

U.S. Economic Comment

- Updated Fed call: given recent moves in consumer price metrics, along with heightened uncertainty regarding the inflation outlook, we have pushed back projected rate cuts to late 2026 and the first half of 2027

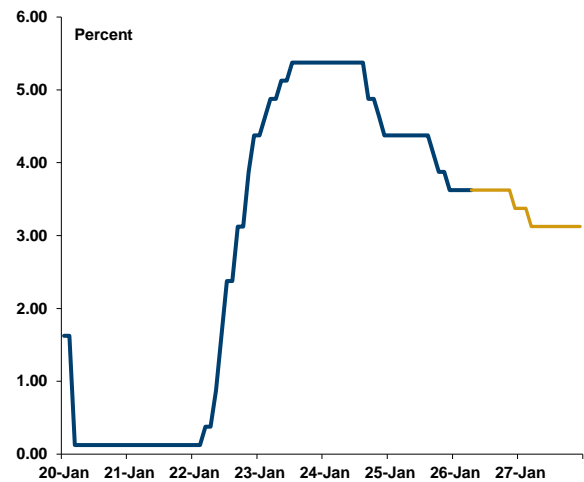
Lawrence Werther
 lawrence.werther@us.daiwacm.com
 +1-212-612-6393

Brendan Stuart
 brendan.stuart@us.daiwacm.com
 +1-212-612-6172

Additional Policy Easing, but Later

Outgoing Fed Chair Powell has used the term “nimble” on numerous occasions in recent months to emphasize that policymakers must be flexible in responding to economic developments in real time in an environment of heightened uncertainty and pronounced risks to dual-mandate objectives. So too must the forecaster in assessing new information and assimilating it into their projection. Thus, in light of unanticipated dissents at this week’s FOMC meeting, along with a disquieting inflation reading but otherwise solid economic data, we are compelled to adjust our interest rate outlook. We still look for further softening in the labor market to materialize later this year, which could prompt the FOMC to ease monetary policy and push the target range for the federal funds rate from the upper end of neutral closer to its assumed lower bound, but the bar for those tweaks has been raised. Consequently, rather than projecting cuts of 25 basis points at the September and December 2026 FOMC meetings, we now expect only one cut in 2026 in December (year-end target range of 3-1/4 to 3-1/2 percent), with an additional reduction in 2027 – possibly March (year-end 2027 target range of 3 to 3-1/4 percent; chart).

Federal Funds Target Rate*



* The gold line shows the projected path for the federal funds rate through year-end 2027.

Sources: Federal Reserve Board via Haver Analytics; Daiwa Capital Markets America

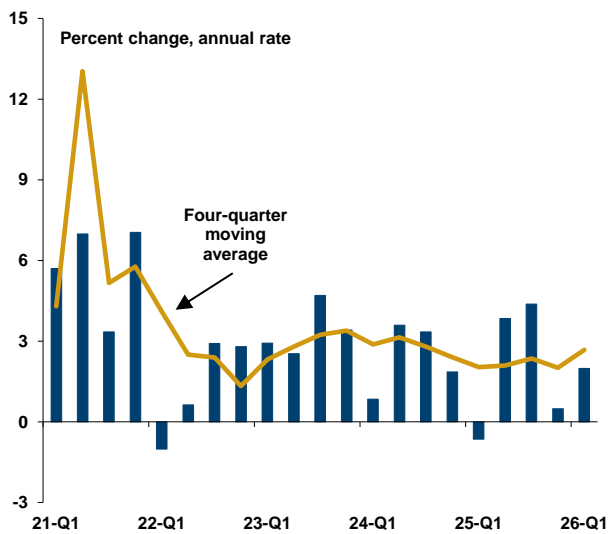
At the core of our recalibrated thinking on monetary policy is not a dramatic shift in our assessment of the path of economic growth or the trajectory of variables tied to dual-mandate objectives: we still look for inflation to begin receding gradually later this year, and we see as likely an upward drift in the unemployment rate as firms continue to right-size headcounts. Rather, we sensed a discernable shift among policymakers with respect to their assessment of upside risks to inflation, which was signaled by new dissents from three voters (Beth Hammack of the Cleveland Fed, Neel Kashkari of Minneapolis, and Lorie Logan of Dallas) regarding ongoing maintenance of an easing bias in the FOMC statement. Specifically, they appeared ill at ease with ongoing forward guidance that is widely interpreted to preclude the potential for a pivot to rate increases (i.e., they desired a more “neutral” stance rather than an implicit easing bias in the current statement): “In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks.” Furthermore, Chair Powell suggested in his press conference that a preference for more neutral guidance extended beyond voters, who are only 12 of 19 members present (specifically, he acknowledged “non-voters who preferred it”). Additionally, we note that the Chair himself appeared noncommittal in his support of the current guidance, “I didn’t think we needed to do it at this meeting...we have so much to learn and there’s so much uncertainty about the path ahead...what happens in the next 30, 60 days, even by the next meeting, could really change the picture...around the language.” In essence, he appeared to favor a wait-and-see approach, supporting near-term inaction, and deferring to presumptive incoming Chair Warsh to guide changes to upcoming FOMC Statements – hardly an unequivocal endorsement of current guidance. Thus, we interpret current indications from various policymakers as suggesting patience at the next few meetings and an enhanced data dependency that does not preclude more restrictive policy (even if the probability of a pivot remains low).

This Week's Data

Likely galvanizing the current views of various policymakers were data released post-meeting that showed the economy remains on track in early 2026, that layoffs are currently low, and that inflation remains stubbornly above 2 percent, with risks skewed to the upside. (Note, the FOMC did not have an official release of the March statistics on the price index for personal consumption expenditures, although they garnered enough information from the CPI and PPI to reasonably predict the result.)

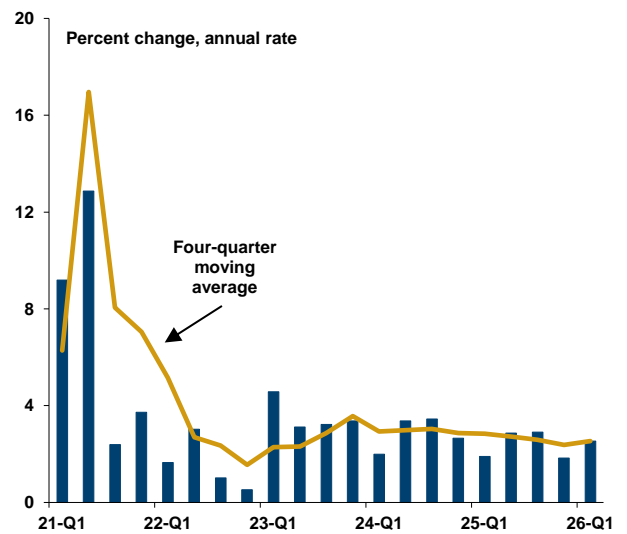
On the growth front, the Q1 GDP report ratified the assessment in the latest FOMC statement that “economic activity has been expanding at a solid pace.” The economy grew 2.0 percent, annual rate, in early 2026, rebounding from a soft performance in Q4 that was marred by the effects of a shutdown of the federal government and matching the pace over the four quarters of that year (chart, below left). More important, private domestic final demand, which excludes often volatile government spending, net exports, and inventory investment and gives a clearer view on underlying momentum in the economy, rose 2.5 percent, faster than the average of 2.4 percent in 2025 (chart, below right). We acknowledge concerns about the underlying data, with growth of consumer spending decelerating to 1.6 percent, annual rate, in Q1 from an average of 2.1 percent over the four quarters of last year and business investment in capex being skewed heavily toward the AI space and growth elsewhere less impressive. However, even acknowledging those points, we still view the performance as “solid” – unlikely to require immediate supportive policy action. With that said, risks to growth are elevated given a lack of resolution to the Iran conflict and likely intensifying fallout on the U.S. economy from higher energy prices and disrupted supply chains.

