

Preview of the Week Ahead

The CPI is forecast to climb back above 3% in the March release on surging prices of gasoline, which last week topped \$4 per gallon for the first time since 2022. Core CPI also is expected to firm as airfares rise. Minutes from the Fed's March 18 meeting will likely reinforce the message that interest rates are on hold until policymakers have a better understanding of how the Iran War is affecting the U.S. economy. Real GDP growth in the fourth quarter of 2025 will likely be revised lower, reflecting weaker consumer spending on services. The week also will bring the Fed's preferred measure of inflation for February (PCE), though it will matter less for financial markets than usual since the war subsequently pushed inflation higher in March.

The Week in Review

The March jobs report was considerably stronger than expected: Payrolls rebounded by 178,000, more than offsetting February's 133,000 drop (revised from a 92,000 decline). With revisions, payrolls rose an average of 68,000 per month in the first quarter of 2026, well above the 10,000 monthly average in 2025. The unemployment rate edged down to 4.3%, but the details of the household survey were soft: Employment fell 64,000, unemployment fell 332,000, and the labor force shrank 396,000. The labor force participation rate dipped to 61.9% from 62.0% and was the lowest since 2021. Much of the decline reflects demographics. Prime-age (25-54) participation slipped to 83.8% from 83.9% in February but remained close to January's 84.0%, which tied for the highest since 2001. Wage growth cooled: Average hourly earnings rose 3.5% year-over-year, the slowest pace since 2021.

This is an on the one hand, on the other kind of a job market. Job growth is modest, but labor supply growth is limited, too. After March's decline, the labor force hasn't grown since January 2025, as retirements rise and net inflows of foreign-born workers slow. Hiring is meager, but layoffs are low, too. This is a difficult job market for new grads, but it's a pretty good one for experienced workers—it stands repeating that the prime-age participation rate is near a multi-decade high.

This report's reference period was the week of March 8 to March 14, far too early to show how the Iran War will affect the labor market. The war's effect on global energy supplies could prove short-lived or prolonged, and could be modest or severe. Each path would imply a different outlook and policy response. With outcomes uncertain, the Fed can be expected to hold rates steady for at least the next few meetings while they assess incoming data and news about the conflict.

Retail sales jumped 0.6% in February after a revised 0.1% decline in January, as consumers returned to stores after January's harsh weather. New car and light truck sales rose to a 16.34 million annualized rate in March from 15.75 million in February, which will boost the subsequent retail sales report, too. The trade deficit widened in February, and the White House adjusted tariff rates again after the report.

Subscribe to receive our publications: [Comerica Economics Publications](#). For questions, contact us at ComericaEcon@comerica.com. Archives are available at <http://www.comerica.com/insights>.

This publication has been prepared for general educational/informational purposes only and should not be considered as investment advice or a recommendation for any particular security, strategy or investment product, or as personalized investment advice. The information contained herein has been obtained from sources believed to be reliable, but Comerica does not represent, or guarantee, its completeness or accuracy. The views expressed herein are solely those of the author(s) at the time of publication. Comerica will not be responsible for updating any information contained within this publication, and such information is subject to change without notice. Comerica does not assume any liability for any direct, indirect or consequential losses that may result from reliance upon this publication.

