

Economics

THE WEEK AHEAD

April 6 - 10, 2026

Where's MY oil well?

by Avery Shenfeld avery.shenfeld@cibc.com

President Trump's end game for the war shifted this past week, towards finding a faster exit from it. As a part of laying that groundwork, the President has signalled he's willing to cease hostilities without having secured the reopening of the Strait of Hormuz, arguing that was other countries' problem. That's on the grounds that the US is now a small net exporter of oil and petroleum products, and isn't therefore dependent on oil and gas imports from the Persian Gulf.

True, on relative basis, North America isn't as much at risk from the bottleneck in Strait of Hormuz as others. Some countries are already seeing physical fuel shortages, or are missing deliveries of fertilizer. Natural gas prices have soared overseas on damage to facilities in the Persian Gulf and suspended LNG shipments, but have been stable on this side of the Atlantic. But unlike natural gas, where LNG flows aren't large enough to create a unified market, in a globalized oil market, Americans are still paying a lot more for petroleum products on a squeeze in supply to some other parts of the world.

A country with a trade surplus in oil and petroleum products will implicitly see a gain in related export revenues that will exceed the cost increase on its oil and product imports. But if the oil shock is too short to induce a significant increase in the American energy sector's capital spending and output, the troubles in the Gulf are indeed also America's problem, even if that's to a much lesser degree than it is for some Asian and European economies. The average American might be asking, just where is MY oil well, on which I'm earning the extra income to offset what I'm now paying at the gas pump, on my airline ticket, or on the shipping costs for my groceries?

The additional income earned in the energy sector isn't sprinkled evenly across the household sector. Some of it flows to foreign owners of US energy assets. Sure, of the revenues that stay at home, there will be a trickle down effect, as governments that tax the energy sector or its shareholders have

a bit more to spend, and as those who do own their own oil well, or shares in many wells, spend some of their winnings.

But against that, while this disruption persists, we'll see a pull back in discretionary spending by the much larger group that now faces higher costs on energy-intensive purchases. That larger group also represents the vast majority of those who can ultimately prevent the President from any plan that walks away from the war while leaving a mess in commodities markets: American voters.

Even if the White House seems unclear about all of this, Republican legislators, facing midterm elections in November, are no doubt feeling the heat from their constituents. The pressure on the President to end the war quickly isn't coming from the very small percentage of families that have a son or daughter at risk on the front lines. It's coming from the large percentage of Americas who still drive a gas-fueled vehicle.

Fortunately, even if the President walks away from his "excursion" without a deal signed by whoever is actually in charge in Iran these days, if both the US and Israel cease firing on their own, Iran might opt to do the same in terms of attacks on tankers and regional oil facilities. That's particularly true if the threat of renewed American attacks remains visibly in place in a couple of nearby aircraft carrier groups.

The survival of the regime, and ending the daily losses in lives and economic assets, could take precedence over avenging the deaths of Iran's leaders or establishing a permanent gatekeeper over oil flows. Perhaps that's what Trump meant in saying that the Straits could open "naturally" after the US bombing ends.

Futures markets see it that way, as year end WTI prices have eased off this week, to less than \$75/bbl, and that's what our forecasts are still counting on.

Week Ahead Calendar And Forecast—Canada

H, M, L = High, Medium or Low Priority

SAAR = Seasonally Adjusted Annual Rate

Consensus Source: Bloomberg

Date	Time	Economic Releases, Auctions and Speakers	Month	Priority	CIBC	Consensus	Prior
Monday, April 6	-	-	-	-	-	-	-
Tuesday, April 7	-	AUCTION: 3-M BILLS \$15.8B, 6-M BILLS \$5.6B, 1-YR BILLS \$5.6B	-	-	-	-	-
Tuesday, April 7	10:00 AM	IVEY PMI	(Mar)	(L)	-	-	56.6
Wednesday, April 8	-	AUCTION: 5-YR CANADAS	-	-	-	-	-
Thursday, April 9	-	-	-	-	-	-	-
Friday, April 10	8:30 AM	EMPLOYMENT CHANGE	(Mar)	(H)	20.0K	15.0K	-83.9K
Friday, April 10	8:30 AM	UNEMPLOYMENT RATE	(Mar)	(H)	6.7%	6.8%	6.7%