GDP



Source: Bureau of Economic Analysis via Haver Analytics

Private Domestic Final Demand*

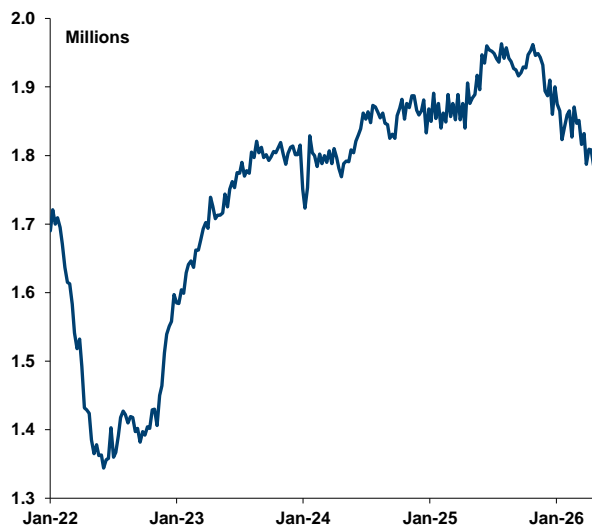


* Excludes the contributions of government spending, net exports, and inventory investment.

Source: Bureau of Economic Analysis via Haver Analytics

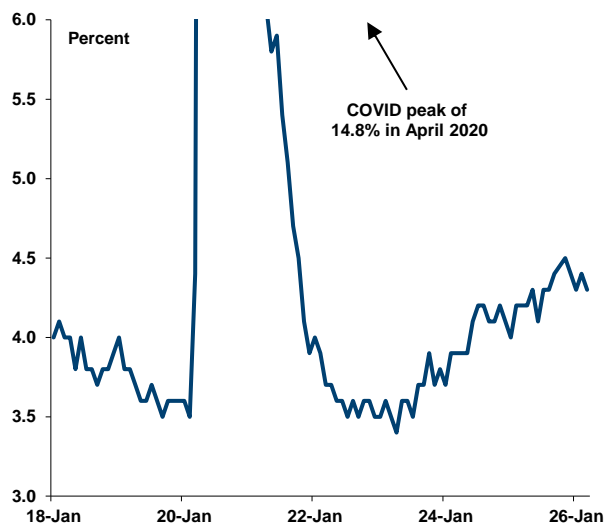
Similar to the outlook for growth, downside risks to the employment side of the dual mandate are heightened at this juncture. That said, the near-term data are favorable and enable policymakers to be patient while evaluating inflation developments. With respect to the latest information, initial claims for unemployment insurance for the week ending April 25 fell 26,000 to 189,000, the lowest since May 1969, while continuing claims for the week ending April 18 slipped 23,000 to 1.785 million, a reading in the low end of the recent range. These data points are indicative of stability in layoffs and are thus supportive of the view that the labor market is persisting in a low-hire, low-fire equilibrium (chart, next page, left).

Continuing Claims for Unemployment Insurance



Source: U.S. Department of Labor via Haver Analytics

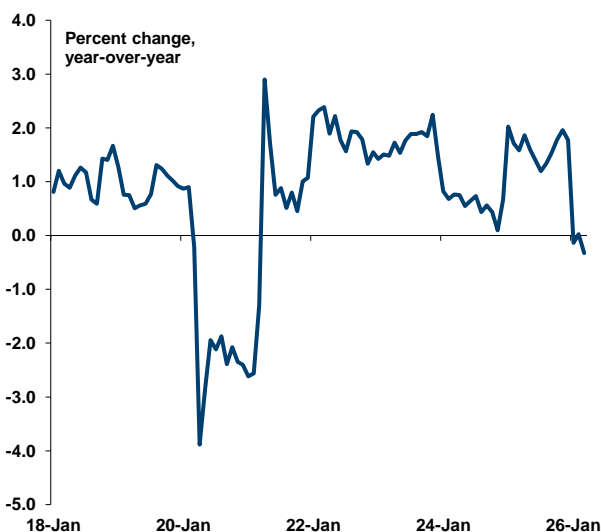
Unemployment Rate



Source: Bureau of Labor Statistics via Haver Analytics

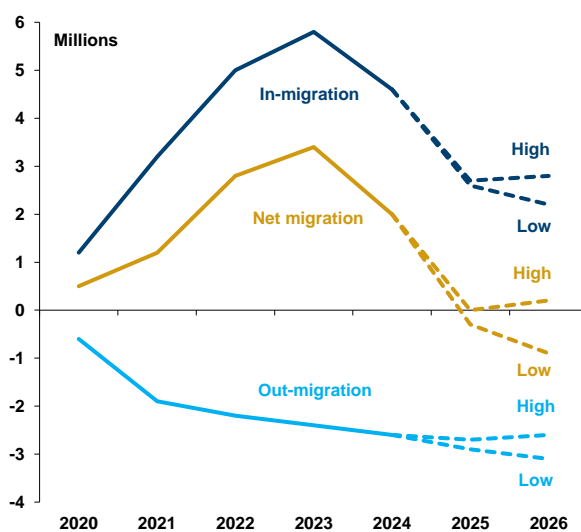
Importantly, Fed officials have become increasingly confident that the aforementioned paradigm can persist, at least for a time, and maintain the unemployment rate at a low level (chart, above, right). At the core of that view is an assessment acknowledged by Chair Powell and articulated by Governor Waller in a speech on April 17: “[W]e have come to more fully recognize about the supply side of the labor market. Over the course of last year, we got the details of how net immigration, which was 2.3 million in 2024, fell to a minimal level in 2025 and is continuing at a very low level in 2026. This pattern has lowered population growth and, hence, the growth of the labor force. This change in immigration, combined with the continued aging of the population, means that very little or no net job creation is necessary to absorb new workers into employment.” On the point, the chart below on the left shows a flatlining of labor force growth in early 2026 (data through March), while that on the right shows data from a recent Brookings Institution analysis illustrating how The Trump administration’s restrictive immigration policy has sharply curtailed the influx of individuals into the labor force. Therefore, with supply constrained and layoffs contained, policymakers appear willing to accept modest job growth as they await further inflation developments.

