UNITED STATES

The Iran war delivered a quick, though relatively contained, negative impact to US activity data and surveys.

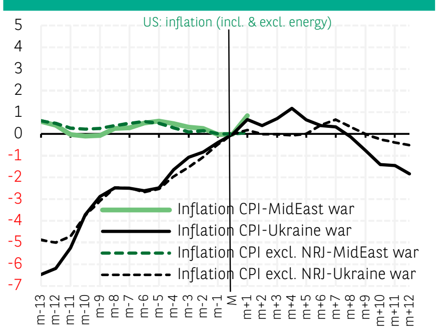
By March, CPI inflation recorded its largest monthly increase since 2022 and reached +3.3% y/y (+0.9 pp) – almost entirely on the back of gasoline prices, with the non-energy index remaining virtually stable.

Business sentiment, which was on an upward trajectory before the shock, stayed resilient but signalled a faster input-price growth (a leading indicator of inflation) and longer delivery times, both directly linked to Middle East turmoil and coming on top of the issue of tariffs.

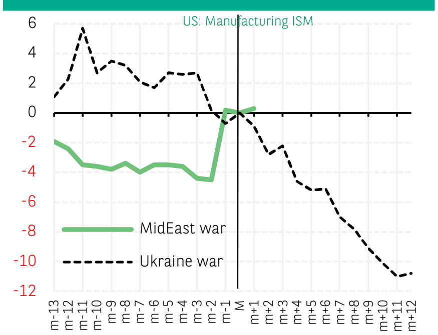
Meanwhile, the outlook of households, which were already low on optimism, has further deteriorated, while inflation expectations were rising.

However, macro conditions are significantly less inflationary than in 2022, and small businesses have not yet raised their price plans.

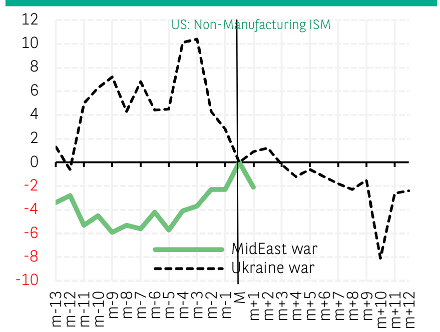
March 2026: Energy-related inflation bounce



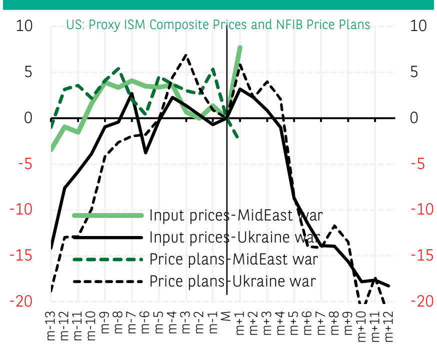
March 2026: Positive trend for manufacturing business sentiment



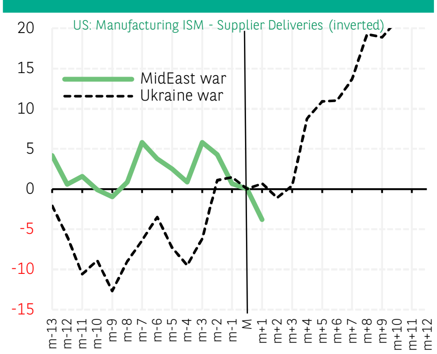
March 2026: Services business sentiment down but still buoyant



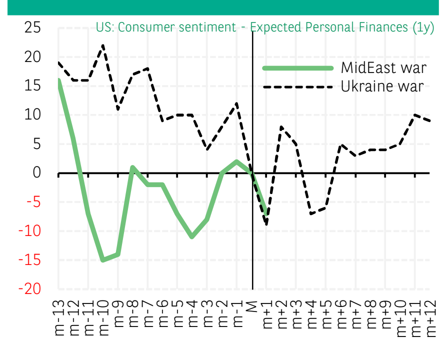
March 2026: Sharp rise in input prices and price plans scaled back



March 2026: Longer delivery times



April 2026: Growing concerns among households



Change since m = 0 = February 2026 / February 2022

Source: BLS, ISM, NFIB, University of Michigan, BNP Paribas