Week Ahead Calendar And Forecast—United States

H, M, L = High, Medium or Low Priority

SAAR = Seasonally Adjusted Annual Rate

Consensus Source: Bloomberg

Date	Time	Economic Releases, Auctions and Speakers	Month	Priority	CIBC	Consensus	Prior
Monday, April 6	10:00 AM	ISM - SERVICES	(Mar)	(M)	54.5	54.9	56.1
Tuesday, April 7	-	AUCTION: 3-YR TREASURIES	-	-	-	-	-
Tuesday, April 7	8:30 AM	DURABLE GOODS ORDERS M/M	(Feb P)	(H)	-	-	0.0%
Tuesday, April 7	8:30 AM	DURABLE GOODS ORDERS EX-TRANS M/M	(Feb P)	(H)	-	-	0.4%
Tuesday, April 7	3:00 PM	CONSUMER CREDIT	(Feb)	(L)	-	-	\$8.1B
Tuesday, April 7	12:35 PM	Speaker: Austan D. Goolsbee, Chicago (Non-Voter)	-	-	-	-	-
Wednesday, April 8	-	AUCTION: 10-YR TREASURIES	-	-	-	-	-
Wednesday, April 8	7:00 AM	MBA-APPLICATIONS	(Apr 3)	(L)	-	-	-10.4%
Wednesday, April 8	2:00 PM	FOMC Meeting Minutes	(Mar 18)	-	-	-	-
Thursday, April 9	-	AUCTION: 30-YR TREASURIES	-	-	-	-	-
Thursday, April 9	8:30 AM	INITIAL CLAIMS	(Apr 4)	(M)	-	-	-
Thursday, April 9	8:30 AM	CONTINUING CLAIMS	(Mar 28)	(L)	-	-	-
Thursday, April 9	8:30 AM	PCE DEFLATOR Y/Y	(Feb)	(H)	2.7%	-	2.8%
Thursday, April 9	8:30 AM	PCE DEFLATOR Y/Y (core)	(Feb)	(H)	2.9%	-	3.1%
Thursday, April 9	8:30 AM	PERSONAL INCOME M/M	(Feb)	(H)	0.4%	-	0.4%
Thursday, April 9	8:30 AM	PERSONAL SPENDING M/M	(Feb)	(H)	0.5%	-	0.4%
Thursday, April 9	8:30 AM	GDP (annualized)	(4Q T)	(H)	-	-	0.7%
Thursday, April 9	8:30 AM	GDP DEFLATOR (annualized)	(4Q T)	(H)	-	-	3.8%
Thursday, April 9	10:00 AM	WHOLESALE INVENTORIES M/M	(Feb)	(L)	-	-	-0.5%
Friday, April 10	8:30 AM	CPI M/M	(Mar)	(H)	0.8%	-	0.3%
Friday, April 10	8:30 AM	CPI M/M (core)	(Mar)	(H)	0.2%	-	0.2%
Friday, April 10	8:30 AM	CPI Y/Y	(Mar)	(H)	3.2%	-	2.4%
Friday, April 10	8:30 AM	CPI Y/Y (core)	(Mar)	(H)	2.6%	-	2.5%
Friday, April 10	10:00 AM	FACTORY ORDERS M/M	(Feb)	(M)	-	-	0.1%
Friday, April 10	10:00 AM	MICHIGAN CONSUMER SENTIMENT	(Apr P)	(H)	-	-	53.3
Friday, April 10	10:00 AM	DURABLE GOODS ORDERS M/M	(Feb)	(H)	-	-	0.0%
Friday, April 10	10:00 AM	DURABLE GOODS ORDERS EX-TRANS M/M	(Feb)	(H)	-	-	0.4%
Friday, April 10	2:00 PM	FEDERAL BUDGET BALANCE	(Mar)	(L)	-	-	-\$307.5B

Week Ahead's market call

by Avery Shenfeld

In the **US**, the March CPI will capture the first leg of what will be at least a two month war-related spike in inflation, as gasoline will carry an even higher average price level than these March figures. This is a time of the year when gas prices see a seasonal rise, so the seasonally-adjusted jump will be a bit smaller than the raw number. But we still see headline inflation jumping above 3%, and on track towards 4% territory if we don't see relief at the pump in the next few weeks, as April will also pick up more of the spillover into freight and airfares. But markets are much more focused on how long all of this will last, so news from the battlefield and from the White House will dominate trading. February reports on durable orders, personal consumption and PCE prices will be seen as dated, pre-war numbers.

In **Canada**, markets are still being largely steered by news on the war, but we should get at least some relief from a modest rebound in employment in the March labour force report. Still, if we're still stuck at a 6.7% jobless rate, the underlying message is that this is still an economy with considerable slack, which acts as a cushion against a broader upturn in inflation that what we'll see from the direct impacts of Persian Gulf disruptions.