Civilian Labor Force Growth



Source: Bureau of Labor Statistics via Haver Analytics

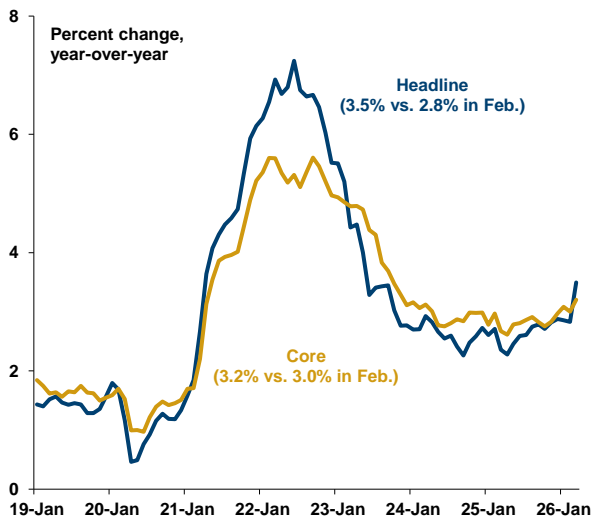
US Migration Flows*



* The observations for 2025 and 2026 (dashed lines) are projections. Net migration is estimated by separately considering inflows and outflows in "low immigration" and "high immigration" scenarios.
Source: Edelberg, Wendy et al. "Macroeconomic implications of immigration flows in 2025 and 2026: January 2026 update," Brookings, January 13, 2026. <https://www.brookings.edu/articles/macroeconomic-implications-of-immigration-flows-in-2025-and-2026-january-2026-update/>

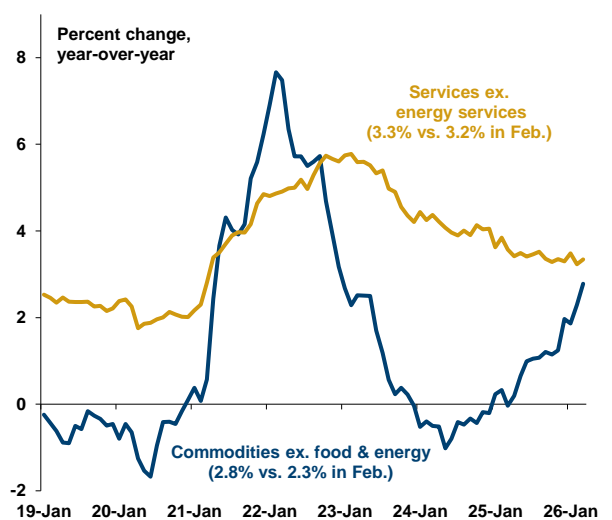
Turning to the other side of the dual mandate, the March inflation data were unfavorable, with recent developments suggesting that conflict with Iran may escalate and energy prices could remain elevated. Regarding the latest results for the price index for personal consumption expenditures, officials' preferred price metric, the headline and core measures rose 0.7 percent and 0.3 percent, respectively, which translated to year-over-year advances of 3.5 percent for the headline (versus 2.8 percent in February) and 3.2 percent (versus 3.0 percent previously; chart, below left). Moreover, factoring importantly into the monthly advance in the headline index, which was the largest since June 2022, was an 11.6 percent surge in the energy category – the largest since September 2005 (+14.4 percent year-over-year). Parsing the core data was similarly concerning. Core goods prices, which are currently problematic on account of the effects of the Trump tariff program, rose 0.2 percent in March. Although the month-to-month move lagged the 0.8 percent increase in February, the year-over-year advance firmed up to 2.8 percent from 2.3 percent previously – an indication that price pressure from tariffs has yet to fully pass-through inflation metrics (chart, below right). Concurrently, core services increased 0.3 percent last month, with the year-over-year trend still well above pre-pandemic norms (+3.3 percent versus +3.2 percent previously).

PCE Price Index: Headline & Core



Source: Bureau of Economic Analysis via Haver Analytics

PCE Price Index: Core Goods & Core Services



Source: Bureau of Economic Analysis via Haver Analytics

Given what policymakers knew about the broad contours of the price data on Wednesday explains why at least a few were increasingly concerned about both recent developments and potential upside risks. Tellingly, when Powell was questioned about inflation dynamics and the potential to look through the recent jump in energy prices, he appeared somewhat ill at ease and his comments spoke to apparently mounting concerns on the Committee. He noted, “For a long time, we’ve been working on the hypothesis...tariffs would lead to a one-time price increase and that that would go away over time...And it’s time for that to happen. You know, we really do expect that to be happening in the next two quarters. So we’ll be watching very carefully to see that what we’ve thought all along would happen. That’s the kind of critical part of the forecast. ...With energy, it’s so hard to say...So, I think we’re going to be very cautious about that.” And, he added, “the question about looking through energy really is not in front of us right now...it hasn’t even peaked yet. And I think we’d want to see the backside of that and progress on tariffs before we even thought about reducing rates.” Summarizing, tariff-related inflation pressure has yet to fully abate, and the Committee (along with all market participants) has little clarity on the path of energy prices and ultimate feedback on consumer prices – conditions that preclude rate cuts for at least the next several meetings (or possibly take them off the board entirely in 2026). For our part, we are sympathetic to these concerns, and we acknowledge that our house call is subject to acute uncertainty at this time and likely to evolve as well as we gain greater clarity on geopolitical events.

Note to readers:

The next issue of the U.S. Economic Comment will be published on May 15, 2026.

The Week Ahead

Factory Orders (March) (Monday) Forecast: +1.5%

While shifts in total manufacturers' bookings have typically reflected wide swings in the transportation component (often reflecting volatility in the civilian aircraft subcomponent), that trend is likely to pause in March, with this category advancing a more modest 0.8 percent. Excluding transportation, factory orders have tilted higher on balance over the past year (+2.5 percent year-over-year as of February 2026), with the latest results receiving a boost from defense capital goods (likely tied to ongoing global conflict). Preliminary shipments data released with the Advance Report on Durable Goods on April 29 indicate an increase of 2.1 percent in the nondurable area.

