

Economic Update, April 2, 2026
Submitted by Madison Thorn

Summary:

In January 2026, the business inventories/sales ratio stood at 1.35, while U.S. home prices rose 1.6 percent year-over-year. In February, the goods and services trade deficit reached \$57.3 billion. At the same time, retail and food services sales increased 0.6 percent from January and 3.7 percent year-over-year; job openings remained steady at 6.9 million. March saw the Conference Board's consumer confidence index edge up to 91.8. Private sector employment added 62,000 jobs and pay increased 4.5 percent year-over-year. The Institute of Supply Management's manufacturing purchasing managers' index rose to 52.7 percent, marking the 17th consecutive month of expansion. For the week ending March 21, the Richmond Fed's recession indicator held well below its threshold at 0.035. Meanwhile, initial unemployment claims for the week ending March 28 dropped by 9,000 to 202,000, and the Dallas Fed's Weekly Economic Index held firm at 2.82 percent (scaled to four-quarter GDP growth at an annual rate). In what the [Wall Street Journal](#) describes as a "subtle but significant shift," some Federal Reserve policymakers have hinted that although rate increases this year remain unlikely, there is a possibility they might occur "with inflation elevated by tariffs and oil, and the labor market soft but not collapsing."

Federal Government Indicators and Reports:

Bureau of Economic Analysis

Thursday, [International Trade](#): "The goods and services deficit was \$57.3 billion in February, up \$2.7 billion from \$54.7 billion in January, revised."

Bureau of Labor Statistics

Tuesday, [Job Openings and Labor Turnover](#): "The number of job openings was little changed at 6.9 million in February. . . . Over the month, hires decreased to 4.8 million, and total separations changed little at 5.0 million. Within separations, quits (3.0 million) were little changed while layoffs and discharges (1.7 million) were unchanged."

Census Bureau

Wednesday, [Advance Monthly Sales for Retail and Food Services](#): "Advance estimates of U.S. retail and food services sales for February 2026, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$738.4 billion, up 0.6 percent from the previous month, and up 3.7 percent from February 2025. Total sales for the December 2025 through February 2026 period were up 3.1 percent from the same period a year ago. The December 2025 to January 2026 percent change was revised from down 0.2 percent to down 0.1 percent. Retail trade sales were up 0.6 percent from January 2026, and up 3.5 percent from last year. Nonstore retailers were up 7.5 percent from last year, while food service and drinking places were up 5.2 percent from February 2025."

Wednesday, [Manufacturing and Trade](#): "The combined value of distributive trade sales and manufacturers' shipments for January, adjusted for seasonal and trading day differences but not for price changes, was estimated at \$1,974.6 billion, up 0.3 percent from December 2025 and was up 4.5 percent from January 2025. Manufacturers' and trade inventories for January, adjusted for seasonal and trading day differences but not for price changes, were estimated at an end-of-month level of \$2,675.0 billion, down 0.1 percent from December 2025, but were up 1.0 percent from January 2025."

The total business inventories/sales ratio based on seasonally adjusted data at the end of January was 1.35. The January 2025 ratio was 1.40.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending March 28, the advance figure for seasonally adjusted initial claims was 202,000, a decrease of 9,000 from the previous week’s revised level. . . . The 4-week moving average was 207,750, a decrease of 3,000 from the previous week’s revised average.” In Tennessee, there were 3,436 initial claims for the week ending March 28, an increase of 424 from the week prior.

