

**Indicator/Action  
Economics Survey:**
**Last  
Actual:**
**Regions' View:**

<b>Fed Funds Rate: Target Range Midpoint</b> <i>(After the June 9-10 FOMC meeting):</i> Target Range Mid-point: 0.000 to 0.125 percent Median Target Range Mid-point: 0.125 percent		Range: 0.00% to 0.25% Midpoint: 0.125%	Years of progress erased in a single month. That's how we can best summarize the April employment report. The headline numbers tell us nonfarm payrolls declined by 22.500 million jobs and the unemployment rate rose to 14.7 percent. Neither number, however, comes close to capturing the full extent of the damage done to the labor market by the COVID-19 virus and the efforts to stem its spread, and the data on initial claims for Unemployment Insurance tell us further job losses are on tap for May.
<b>April Consumer Price Index</b> Range: -1.3 to -0.3 percent Median: -0.8 percent	Tuesday, 5/12	Mar = -0.4%	<u>Down</u> by 1.1 percent, which would translate into an over-the-year increase of just 0.1 percent. On a not seasonally adjusted basis, retail gasoline prices were down by over 16 percent in April, quite the contrast to the increases typically seen in the month of April, such that on a seasonally adjusted basis, gasoline prices will be down by better than 20 percent. That alone will take seven-tenths of a point off of the monthly change in the total CPI. At the same time, however, the collapse in demand for lodging, dining out, and air travel will push the total CPI down even further, with lower prices for apparel and motor vehicles, new and used, adding to the downward pressure. Higher prices for food consumed at home will be amongst the few supports, but will do little to stem the decline in the headline index.
<b>April Consumer Price Index: Core</b> Range: -0.5 to 0.3 percent Median: -0.2 percent	Tuesday, 5/12	Mar = -0.1%	<u>Down</u> by 0.4 percent, which would yield a year-on-year increase of 1.5 percent. On an unrounded basis, our forecast anticipates a decline of 0.442 percent, which would be the largest monthly decline in the Core CPI on record.
<b>April PPI: Final Demand</b> Range: -1.0 to -0.3 percent Median: -0.5 percent	Wednesday, 5/13	Mar = -0.2%	<u>Down</u> by 0.7 percent, which would yield an over-the-year decline of 0.5 percent.
<b>April PPI: Core</b> Range: -0.3 to 0.2 percent Median: 0.0 percent	Wednesday, 5/13	Mar = +0.2%	<u>Down</u> by 0.2 percent, which would leave the core PPI up 0.8 percent year-on-year.
<b>April Retail Sales: Total</b> Range: -25.0 to -6.5 percent Median: -11.5 percent	Friday, 5/15	Mar = -8.4%	<u>Down</u> by 10.8 percent. The patterns in April retail sales will look a lot like those seen in the March data, i.e., steep declines in most categories of goods, with grocery store sales, warehouse/club store sales (which fall into the broader general merchandise category), and online sales serving as pockets of strength, though the magnitude of the changes could differ sharply. Keep in mind that retail sales are reported on a nominal basis, i.e., they are not adjusted for price changes, so on top of sharply lower demand, the steep decline in retail gasoline prices will act as a significant weight on April retail sales. Motor vehicles will also be a heavy weight on top-line retail sales.
<b>April Retail Sales: Ex-Auto</b> Range: -17.0 to -3.2 percent Median: -8.2 percent	Friday, 5/15	Mar = -4.2%	<u>Down</u> by 8.8 percent.
<b>April Retail Sales: Control Group</b> Range: -12.1 to 1.5 percent Median: -4.5 percent	Friday, 5/15	Mar = +2.0%	<u>Down</u> by 5.2 percent. Sales at grocery stores and club/warehouse stores surged in March but likely gave up some of that ground in April, though our forecast does anticipate online sales will add to March's solid increase. With even larger declines in April than seen in March in most other categories, the net result should be a decline in control retail sales, though much smaller than those that will be seen in total and ex-auto sales. Our degree of confidence in this forecast, however, is quite low.
<b>April Industrial Production</b> Range: -25.1 to -6.8 percent Median: -11.9 percent	Friday, 5/15	Mar = -5.4%	<u>Down</u> by 14.3 percent. Output in the manufacturing and mining sectors should be down big, while utilities output should rebound modestly from March's decline. On an over-the-year basis, our forecast would leave total industrial production down by 18.5 percent, with manufacturing output down 21.9 percent. Our forecast of manufacturing output is much more in line with the details of the April ISM Manufacturing Index than with the ISM's headline index.
<b>April Capacity Utilization Rate</b> Range: 58.0 to 70.5 percent Median: 63.5 percent	Friday, 5/15	Mar = 72.7%	<u>Down</u> to 62.3 percent.
<b>March Business Inventories</b> Range: -0.6 to -0.1 percent Median: -0.3 percent	Friday, 5/15	Feb = -0.4%	We look for total <u>business inventories</u> to be <u>down</u> by 0.2 percent and for total <u>business sales</u> to be <u>down</u> by 5.5 percent.

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