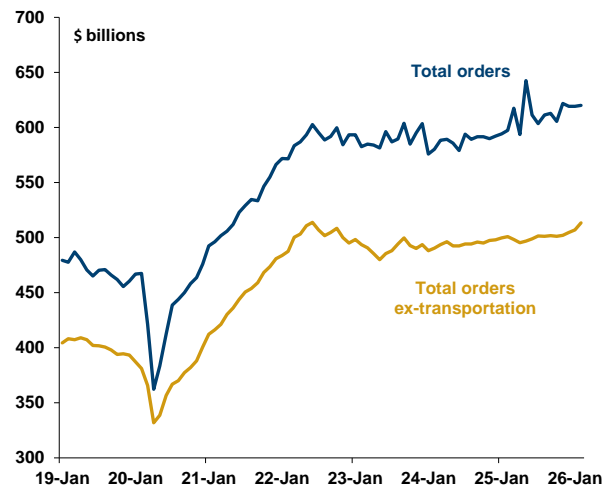
Trade Balance (March) (Tuesday) Forecast: -\$60.0 billion (\$2.7 billion wider deficit)

The goods trade deficit widened by \$4.4 billion to \$87.9 billion in March (Census basis; published April 29), reflecting a jump in the dollar volume of imports that exceeded an advance in U.S. exports abroad. This shift implies likewise deterioration for the total trade shortfall in March, with the expected change, if realized, leaving the average for 26-Q1 at \$57.3 billion (versus \$53.3 billion in 25-Q4). In context, March results could lead to some revision to Q1 GDP. On the point, the first estimate of Q1 activity published Thursday indicated that net exports shaved 1.3 percentage points from growth, as real imports surged 21.4 percent while U.S. exports rose (a still respectable) 12.9 percent.

ISM Services Index (April) (Tuesday) Forecast: 54.5% (+0.5 percentage point)

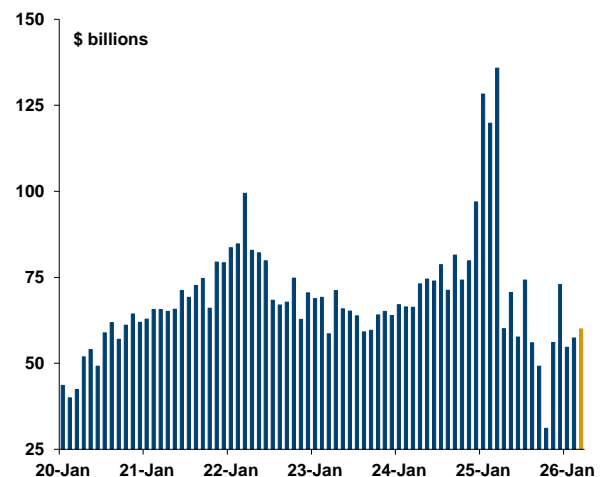
The Institute for Supply Management's services PMI is likely to signal expansion for the 24th consecutive month in April (a notion supported by the 1.5-point increase seen in S&P Global's services PMI). Similar to the recent performance for its manufacturing counterpart, firms in the service-providing sectors have, on balance, remained resilient to persistent headwinds (recently tariffs, and now disruptions stemming from intensified conflict in the Middle East). Our projection, if realized, would reflect some retracement in the business activity and employment subindexes after sizable declines in March.

Manufacturers' New Orders



Source: U.S. Census Bureau via Haver Analytics

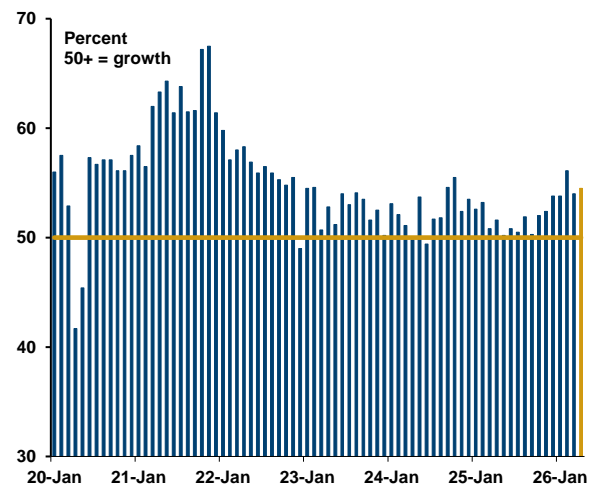
Nominal Trade Deficit in Goods & Services*



* The gold bar is a forecast for March 2026.

Sources: Bureau of Economic Analysis via Haver Analytics; Daiwa Capital Markets America

ISM Services Index*



* The gold bar is a forecast for April 2026.

Sources: Institute for Supply Management via Haver Analytics; Daiwa Capital Markets America

New Home Sales (February/March) (Tuesday)
Forecast: 0.620 million in February / 0.660 million in March

Due to the prior government shutdown, the Census Bureau is set to simultaneously publish February and March data for new home sales next week. Keep in mind, however, that this data often exhibits marked volatility, with monthly reports typically indicating sizable standard errors (± 13.3 percent in January, for example) and subject to marked revisions. That caveat aside, following January’s outsized 17.6-percent decline to an annualized pace of 0.587 million units (likely influenced, in part, by adverse winter weather – which also is likely to have an impact on the February results), a rebound closer to the underlying trend could occur in March. The projection, if realized, would leave the level of activity within the range in place since the spring of 2023 and similar to the pre-pandemic performance.

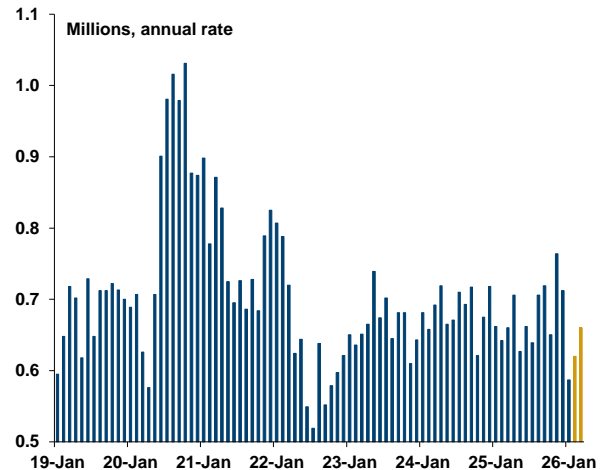
Nonfarm Productivity (2026-Q1) (Thursday)
Forecast: +1.3%, annual rate

The output measure that feeds into the calculation of nonfarm productivity posted respectable growth in Q1 (nonfarm gross value added; +1.5 percent, annual rate), with available data indicating that hours worked picked up after edging lower in 2025-Q4. Thus, productivity growth -- which is often volatile from quarter-to-quarter -- appears poised to increase in Q1, albeit at a slower pace than the +1.7 percent pace in 2025-Q4 and the trailing eight-quarter average of +2.4 percent (which is perhaps a more reliable indication of the recent underlying performance given that trends in productivity become apparent over long periods). Furthermore, the projected increase in productivity, along with available data suggesting a moderate advance in compensation, points to unit labor costs slowing from an advance of +4.4 percent, annual rate, in the prior quarter (+2.2 percent anticipated).

