# ECONOMIC PREVIEW

REGIONS

Week of September 21, 2026

| Indicator/Action Economics Survey: | Last Actual: | Regions' View: |
|---|---|---|
| **Fed Funds Rate: Target Range Midpoint**<br>*(After the October 27-28 FOMC meeting):*<br>Target Range Mid-point: 3.875 to 4.125 percent<br>Median Target Range Mid-point: 3.875 percent | Range:<br>3.75% to 4.00%<br>Midpoint:<br>3.875% | This week will be a fairly quiet week for economic data releases but a very loud week in terms of "Fedspeak," with the communications blackout around the September FOMC meeting having lifted. Given that the vote to raise the Fed funds rate at last week's meeting was unanimous, Committee members are likely to reinforce Chair Warsh's messaging around that rate hike in their comments this week. Where there may, and likely will, be differences is the outlook for inflation and the potential for additional funds rate hikes, at least based on the dispersion of the dots around the year-end medians in the updated dot plot. Recall that the median dots imply one more twenty-five basis point hike by year-end 2026 with no additional hikes in 2027, but at the same time four members see an additional rate hike by year-end 2026 and eight of the eighteen members who submitted projections see a total of three hikes in this cycle. Though Chair Warsh makes it a point to steer clear of forward guidance, many Committee members are more inclined to discuss their views, and with markets pricing a more aggressive path of the funds rate than that implied by the updated dot plot, market participants will be listening closely this week. |
| **Q2 Current Account Balance** Thursday, 9/24<br>Range: -\$-280.0 to -\$205.0 billion<br>Median: -\$258.1 billion | Q1 = -\$226.8 billion | <u>Widening</u> to -\$270.1 billion, mostly reflecting a significantly wider trade deficit in Q2. |
| **August New Home Sales** Thursday, 9/24<br>Range: 588,000 to 650,000 units<br>Median: 616,000 units SAAR | Jul = 607,000 million units SAAR | <u>Up</u> to an annual rate of 627,000 units. On a not seasonally adjusted basis we look for sales of 51,000 units, up modestly from 50,000 units in July, but we look for that initial July estimate to be revised higher, consistent with the patterns seen in the data on residential construction. Recall that the original estimate showed housing starts plummeted in July, which we thought was mostly a function of extreme weather conditions across much of the U.S. Revisions, however, tempered that decline and while the August data showed a modest rebound, that nonetheless left the ongoing decline in the trend rate of single family housing starts intact. We expect the same pattern to hold with the data on new home sales (the permits and starts data are inputs into the sales data), i.e., July's decline to be tempered somewhat and the August data showing a modest increase which nonetheless leaves the downward trend in new home sales intact. To that point, our forecast would leave the running twelve-month sum of not seasonally adjusted new home sales lower than at any point since September 2023, and we think the trend rate will fall further in coming months. |
| **August Durable Goods Orders** Friday, 9/25<br>Range: -1.6 to 0.8 percent<br>Median: -0.3 percent | Jul = +1.1% | <u>Down</u> by 0.1 percent. A decline in civilian aircraft orders should weigh on total orders. The bigger test, however, is whether core capital goods orders will snap back from a middling July print. While that is what our forecast anticipates, our degree of confidence in our forecast isn't as high as it has been over the prior several months amid mixed signals in related data series. Higher interest rates raise the bar for firms borrowing to finance capital outlays, particularly amid continued upward pressure on input prices, while slower supplier delivery times throw another wrench into the works. Conversely, imports of capital goods remain strong and aggregate hours worked amongst producers of durable manufactured goods continue to grow at a rapid pace. Our view is that while business investment spending continues to grow, the trend rate of growth could slow somewhat on the margins as some cap ex projects are likely to be shelved. In that sense, it would seem that the risks to our forecast for core capital goods orders (see below) are weighted to the downside. |
| **August Durable Goods Orders: Ex-Trnsp.** Friday, 9/25<br>Range: 0.2 to 1.8 percent<br>Median: 0.6 percent | Jul = +0.4% | We look for <u>ex-transportation</u> orders to be <u>up</u> by 0.9 percent, and we look for <u>core capital goods</u> orders (nondefense capital goods excluding aircraft and parts) to be <u>up</u> by 1.1 percent. |



**Regions Financial Corporation, 1900 5th Avenue North, 17th Floor, Birmingham, Alabama 35203**
Richard F. Moody, Chief Economist • 205.264.7545 • richard.moody@regions.com