Week Ahead's key Canadian number: Labour force survey—March

(Friday, 8:30 am)

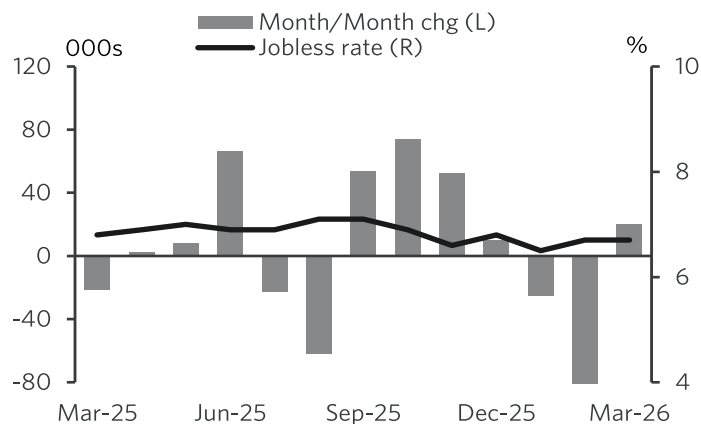
Andrew Grantham andrew.grantham@cibc.com

Variable	CIBC	Mkt	Prior
Employment change	20.0K	15.0K	-83.9K
Unemployment rate	6.7%	6.8%	6.7%

After generally tracking stronger than expected throughout 2025, a cumulative decline of more than 100K during the first two months of 2026 has taken the underlying trend in employment if anything slightly below what we would expect given the pace of GDP growth in the economy. That suggests there's scope for a partial rebound in March, particularly in sectors such as retail and construction where the recent trend in employment has diverged most strikingly from economic activity. Statistics Canada is in the process of hiring for the 2026 census, but in prior years the impact of this on the employment count has been more evident in April/May.

The 20K increase in employment that we forecast would normally be strong enough to reduce the unemployment rate, particularly given the recent stalling of population growth. However, a slight tick up in participation following recent declines could offset that and leave the jobless rate stable at 6.7%.

Chart: Canadian employment



Source: Statistics Canada, Haver Analytics, CIBC

Forecast implications — We don't think that the labour market is as weak as recent data have suggested, but we also don't think that the rebound in economic activity seen so far in 2026 is strong enough or persistent enough to create much additional demand for staff. Given continued uncertainties surrounding trade and energy prices, we expect hiring to be muted and the unemployment rate to remain relatively stable throughout much of this year.

Week Ahead's key US number: Consumer price index—March

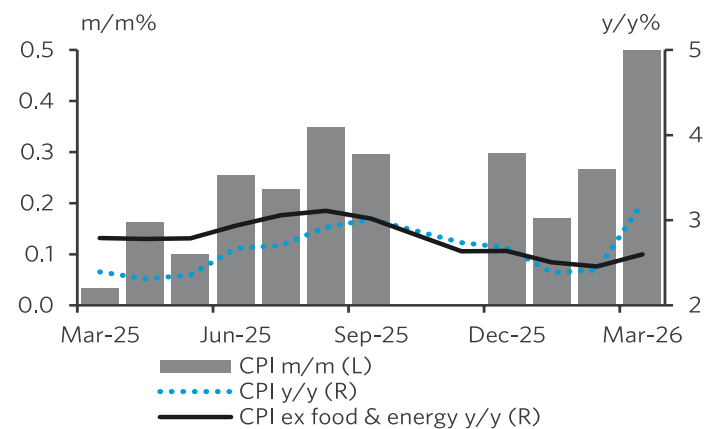
(Friday, 8:30 am)

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Variable (%)	CIBC	Mkt	Prior
Headline CPI (m/m)	0.8	-	0.3
Headline CPI (y/y)	3.2	-	2.4
Core CPI (m/m)	0.2	-	0.2
Core CPI (y/y)	2.6	-	2.5

The impact of the war on gasoline prices will be on full display in the March CPI data, with the headline index likely spiking by 0.8% m/m, causing annual inflation to jump to 3.2%. Core prices were likely shielded from any passthrough in the first month of the conflict, leaving the ex. food/energy group at a 0.2% m/m pace and 2.6% y/y. Shelter costs have been a key factor in containing core prices in recent months, with rents looking tame in line with weak demand tied to deportations, and we expect that trend to continue.

Chart: US consumer price index



Source: BLS, Haver Analytics, CIBC

Forecast implications — Headline inflation is set to reach close to 4% y/y in the coming months as the passthrough to higher gasoline prices is fully realized, including core components like airfares and other transportation service costs. Moreover, tariff pass through into core goods prices is still occurring, although the Fed will likely look through these as temporary factors lifting inflation. With the labor market looking sluggish, the Fed would have room to cut the funds rate later in the year, assuming the oil price shock starts to reverse by the summer months.

Other US Releases: Personal income & outlays—February

(Thursday, 8:30 am)

Spending in February likely advanced at a respectable 0.5% pace, as suggested by the rebound in retail sales. That would have been supported by a healthy 0.4% gain in incomes, leaving the saving rate lower. The Fed's preferred prices measure, core PCE prices, likely rose by 0.3% m/m, leaving the annual pace slower but above target at 2.9% y/y. Looking ahead, higher gasoline prices will boost inflation and leave less money for spending elsewhere, with tax refunds only providing a bit of an offset.

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