Construction Spending (March) (Thursday)
Forecast: 0.4% in February / +0.5% in March

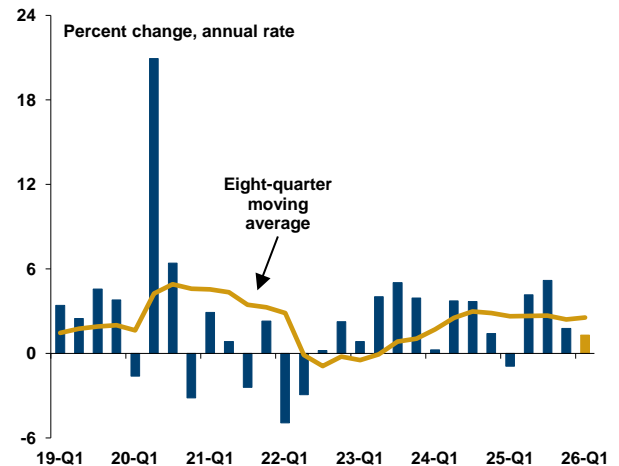
Due to the prior government shutdown, the Census Bureau is set to simultaneously publish February and March estimates for construction spending next week. With housing starts more-or-less rangebound over the past several months amid wide swings, private residential construction is likely to remain on its sideways trend. Moreover, government-sponsored building has slowed to a degree after trending sharply higher earlier in the expansion and business-related activity has cooled steadily since surging to a record in late 2023. (Note that we anticipate a decline in construction in February, in part on account of weather-related disruptions, and a subsequent rebound in March – which would leave little net change in the latest two months.)

New Home Sales*



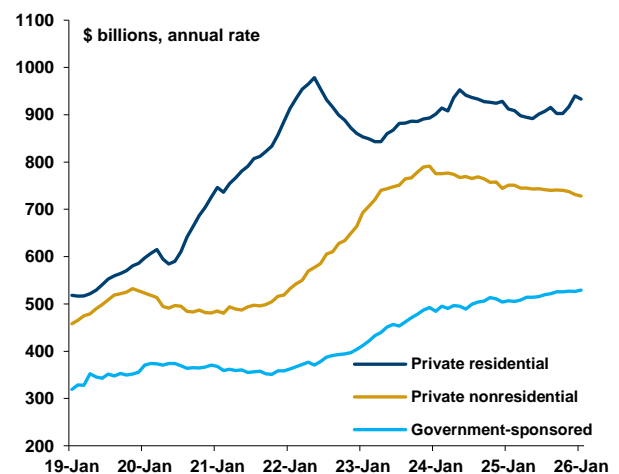
* The gold bars are forecasts for February and March 2026.
Sources: U.S. Census Bureau via Haver Analytics; Daiwa Capital Markets America

Nonfarm Productivity*



* The gold bar is a forecast for 2026-Q1.
Sources: Bureau of Labor Statistics via Haver Analytics; Daiwa Capital Markets America

Value of Construction Put in Place

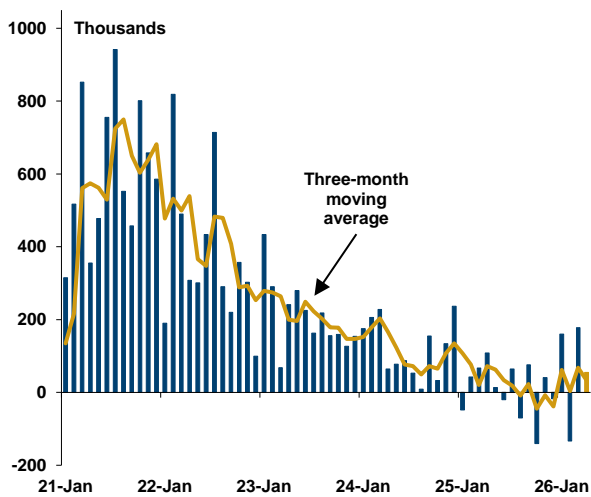


Source: U.S. Census Bureau via Haver Analytics

Payroll Employment (April) (Friday)
Forecast: 55,000

Nonfarm payroll growth has been a bit choppy in early 2026 (influenced, in part, by adverse winter weather and strike activity), though the underlying trend is suggestive of sluggish hiring. Nonetheless, the projected increase of 55,000 in April is likely fast enough, in our view, to maintain the unemployment rate at 4.3 percent given recent subdued changes in the labor force (which is currently constrained by ongoing retirements of the Baby Boomer generation, along with a restrictive immigration policy). Turning to wages, average hourly earnings could post an advance in line with the trailing 12-month average of +0.3 percent (associated with a year-over-year increase of 3.8 percent, which would be 0.3 percentage point higher than the prior month's read).

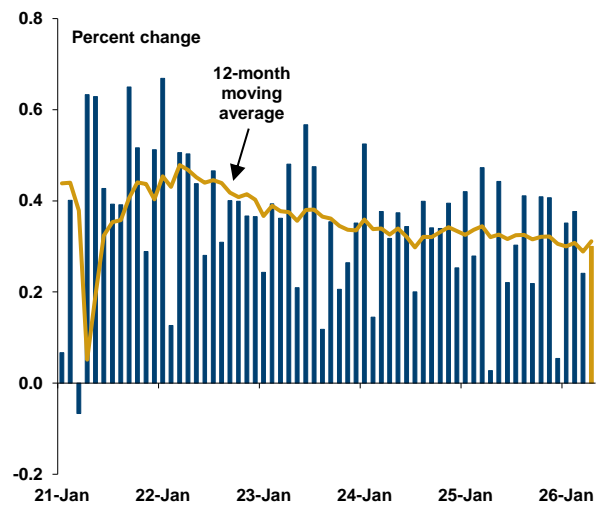
Change in Nonfarm Payrolls*



* The gold bar is a forecast for April 2026.

Sources: Bureau of Labor Statistics via Haver Analytics; Daiwa Capital Markets America

Average Hourly Earnings*



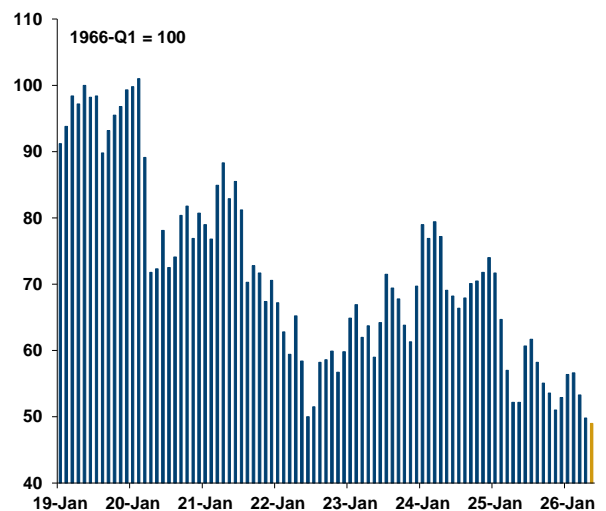
* The gold bar is a forecast for April 2026.

