ECONOMIC PREVIEW

REGIONS

Week of September 7, 2026

Indicator/Action Economics Survey:	Last Actual:	Regions' View:
Fed Funds Rate: Target Range Midpoint *(After the September 15-16 FOMC meeting):* Target Range Mid-point: 3.375 to 3.875 percent Median Target Range Mid-point: 3.625 percent	Range: 3.50% to 3.75% Midpoint: 3.625%	After a nowhere near as strong as the headline suggests August employment report, all eyes this week will be on the August reads of the PPI and the CPI. For some FOMC members, these reads will be key factors in their vote on whether to raise the Fed funds rate at next week's meeting. Though higher energy prices will be a support for the headline CPI, what could be the smallest year-on-year increase in the core CPI in over five years hardly screams "rate hike," but we'll see.
August Producer Price Index Thursday, 9/10 Range: 0.2 to 0.6 percent Median: 0.4 percent	Jul = 0.0%	<u>Up</u> by 0.5 percent, yielding a year-on-year increase of 5.4 percent.
August Producer Price Index: Core Thursday, 9/10 Range: 0.2 to 0.4 percent Median: 0.3 percent	Jul = +0.2%	<u>Up</u> by 0.4 percent, which would yield a year-on-year increase of 4.7 percent.
August Existing Home Sales Thursday, 9/10 Range: 3.90 to 4.06 million units Median: 3.98 million units SAAR	Jul = 4.06 million units SAAR	<u>Down</u> to an annual rate of 3.99 million units. On a not seasonally adjusted basis, we look for sales of 377,000 units, down 5.8 percent from July but up 0.3 percent year-on-year. Existing home sales are booked at closing, and August closings will mostly reflect sales contracts signed from late June through July. To that point, pending home sales, NAR's gauge of signed sales contracts, posted their weakest July since 2016 (based on the change in the not seasonally adjusted index). Though the link between the two is weaker at present than had historically been the case, the weak print on July pending home sales sets the stage for a weak August print on existing home sales. That mortgage interest rates began rising rapidly after the first week of July no doubt helps account for how weak pending home sales were during the month, which simply illustrates the extent to which affordability constraints have become more, not less, binding over the course of 2026. While coming into the year we didn't expect much relief from affordability constraints, neither did we expect them to become more binding, and we don't see much relief on the horizon given the path of market interest rates. Our forecast anticipates inventories declining in August, in keeping with typical seasonal patterns, yielding a year-on-year decline.
August Consumer Price Index Friday, 9/11 Range: 0.3 to 0.4 percent Median: 0.3 percent	Jul = +0.1%	<u>Up</u> by 0.3 percent, which would translate into a year-on-year increase of 3.4 percent. Here are a few key components to watch which could make the difference between a 0.3/0.4 percent increase in the total CPI or between a 0.2/0.3 percent increase in the core CPI. **Gasoline**: on a seasonally adjusted basis we look for retail gasoline prices to be up by 4.2 percent, but the risks to our forecast seem to be to the upside. **Lodging**: lodging rates were oddly weak in July, with the CPI measure of costs for lodging away from home falling 3.4 percent on a not seasonally adjusted basis and by 2.8 percent on a seasonally adjusted basis, on the heels of similarly large declines in June. It could be that providers overreached on pricing in conjunction with the World Cup, leading many to build some payback into their August forecasts. We're not so sure, however, and will note that even if there is some bounce in unadjusted lodging rates, the August seasonal factor for this category is quite punitive, meaning that the seasonally adjusted data could continue to look weak, which is what we've incorporated into our forecast. **Vehicle prices**: yeah, who even knows . . . The CPI measure of used vehicle prices has seemingly lost touch with measures of wholesale prices, and while our forecast anticipates an August decline, the risks to our forecast here seem to be to the upside. **Core goods prices**: we anticipate another soft print on core goods prices excluding used motor vehicles, as many retailers used proceeds from tariff refunds to lower prices for consumers during August, the key back-to-school shopping month. If we're wrong on this point, our forecast for the core CPI will be too low. **Medical care commodities**: prices in this category declined in each of the first seven months of 2026 and some payback seems in order. We do not anticipate this having happened in August, but the risks here seem to be to the upside. Note that our unrounded forecast for the core CPI, at 0.194 percent, leaves some room for error, and even if we're wrong on some of the items here that could still leave us with a 0.2 percent monthly increase.
August Consumer Price Index: Core Friday, 9/11 Range: 0.1 to 0.3 percent Median: 0.2 percent	Jul = +0.2%	<u>Up</u> by 0.2 percent, which would yield a year-on-year increase of 2.4 percent, the smallest such increase since March 2021.

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