

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

Fed Funds Rate: Target Range Midpoint <i>(After the March 17-18 FOMC meeting):</i> Target Range Mid-point: 0.625 to 1.125 percent Median Target Range Mid-point: 0.875 percent	Range: 1.00% to 1.25% Midpoint: 1.125%	The financial markets basically shrugged off what was a strong February employment report, on the grounds that the report was “old news,” i.e., it reflected conditions before the coronavirus began to impair global supply chains and before the virus began to intensify across the U.S. Sure, we get that, but, our view is that starting points matter, and the February employment report shows the labor market was on solid ground when first confronted with the effects of the coronavirus, and this was the case for the broader economy as well. With equities having been routed and yields on longer-term U.S. Treasury bonds having fallen to record lows, the financial markets are pricing in a very severe hit to the U.S. economy. At this point, no one knows how severely the labor market, or the broader economy, will be impacted, or for how long. Clearly, travel and tourism activity have already fallen off, and will likely fall further, but thus far there are few visible effects in the regular economic data. That will change in the weeks ahead, and the weekly data on initial claims for Unemployment Insurance and the higher frequency measures of consumer sentiment will be watched closely. To be sure, with the coronavirus simultaneously posing threats to both the supply side and the demand side of the economy, the toll on economic activity could be severe, but we’re just not at the point that we can even begin to quantify that. Which gets us back to the significance of starting points – while some may think it does not matter, we at least know the U.S. economy was on solid footing ahead of the coronavirus.
February Consumer Price Index Wednesday, 3/11 Range: -0.1 to 0.2 percent Median: 0.0 percent	Jan = +0.1%	<u>Unchanged</u> , which would leave the total CPI up 2.2 percent year-on-year.
February Consumer Price Index: Core Wed., 3/11 Range: 0.1 to 0.2 percent Median: 0.2 percent	Jan = +0.2%	<u>Up</u> by 0.1 percent, yielding an over-the-year increase of 2.3 percent.
February PPI: Final Demand Thursday, 3/12 Range: -0.2 to 0.1 percent Median: -0.1 percent	Jan = +0.5%	<u>Down</u> by 0.2 percent, which would yield an over-the-year increase of 1.7 percent.
February PPI: Core Thursday, 3/12 Range: 0.0 to 0.2 percent Median: 0.1 percent	Jan = +0.5%	<u>Up</u> by 0.1 percent, which would yield an over-the-year increase of 1.7 percent.

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