Sources: Bureau of Labor Statistics via Haver Analytics; Daiwa Capital Markets America

Consumer Sentiment (May) (Friday)
Forecast: 49.0 (-1.6% or -0.8 index point)

Sentiment is likely to remain depressed on account of worries centered around labor market conditions, the cost of household essentials, and especially the ongoing conflict with Iran. With respect to the third point, despite the announcement of a temporary ceasefire earlier in the month, tensions in the Middle East remain ongoing with no immediate resolution in sight. As a result, the Strait of Hormuz has remained effectively shut, causing gasoline prices to rise to new multi-year highs. That in mind, the expected deterioration, if realized, would leave the University of Michigan metric at a historic low (series spans back to 1952). Circling back to prices, updated readings on inflation expectations will garner particular interest. In April, year-ahead expectations jumped 0.9 percentage point to 4.7 percent while the longer-term measure rose 0.3 percentage point to 3.5 percent. While both metrics are below their post-Liberation-Day highs, they have turned higher.

Consumer Sentiment*



* The gold bar is a forecast for May 2026.

Sources: University of Michigan via Haver Analytics; Daiwa Capital Markets America

Economic Indicators

April/May 2026																																																																																			
Monday	Tuesday	Wednesday	Thursday	Friday																																																																															
27	28	29	30	1																																																																															
	FHFA HOUSE PRICE INDEX Dec 0.3% Jan 0.2% Feb 0.0% S&P COTALITY CASE-SHILLER 20-CITY HOME PRICE INDEX Dec 0.5% Jan 0.2% Feb 0.0% CONFERENCE BOARD CONSUMER CONFIDENCE Feb 91.0 Mar 92.2 Apr 92.8 FOMC MEETING (FIRST DAY)	INTERNATIONAL TRADE IN GOODS Jan -\$80.9 billion Feb -\$83.5 billion Mar -\$87.9 billion HOUSING STARTS Jan 1.398 million Feb 1.356 million Mar 1.502 million DURABLE GOODS ORDERS Jan -0.4% Feb -1.2% Mar 0.8% ADVANCE INVENTORIES <table border="1"> <thead> <tr> <th></th> <th>Wholesale</th> <th>Retail</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>-0.3%</td> <td>0.3%</td> </tr> <tr> <td>Feb</td> <td>0.9%</td> <td>0.3%</td> </tr> <tr> <td>Mar</td> <td>1.4%</td> <td>0.7%</td> </tr> </tbody> </table> FOMC RATE DECISION		Wholesale	Retail	Jan	-0.3%	0.3%	Feb	0.9%	0.3%	Mar	1.4%	0.7%	UNEMPLOYMENT CLAIMS <table border="1"> <thead> <tr> <th></th> <th>Initial</th> <th>Continuing</th> </tr> </thead> <tbody> <tr> <td>Apr 4</td> <td>0.218</td> <td>1.809</td> </tr> <tr> <td>Apr 11</td> <td>0.208</td> <td>1.808</td> </tr> <tr> <td>Apr 18</td> <td>0.215</td> <td>1.785</td> </tr> <tr> <td>Apr 25</td> <td>0.189</td> <td>N/A</td> </tr> </tbody> </table> GDP <table border="1"> <thead> <tr> <th></th> <th>GDP</th> <th>Chained Price</th> </tr> </thead> <tbody> <tr> <td>25-Q3</td> <td>4.4%</td> <td>3.8%</td> </tr> <tr> <td>25-Q4</td> <td>0.5%</td> <td>3.7%</td> </tr> <tr> <td>26-Q1(a)</td> <td>2.0%</td> <td>3.6%</td> </tr> </tbody> </table> PERSONAL INCOME, CONSUMPTION, AND CORE PRICE INDEX <table border="1"> <thead> <tr> <th></th> <th>Inc.</th> <th>Cons.</th> <th>Core</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>0.5%</td> <td>0.4%</td> <td>0.4%</td> </tr> <tr> <td>Feb</td> <td>0.0%</td> <td>0.6%</td> <td>0.4%</td> </tr> <tr> <td>Mar</td> <td>0.6%</td> <td>0.9%</td> <td>0.3%</td> </tr> </tbody> </table> EMPLOYMENT COST INDEX <table border="1"> <thead> <tr> <th></th> <th>Comp.</th> <th>Wages</th> </tr> </thead> <tbody> <tr> <td>25-Q3</td> <td>0.8%</td> <td>0.8%</td> </tr> <tr> <td>25-Q4</td> <td>0.7%</td> <td>0.7%</td> </tr> <tr> <td>26-Q1</td> <td>0.9%</td> <td>0.8%</td> </tr> </tbody> </table> MNI CHICAGO BUSINESS BAROMETER Feb 57.7 Mar 52.8 Apr 49.2 LEADING INDICATORS Jan 0.0% Feb 0.3% Mar -0.6%		Initial	Continuing	Apr 4	0.218	1.809	Apr 11	0.208	1.808	Apr 18	0.215	1.785	Apr 25	0.189	N/A		GDP	Chained Price	25-Q3	4.4%	3.8%	25-Q4	0.5%	3.7%	26-Q1(a)	2.0%	3.6%		Inc.	Cons.	Core	Jan	0.5%	0.4%	0.4%	Feb	0.0%	0.6%	0.4%	Mar	0.6%	0.9%	0.3%		Comp.	Wages	25-Q3	0.8%	0.8%	25-Q4	0.7%	0.7%	26-Q1	0.9%	0.8%	ISM MFG. INDEX <table border="1"> <thead> <tr> <th></th> <th>Index</th> <th>Prices</th> </tr> </thead> <tbody> <tr> <td>Feb</td> <td>52.4</td> <td>70.5</td> </tr> <tr> <td>Mar</td> <td>52.7</td> <td>78.3</td> </tr> <tr> <td>Apr</td> <td>52.7</td> <td>84.6</td> </tr> </tbody> </table> VEHICLE SALES* Feb 15.7 million Mar 16.3 million Apr --		Index	Prices	Feb	52.4	70.5	Mar	52.7	78.3	Apr	52.7	84.6
	Wholesale	Retail																																																																																	
Jan	-0.3%	0.3%																																																																																	
Feb	0.9%	0.3%																																																																																	
Mar	1.4%	0.7%																																																																																	
	Initial	Continuing																																																																																	
Apr 4	0.218	1.809																																																																																	
Apr 11	0.208	1.808																																																																																	
Apr 18	0.215	1.785																																																																																	
Apr 25	0.189	N/A																																																																																	
	GDP	Chained Price																																																																																	
25-Q3	4.4%	3.8%																																																																																	
25-Q4	0.5%	3.7%																																																																																	
26-Q1(a)	2.0%	3.6%																																																																																	
	Inc.	Cons.	Core																																																																																
Jan	0.5%	0.4%	0.4%																																																																																
Feb	0.0%	0.6%	0.4%																																																																																
Mar	0.6%	0.9%	0.3%																																																																																
