ECONOMIC PREVIEW

REGIONS

Week of November 9, 2026

Indicator/Action Economics Survey:		Last Actual:	Regions' View:
Fed Funds Rate: Target Range Midpoint *(After the December 8-9 FOMC meeting):* Target Range Mid-point: 3.875 to 4.125 percent Median Target Range Mid-point: 4.125 percent		Range: 3.75% to 4.00% Midpoint: 3.875%	Total nonfarm payrolls rose by 165,000 jobs in October, with private sector payrolls up by 159,000 jobs. At the same time, prior estimates of job growth in August and September were revised up by a net 84,000 jobs for the two-month period. In a most welcome change from the past several months the details of the October employment report support the headline print, as this year saw the largest October increase in not seasonally adjusted private sector payrolls since 2022. To be sure, the estimates of the monthly change in seasonally adjusted payrolls remain quite volatile, and our focus remains squarely on the longer-term trends in the not seasonally adjusted data. What stands out here is that after having been notably stable since early last year, the trend rate of job growth has perked up. It is far too soon to know whether this can or will be sustained, but the October employment report is at the very least further evidence of a stable labor market. It's one thing to point to that stability as evidence that, should they opt for further increases in the Fed funds rate to help quell inflation pressures, the FOMC need not worry about the labor market. It's quite another thing to, as some have done, point to the 0.4 percent increase in average hourly earnings in October as a worrisome sign that the labor market is a source of inflation pressures, a take we find to be wildly off base. Trend productivity growth has accelerated over the past three years, with average growth of 2.6 percent over that span – ahead of any meaningful boost from AI. Couple that with a stable, if not rising, trend rate of job growth, and the result is faster real growth, not faster inflation. Indeed, one could argue that wage growth has not kept pace with where faster productivity growth says it should be – as a general rule, nominal wage growth should be roughly equal to the sum of productivity growth and inflation. While not everyone seems to understand this, Fed Chair Warsh clearly does. As such, we don't think the October print on average hourly earnings will have any bearing on what the FOMC does, or does not do, at their December meeting.
October Consumer Price Index Tuesday, 11/10 Range: 0.2 to 0.5 percent Median: 0.3 percent		Sep = +0.6%	Up by 0.2 percent. Note that because last October's CPI data were not produced due to the government shutdown, there will be no year-on-year percentage change for either the total or core CPI this October. As for the monthly change, after having accounted for roughly one-half of September's 0.6 percent increase, gasoline prices will be a neutral factor in October's monthly change as a modest decline on a not seasonally adjusted basis will turn into a modest increase in the seasonally adjusted data. While our forecast does anticipate the largest increase in food prices since April, food prices have surprised us by being virtually flat over the past few months. Even if we are correct this time around, we still expect the headline print to show a 0.2 percent increase given the lack of support from gasoline prices, some easing in services prices including owners' equivalent rents and lodging rates, and a smaller increase in used vehicle prices than that seen in September. While we look for a smaller increase in prices for core (non-food, non-energy) goods prices excluding used motor vehicles than seen in September, we do see some upside risk here. To the extent recent declines in oil prices translate into lower retail gasoline prices, headline inflation will ease in the months ahead, but core inflation will remain the bigger test.
October Consumer Price Index: Core Tuesday, 11/10 Range: 0.2 to 0.3 percent Median: 0.2 percent		Sep = +0.3%	Up by 0.2 percent.
October Existing Home Sales Thursday, 11/12 Range: 3.70 to 4.05 million units Median: 3.85 million units SAAR		Sep = 3.99 million units SAAR	Down to an annual rate of 3.71 million units. On a not seasonally adjusted basis, we look for sales of 314,000 units, down 7.9 percent from September and, after adjusting for sales days, down 8.4 percent year-on-year. Recall that existing home sales are booked at closing, and October closings will mostly reflect sales contracts signed from late August through September, a period over which mortgage interest rates rose by around fifty basis points and, in turn, applications for purchase mortgage loans weakened considerably. As such, the not seasonally adjusted data show the largest September drop-off in pending home sales, a gauge of signed sales contracts, since 2022. This sets the stage for a weak October print on existing home sales. If our forecast of unadjusted sales is on or near the mark, we'll likely see inventories rise further, counter to typical seasonal patterns that see inventories decline in the fall months. We look for the median existing home sales price to be up just over one percent year-on-year.

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October Producer Price Index Range: -0.3 to 0.6 percent Median: 0.4 percent	Friday, 11/13	Sep = +1.3%	Up by 0.3 percent, translating into a year-on-year increase of 6.5 percent.
October Producer Price Index: Core Range: 0.2 to 0.5 percent Median: 0.3 percent	Friday, 11/13	Sep = +0.7%	Up by 0.3 percent, which would yield a year-on-year increase of 5.0 percent.

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