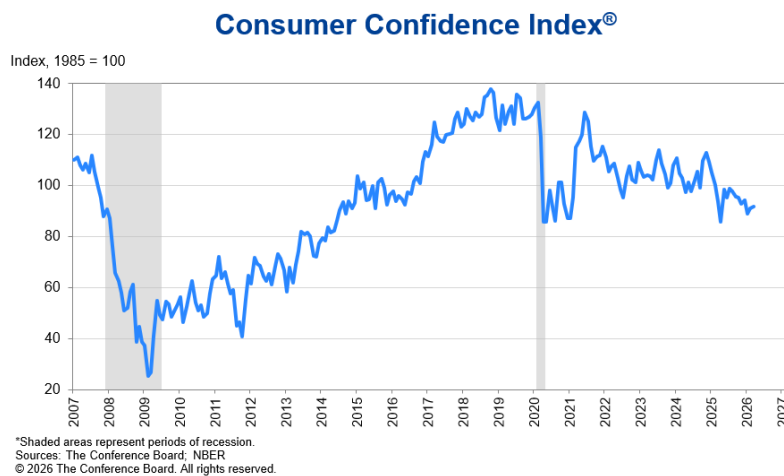
Federal Housing Finance Agency

Tuesday, [House Price Index](#): “U.S. house prices rose 0.1 percent in January. . . . House prices rose 1.6 percent from January 2025 to January 2026. The previously reported 0.1 percent price change in December was revised upward to 0.3 percent. For the nine census divisions, seasonally adjusted monthly home price changes ranged from -0.7 percent in the West South Central division to +1.7 percent in the East South Central division. The 12-month changes ranged from -0.8 percent in the West South Central division to +4.4 percent in the East North Central division.”

Economic Indicators and Confidence:

The Conference Board

Tuesday, [Consumer Confidence Survey](#): The “*Consumer Confidence Index* edged up by 0.8 points in March to 91.8 (1985=100), from 91.0 in February. The *Present Situation Index*—based on consumers’ assessment of current business and labor market conditions—increased by 4.6 points to 123.3. The *Expectations Index*—based on consumers’ short-term outlook for income, business, and labor market conditions—declined by 1.7 points to 70.9. . . . While not obvious in the headline or its component indexes, the weight of rising costs due to tariff passthrough and spiking oil prices was evident among other measures in the survey like inflation expectations.”



Federal Reserve Bank of Dallas

Thursday, [Weekly Economic Index](#): “The WEI is currently 2.82 percent, scaled to four-quarter GDP growth, for the week ended March 28 and 2.82 percent for March 21. The 13-week moving average is 2.52 percent. This is compared with 2.03 percent four-quarter GDP growth through first quarter 2026.”

Federal Reserve Bank of Richmond

Thursday, [Recession Indicator](#): “The SOS indicator was 0.035 the week ending March 21, decreasing from the prior week’s reading and remaining below the recession threshold of 0.2.”

Employment:

ADP

Wednesday, [National Employment Report](#): “Private sector employment increased by 62,000 jobs in March and pay was up 4.5 percent year-over-year. . . . ‘Overall hiring is steady, but job growth continues to favor certain industries, including health care,’ said Dr. Nela Richardson, chief economist, ADP. ‘In March, this solid performance was accompanied by a boost in pay gains for job-changers.’”

Institute for Supply Management

Wednesday, [Manufacturing PMI](#): “The Manufacturing PMI registered 52.7 percent in March, a 0.3-percentage point increase compared to the reading of 52.4 percent in February. The overall economy continued in expansion for the 17th month in a row.”

Paychex | IHS Markit

Tuesday, [Small Business Employment Watch](#): “Employment and wage growth among U.S. small businesses remained stable from February to March. . . . The Small Business Jobs Index ticked up 0.04 percentage points from February to 98.81 in March, while hourly earnings growth for workers remained below three percent for the 17th consecutive month in March at 2.66 percent.”

Mortgages and Housing Markets:

Freddie Mac

Thursday, [Primary Mortgage Market Survey](#): “The 30-year FRM averaged 6.46 percent as of April 2, 2026, up from last week when it averaged 6.38 percent. A year ago at this time, the 30-year FRM averaged 6.64 percent. The 15-year FRM averaged 5.77 percent, up from last week when it averaged 5.75 percent. A year ago at this time, the 15-year FRM averaged 5.82 percent.”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “The Market Composite Index, a measure of mortgage loan application volume, decreased 10.4 percent on a seasonally adjusted basis from one week earlier. On an unadjusted basis, the Index decreased 10 percent compared with the previous week. The Refinance Index decreased 17 percent from the previous week and was 33 percent higher than the same week one year ago. The seasonally adjusted Purchase Index decreased 3 percent from one week earlier. The unadjusted Purchase Index decreased 2 percent compared with the previous week and was 1 percent higher than the same week one year ago.”