	Comp.	Wages																																																																																	
25-Q3	0.8%	0.8%																																																																																	
25-Q4	0.7%	0.7%																																																																																	
26-Q1	0.9%	0.8%																																																																																	
	Index	Prices																																																																																	
Feb	52.4	70.5																																																																																	
Mar	52.7	78.3																																																																																	
Apr	52.7	84.6																																																																																	
4	5	6	7	8																																																																															
FACTORY ORDERS (10:00) Jan 0.0% Feb 0.1% Mar 1.5%	TRADE BALANCE (8:30) Jan -\$54.7 billion Feb -\$57.3 billion Mar -\$60.0 billion ISM SERVICES INDEX (10:00) <table border="1"> <thead> <tr> <th></th> <th>Index</th> <th>Prices</th> </tr> </thead> <tbody> <tr> <td>Feb</td> <td>56.1</td> <td>63.0</td> </tr> <tr> <td>Mar</td> <td>54.0</td> <td>70.7</td> </tr> <tr> <td>Apr</td> <td>54.5</td> <td>70.0</td> </tr> </tbody> </table> NEW HOME SALES (10:00) Jan 0.587 million Feb 0.620 million Mar 0.660 million JOLTS DATA (10:00) <table border="1"> <thead> <tr> <th></th> <th>Openings (000)</th> <th>Quit Rate</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>7,240</td> <td>2.0%</td> </tr> <tr> <td>Feb</td> <td>6,882</td> <td>1.9%</td> </tr> <tr> <td>Mar</td> <td>--</td> <td>--</td> </tr> </tbody> </table>		Index	Prices	Feb	56.1	63.0	Mar	54.0	70.7	Apr	54.5	70.0		Openings (000)	Quit Rate	Jan	7,240	2.0%	Feb	6,882	1.9%	Mar	--	--	ADP EMPLOYMENT (8:15) Private Payrolls Feb 66,000 Mar 62,000 Apr --	UNEMP. CLAIMS (8:30) PRODUCTIVITY & COSTS (8:30) <table border="1"> <thead> <tr> <th></th> <th>Productivity</th> <th>Unit Labor Costs</th> </tr> </thead> <tbody> <tr> <td>25-Q3</td> <td>5.2%</td> <td>1.0%</td> </tr> <tr> <td>25-Q4</td> <td>1.8%</td> <td>4.4%</td> </tr> <tr> <td>26-Q1</td> <td>1.3%</td> <td>2.2%</td> </tr> </tbody> </table> CONSTRUCTION (10:00) Jan -0.3% Feb -0.4% Mar 0.5% CONSUMER CREDIT (3:00) Jan \$7.7 billion Feb \$9.5 billion Mar --		Productivity	Unit Labor Costs	25-Q3	5.2%	1.0%	25-Q4	1.8%	4.4%	26-Q1	1.3%	2.2%	EMPLOYMENT REPORT (8:30) <table border="1"> <thead> <tr> <th></th> <th>Payrolls</th> <th>Un. Rate</th> </tr> </thead> <tbody> <tr> <td>Feb</td> <td>-133,000</td> <td>4.4%</td> </tr> <tr> <td>Mar</td> <td>178,000</td> <td>4.3%</td> </tr> <tr> <td>Apr</td> <td>55,000</td> <td>4.3%</td> </tr> </tbody> </table> CONSUMER SENTIMENT (10:00) Mar 53.3 Apr 49.8 May 49.0 WHOLESALE TRADE (10:00) <table border="1"> <thead> <tr> <th></th> <th>Inventories</th> <th>Sales</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>-0.3%</td> <td>1.1%</td> </tr> <tr> <td>Feb</td> <td>0.9%</td> <td>2.7%</td> </tr> <tr> <td>Mar</td> <td>1.4%</td> <td>1.7%</td> </tr> </tbody> </table>		Payrolls	Un. Rate	Feb	-133,000	4.4%	Mar	178,000	4.3%	Apr	55,000	4.3%		Inventories	Sales	Jan	-0.3%	1.1%	Feb	0.9%	2.7%	Mar	1.4%	1.7%																			
	Index	Prices																																																																																	
Feb	56.1	63.0																																																																																	
Mar	54.0	70.7																																																																																	
Apr	54.5	70.0																																																																																	
	Openings (000)	Quit Rate																																																																																	
Jan	7,240	2.0%																																																																																	
Feb	6,882	1.9%																																																																																	
Mar	--	--																																																																																	
	Productivity	Unit Labor Costs																																																																																	
25-Q3	5.2%	1.0%																																																																																	
25-Q4	1.8%	4.4%																																																																																	
26-Q1	1.3%	2.2%																																																																																	
	Payrolls	Un. Rate																																																																																	
Feb	-133,000	4.4%																																																																																	
Mar	178,000	4.3%																																																																																	
Apr	55,000	4.3%																																																																																	
	Inventories	Sales																																																																																	
Jan	-0.3%	1.1%																																																																																	
Feb	0.9%	2.7%																																																																																	
Mar	1.4%	1.7%																																																																																	
11	12	13	14	15																																																																															
EXISTING HOME SALES	NFIB SMALL BUSINESS OPTIMISM INDEX CPI FEDERAL BUDGET	PPI	UNEMP. CLAIMS RETAIL SALES IMPORT/EXPORT PRICES BUSINESS INVENTORIES	EMPIRE MFG IP & CAP-U																																																																															
18	19	20	21	22																																																																															
NAHB HOUSING INDEX TIC FLOWS	PENDING HOME SALES	FOMC MINUTES	UNEMP. CLAIMS HOUSING STARTS PHILLY FED INDEX	REVISED CONSUMER SENTIMENT																																																																															

* April estimate was not available at the time of publication

(a) = advance (1st estimate of GDP)

Forecasts in bold. Despite an end to the government shutdown, some economic data are still delayed. We have made best efforts to incorporate revised release schedules from various statistical agencies, although some changes may not be reflected.

