ECONOMIC PREVIEW

REGIONS

Week of July 21, 2025

Indicator/Action Economics Survey:	Last Actual:	Regions' View:
Fed Funds Rate: Target Range Midpoint *(After the July 29-30 FOMC meeting):* Target Range Mid-point: 4.375 to 4.375 percent Median Target Range Mid-point: 4.375 percent	Range: 4.25% to 4.50% Midpoint: 4.375%	Last week's crowded slate of data didn't show the U.S. economy shifting into a higher gear, but neither did it show the U.S. economy grinding to a halt. That's not nothing, as going into last week many had turned notably dour over the growth outlook. As for us, last week more affirmed than changed our outlook for decent, but uneven, growth over the near term. To be sure, there are some potholes (such as housing) in the road ahead, but the economy should continue to move forward.
June Leading Economic Index Monday, 7/21 Range: -0.4 to 0.1 percent Median: -0.2 percent	May = -0.1%	Down by 0.3 percent.
June Existing Home Sales Wednesday, 7/23 Range: 3.90 to 4.16 million units Median: 4.00 million units SAAR	May = 4.03 million units SAAR	Down to an annualized rate of 3.91 million units. On a not seasonally adjusted basis, we look for sales of 382,000 units, down 1.8 percent from May. A decline in unadjusted sales in the month of June would be well out of line with typical seasonal patterns, though we will note that unadjusted sales fell last June. With existing home sales booked at closing, June sales will mostly reflect sales contracts signed from mid-April through May, a period during which mortgage interest rates were little changed, averaging 6.90 percent. What little relief there was from affordability constraints will have come in the form of buyers cutting asking prices, which has become increasingly common, while at the same time rising inventories have also blunted upward pressure on prices. We don't, however, see this as having been a meaningful support for June sales. Our forecast would leave not seasonally adjusted sales up 1.6 percent year-on-year, but keep in mind that there was one more sales day this June than last; after adjusting for sales days, our forecast would leave sales down 3.5 percent year-on-year. There is little impetus for a meaningful and sustained increase in sales, nor will there be until there is more substantive relief on the affordability front. May saw the highest level of inventory since June 2020, which in part reflects rising listings and in part reflects the listless sales pace. While we are still in the portion of the year in which inventories typically rise, it will be interesting to see whether June's change in inventories is in line with typical patterns for the month (the NAR inventory data are not seasonally adjusted). Our forecast would yield a third straight month of a year-on-year increase in inventories of better than twenty percent. We look for the median existing home sales price to be up by only around 1.3 percent year-on-year, and while median prices are not the best gauge of price trends, the slowing year-on-year pace of increases in the median sales price is consistent with the signals being sent by the various repeat sales price indexes. We won't be at all surprised to see year-on-year declines in both measures over the back half of this year absent meaningfully stronger demand, which would surprise us.
June New Home Sales Thursday, 7/24 Range: 597,000 to 675,000 units Median: 650,000 units SAAR	May = 623,000 units SAAR	Down to an annualized rate of 597,000 units. On a not seasonally adjusted basis, we look for sales of 51,000 units, down 8.9 percent from May after what was a 16.4 percent decline in sales in May.
June Durable Goods Orders Friday, 7/25 Range: -14.9 to 0.2 percent Median: -10.5 percent	May = +16.4%	Down by 11.8 percent. May saw Boeing post one of its strongest months of orders on record, which led to the surge in top-line durable goods orders. In June, Boeing booked 113 net orders, and while that would be a more than respectable total in any given month, it is nonetheless down from the 300 net orders booked in May, which means that transportation orders will be a powerful drag on top-line orders. This is yet another illustration of why we repeatedly refer to core capital goods orders, an early indicator of business investment in equipment and machinery in the GDP data, as the single most important line item in any month's report on durable goods orders. Core capital goods orders have bounced within a fairly narrow range for more than two years now, but our forecast (see below) would set a new upside for that range. We've maintained that firms have deferred a significant amount of capital spending over the past several months, as opposed to simply canceling planned outlays, and we think clarity on trade policy coupled with more favorable tax treatment, i.e., immediate expensing of capital outlays, could be the catalysts for firms to come off the sidelines. This is something to watch for in the orders data in the months ahead.
June Durable Goods Orders: Ex-Trnsp. Friday, 7/25 Range: -0.6 to 0.3 percent Median: 0.1 percent	May = +0.5%	We look for ex-transportation orders to be up by 0.3 percent and look for core capital goods orders (nondefense capital goods excluding aircraft and parts) to also be up by 0.3 percent.

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