in equipment and machinery, fell sharply in April while what had initially been reported as a solid increase in March is, after revision, now shown to be just a middling advance. At the same time, shipments of core capital goods, an input into the GDP data on business investment, are now shown to have fallen sharply in March. The data are catching up with what for some time now has been a key premise of our economic outlook, which is that the factory sector would struggle under the weight of bloated inventories, fallout from the U.S.-China trade spat and uncertainty over the course of trade policy, and a slowing pace of motor vehicle sales. Thus far, there is little evidence that the headwinds facing the manufacturing sector are acting as a drag on the broader economy, particularly with a still-solid labor market supporting consumer confidence. History tells us it would be foolish to think that can't change, and there clearly has been fallout in the financial markets. The longer trade policy remains a wild card, the more likely it becomes that manufacturing's ills spill over into the broader economy.
May Consumer Confidence Tuesday, 5/28 Range: 124.9 to 135.0 Median: 130.0	Apr = 129.2	Up to 133.8. The cut-off period for the Conference Board's survey is typically around mid-month, so the May survey will likely have missed most of the recent ugliness in the stock market. As such, our forecast anticipates still-solid labor market conditions and some relief on the gas price front will have pushed confidence modestly higher in May. Unless we get a bounce back from the most recent dip in the stock market, however, confidence is likely to take a tumble in the June survey.
April Advance Trade Balance: Goods Thursday, 5/30 Range: -$73.4 to -$68.4 billion Median: -$72.0 billion	Mar = -$71.4 billion	Widening to -$73.3 billion. Upon the release of the initial report on Q1 GDP, we noted that the robust growth in U.S. exports seen in Q1 would not be sustained. Our forecast anticipates April saw a marked slowdown in growth of U.S. exports along with another sizable increase in imports into the U.S., with the net result being a wider deficit in the goods account. For Q2 as a whole, we look for trade to be a drag on top-line real GDP growth, quite the contrast from Q1.
Q1 Real GDP – 2nd estimate Thursday, 5/30 Range: 2.9 to 3.2 percent Median: 3.0 percent SAAR	Q1 1st est. = +3.2% SAAR	Up at an annualized rate of 2.9 percent. We're looking for downward revisions to the initial estimates of business inventories, net exports, business investment, and services spending. The net result will be slower top-line real GDP growth for Q1 than the BEA had initially estimated, but Q1 growth will still be materially faster than Q2 growth is shaping up to be – at present, we're tracking Q2 real GDP growth on the wrong side of 2.0 percent, with meaningful drags from inventories and trade.
Q1 GDP Price Index – 2nd estimate Thursday, 5/30 Range: 0.8 to 1.2 percent Median: 0.9 percent SAAR	Q1 1st est. = +0.9% SAAR	Up at an annualized rate of 0.9 percent.
April Personal Income Friday, 5/31 Range: 0.1 to 0.4 percent Median: 0.3 percent	Mar = +0.1%	Up by 0.2 percent. Despite a hefty increase in private sector payrolls, a decline in average weekly hours means that aggregate hours worked actually declined in April, which will hold down growth in private sector wage and salary earnings. This in turn will act as a drag on growth in total personal income, while our forecast anticipates a fourth consecutive monthly decline in income from assets (thanks to declining interest income). Rental income and transfer payments will provide some support for top-line income growth. Our forecast would leave total personal income up 3.9 percent year-on-year, with private sector wage and salary earnings up 4.7 percent.
April Personal Spending Friday, 5/31 Range: 0.1 to 0.4 percent Median: 0.2 percent	Mar = +0.9%	Up by 0.1 percent. Our forecast anticipates spending on goods will be down slightly on notably weak spending on consumer durables. The April report on industrial production showed a sharp decline in utilities output, which suggests a smaller increase in spending on household services than would otherwise be the case. Our forecasts for personal spending and the PCE deflator suggest a modest decline in real consumer spending in April, not exactly an inspiring start for Q2 growth in real consumer spending. That said, we still expect that for Q2 as a whole, growth in real consumer spending will easily be stronger than Q1 growth.
April PCE Deflator Friday, 5/31 Range: 0.1 to 0.4 percent Median: 0.3 percent	Mar = +0.2%	Up by 0.3 percent, which would yield a year-on-year increase of 1.6 percent. We look for the core PCE deflator to be up by 0.2 percent, good for a year-on-year increase of 1.6 percent.

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