Treasury Financing

April/May 2026																																																	
Monday	Tuesday	Wednesday	Thursday	Friday																																													
27	28	29	30	1																																													
<p>AUCTION RESULTS:</p> <table border="1"> <thead> <tr> <th></th> <th>Rate</th> <th>Cover</th> </tr> </thead> <tbody> <tr> <td>13-week bills</td> <td>3.590%</td> <td>3.09</td> </tr> <tr> <td>26-week bills</td> <td>3.590%</td> <td>2.95</td> </tr> <tr> <td>2-yr notes</td> <td>3.812%</td> <td>2.65</td> </tr> <tr> <td>5-yr notes</td> <td>3.955%</td> <td>2.33</td> </tr> </tbody> </table>		Rate	Cover	13-week bills	3.590%	3.09	26-week bills	3.590%	2.95	2-yr notes	3.812%	2.65	5-yr notes	3.955%	2.33	<p>AUCTION RESULTS:</p> <table border="1"> <thead> <tr> <th></th> <th>Rate</th> <th>Cover</th> </tr> </thead> <tbody> <tr> <td>6-week bills</td> <td>3.590%</td> <td>3.14</td> </tr> <tr> <td>7-yr notes</td> <td>4.175%</td> <td>2.51</td> </tr> <tr> <td></td> <td>Spread</td> <td>Cover</td> </tr> <tr> <td>2-yr FRNs</td> <td>0.103%</td> <td>3.52</td> </tr> </tbody> </table> <p>ANNOUNCE: \$69 billion 17-week bills for auction on Apr 29 \$80 billion 4-week bills for auction on Apr 30 \$75 billion 8-week bills for auction on Apr 30</p> <p>SETTLE: \$69 billion 17-week bills \$80 billion 4-week bills \$75 billion 8-week bills</p>		Rate	Cover	6-week bills	3.590%	3.14	7-yr notes	4.175%	2.51		Spread	Cover	2-yr FRNs	0.103%	3.52	<p>AUCTION RESULTS:</p> <table border="1"> <thead> <tr> <th></th> <th>Rate</th> <th>Cover</th> </tr> </thead> <tbody> <tr> <td>17-week bills</td> <td>3.620%</td> <td>2.78</td> </tr> </tbody> </table>		Rate	Cover	17-week bills	3.620%	2.78	<p>AUCTION RESULTS:</p> <table border="1"> <thead> <tr> <th></th> <th>Rate</th> <th>Cover</th> </tr> </thead> <tbody> <tr> <td>4-week bills</td> <td>3.600%</td> <td>2.92</td> </tr> <tr> <td>8-week bills</td> <td>3.620%</td> <td>2.79</td> </tr> </tbody> </table> <p>ANNOUNCE: \$166 billion 13-,26-week bills for auction on May 4 \$75 billion 6-week bills for auction on May 5</p> <p>SETTLE: \$166 billion 13-,26-week bills \$70 billion 6-week bills \$13 billion 20-year bonds \$26 billion 5-year TIPS \$69 billion 2-year notes \$70 billion 5-year notes \$44 billion 7-year notes \$30 billion 2-year FRNs</p>		Rate	Cover	4-week bills	3.600%	2.92	8-week bills	3.620%	2.79	
	Rate	Cover																																															
13-week bills	3.590%	3.09																																															
26-week bills	3.590%	2.95																																															
2-yr notes	3.812%	2.65																																															
5-yr notes	3.955%	2.33																																															
	Rate	Cover																																															
6-week bills	3.590%	3.14																																															
7-yr notes	4.175%	2.51																																															
	Spread	Cover																																															
2-yr FRNs	0.103%	3.52																																															
	Rate	Cover																																															
17-week bills	3.620%	2.78																																															
	Rate	Cover																																															
4-week bills	3.600%	2.92																																															
8-week bills	3.620%	2.79																																															
4	5	6	7	8																																													
<p>AUCTION: \$166 billion 13-,26-week bills</p>	<p>AUCTION: \$75 billion 6-week bills</p> <p>ANNOUNCE: \$69 billion* 17-week bills for auction on May 6 \$80 billion* 4-week bills for auction on May 7 \$75 billion* 8-week bills for auction on May 7</p> <p>SETTLE: \$69 billion 17-week bills \$80 billion 4-week bills \$75 billion 8-week bills</p>	<p>AUCTION: \$69 billion* 17-week bills</p> <p>ANNOUNCE: \$58 billion* 3-year notes for auction on May 11 \$42 billion* 10-year notes for auction on May 12 \$25 billion* 30-year bonds for auction on May 13</p>	<p>AUCTION: \$80 billion* 4-week bills \$75 billion* 8-week bills</p> <p>ANNOUNCE: \$166 billion* 13-,26-week bills for auction on May 11 \$75 billion* 6-week bills for auction on May 12 \$50 billion* 52-week bills for auction on May 12</p> <p>SETTLE: \$166 billion 13-,26-week bills \$75 billion 6-week bills</p>																																														
11	12	13	14	15																																													
<p>AUCTION: \$166 billion* 13-,26-week bills \$58 billion* 3-year notes</p>	<p>AUCTION: \$75 billion* 6-week bills \$50 billion* 52-week bills \$42 billion* 10-year notes</p> <p>ANNOUNCE: \$69 billion* 17-week bills for auction on May 13 \$80 billion* 4-week bills for auction on May 14 \$75 billion* 8-week bills for auction on May 14</p> <p>SETTLE: \$69 billion* 17-week bills \$80 billion* 4-week bills \$75 billion* 8-week bills</p>	<p>AUCTION: \$69 billion* 17-week bills \$25 billion* 30-year bonds</p>	<p>AUCTION: \$80 billion* 4-week bills \$75 billion* 8-week bills</p> <p>ANNOUNCE: \$166 billion* 13-,26-week bills for auction on May 18 \$75 billion* 6-week bills for auction on May 19 \$16 billion* 20-year bonds for auction on May 20 \$19 billion* 10-year TIPS for auction on May 21</p> <p>SETTLE: \$166 billion* 13-,26-week bills \$75 billion* 6-week bills \$50 billion* 52-week bills</p>	<p>SETTLE: \$58 billion* 3-year notes \$42 billion* 10-year notes \$25 billion* 30-year bonds</p>																																													
18	19	20	21	22																																													
<p>AUCTION: \$166 billion* 13-,26-week bills</p>	<p>AUCTION: \$75 billion* 6-week bills</p> <p>ANNOUNCE: \$69 billion* 17-week bills for auction on May 20 \$80 billion* 4-week bills for auction on May 21 \$75 billion* 8-week bills for auction on May 21</p> <p>SETTLE: \$69 billion* 17-week bills \$80 billion* 4-week bills \$75 billion* 8-week bills</p>	<p>AUCTION: \$69 billion* 17-week bills \$16 billion* 20-year bonds</p>	<p>AUCTION: \$80 billion* 4-week bills \$75 billion* 8-week bills \$19 billion* 10-year TIPS</p> <p>ANNOUNCE: \$166 billion* 13-,26-week bills for auction on May 26 \$75 billion* 6-week bills for auction on May 26 \$69 billion* 2-year notes for auction on May 26 \$70 billion* 5-year notes for auction on May 27 \$44 billion* 7-year notes for auction on May 28 \$28 billion* 2-year FRNs for auction on May 27</p> <p>SETTLE: \$166 billion* 13-,26-week bills \$75 billion* 6-week bills</p>																																														

*Estimate