Bill Adams, Chief Economist

April 6, 2026

Date	Economic Release	Prior Release	Consensus Forecast	Comerica Forecast	
4/6	ISM Services Purchasing Managers Index (Mar)	56.1	55.0	53.0	
4/7	Durable Goods Orders (Feb Preliminary)	0.0% M/M	-1.0% M/M	-3.2% M/M	
	Durables Goods Orders Ex Transportation (Feb Prelim.)	0.4% M/M	0.5% M/M	0.3% M/M	
	Capital Goods Orders Nondefense Excl. Aircraft (Feb Prelim.)	—	0.6% M/M	0.5% M/M	
	Cap Goods Shipments Nondef. Ex Air (Feb Prelim.)	-0.1% M/M	0.3% M/M	1.0% M/M	
	New York Fed 1-Year Consumer Inflation Expectations (Mar)	3.0%	—	4.5%	
	Consumer Credit (Feb)	\$8.0 bn	\$10.3 bn	\$13.0 bn	
4/8	Federal Reserve Meeting Minutes (Mar 18 Decision)	N/A	N/A	N/A	
4/9	Real Gross Domestic Product, Seasonally-Adjusted Annualized Rate (4th Quarter of 2025, Third Estimate)	0.7%	0.7%	0.3%	
	Real Personal Consumption Expenditures ("PCE" 4th Q. 3rd Est.)	2.0%	2.0%	1.5%	
	GDP Price Index (4th Q. Third Est.)	3.8%	3.8%	3.8%	
	Core PCE Price Index Less Food and Energy (4th Q. 3rd Est.)	2.7%	2.7%	2.7%	
	Initial Jobless Claims (Week of 4/4)	202,000	210,000	210,000	
	Continuing Jobless Claims (Week of 3/28)	1,841,000	1,825,000	1,840,000	
	Personal Income (Feb)	0.4% M/M	0.3% M/M	0.3% M/M	
	Personal Spending (Feb)	0.4% M/M	0.6% M/M	0.6% M/M	
	PCE Price Index (Feb)	0.3% M/M	0.4% M/M	0.3% M/M	
			2.8% Y/Y	2.8% Y/Y	2.7% Y/Y
		Core PCE Price Index (Feb)	0.4% M/M	0.4% M/M	0.2% M/M
			3.1% Y/Y	3.0% Y/Y	2.8% Y/Y
	Wholesale Trade Sales (Feb)	0.5% M/M	—	0.6% M/M	

Subscribe to receive our publications: [Comerica Economics Publications](#). For questions, contact us at ComericaEcon@comerica.com. Archives are available at <http://www.comerica.com/insights>.

This publication has been prepared for general educational/informational purposes only and should not be considered as investment advice or a recommendation for any particular security, strategy or investment product, or as personalized investment advice. The information contained herein has been obtained from sources believed to be reliable, but Comerica does not represent, or guarantee, its completeness or accuracy. The views expressed herein are solely those of the author(s) at the time of publication. Comerica will not be responsible for updating any information contained within this publication, and such information is subject to change without notice. Comerica does not assume any liability for any direct, indirect or consequential losses that may result from reliance upon this publication.

CPI to Jump in March on Iran War Impact

Bill Adams, Chief Economist

April 6, 2026

Date	Economic Release	Prior Release	Consensus Forecast	Comerica Forecast
4/10	Consumer Price Index ("CPI" Mar)	0.3% M/M	1.0% M/M	0.8% M/M
		2.4% Y/Y	3.4% Y/Y	3.2% Y/Y
	Core CPI (Mar)	0.2% M/M	0.3% M/M	0.4% M/M
		2.5% Y/Y	2.7% Y/Y	2.8% Y/Y
	Factory Orders (Feb)	0.1% M/M	-0.2% M/M	-1.0% M/M
	Factory Orders Ex Trans (Feb)	0.4% M/M	—	0.4% M/M
	University of Michigan Consumer Sentiment Indicator (Apr Prelim.)	53.3	—	51.5
	U. of Mich. Current Conditions (Apr Prelim.)	55.8	—	53.0
	U. of Mich. Expectations (Apr Prelim.)	51.7	—	49.0
	U. of Mich. 1 Year Inflation Expectations (Apr Prelim.)	3.8%	—	4.2%
	U. of Mich. 5-10 Yr Inflation Expectations (Apr Prelim.)	3.2%	—	3.5%
	Federal Budget Balance (Mar)	-\$307.5 bn	—	-\$161 bn

Subscribe to receive our publications: [Comerica Economics Publications](#). For questions, contact us at ComericaEcon@comerica.com. Archives are available at <http://www.comerica.com/insights>.

This publication has been prepared for general educational/informational purposes only and should not be considered as investment advice or a recommendation for any particular security, strategy or investment product, or as personalized investment advice. The information contained herein has been obtained from sources believed to be reliable, but Comerica does not represent, or guarantee, its completeness or accuracy. The views expressed herein are solely those of the author(s) at the time of publication. Comerica will not be responsible for updating any information contained within this publication, and such information is subject to change without notice. Comerica does not assume any liability for any direct, indirect or consequential losses that may result from reliance upon this publication.