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### Egg Prices Creep to New Record


The egg market continues to sizzle, but is showing signs of cooling off.

The average price of a dozen eggs more than doubled in March from the year before, Thursday's Consumer Price Index release showed, climbing above \$6 for the first time. A dozen large grade-A eggs cost roughly \$6.23, up from the record-high of \$5.90 in February.

Still, relief could be on the horizon. The price hike from the prior month was less dramatic than increases in January and February, when the costs jumped more than 80 cents. Wholesale prices declined, and demand for eggs usually falls after the winter holidays, helping to relieve some price pressure.

Avian flu outbreaks have squeezed egg supplies, but those problems are starting to ease as farmers rebuild flocks, said Ryan Hojnowski, an egg market analyst at Expana.

—Owen Tucker-Smith

 image

### Inflation Cooled Notably in March, But Tariffs Threaten to Press Prices

BY HARRIET TORRY

Consumer prices declined month-over-month in March for the first time in nearly five years—a welcome development for inflation-weary families, but one that economists said is likely to be short-lived due to new trade tariffs.

The consumer-price index fell a seasonally adjusted 0.1% in March, the Labor Department said, the first time it recorded a month-over-month decline since May 2020. The drop was unexpected: Economists surveyed by The Wall Street Journal had forecast a 0.1% rise.

Year-over-year inflation cooled sharply to a 2.4% increase in the CPI, below the 2.6% rise that economists expected. A steep decline in gasoline prices last month helped pull that number lower.

Normally, a slowdown in year-over-year price increases would be welcome news for consumers, who have faced years of high inflation, and the Federal Reserve, which has been struggling to bring down price pressures. But this time, it will be hard for investors, policymakers and businesses to read too much into the March data.

President Trump's "Liberation Day" announcement of sweeping new tariffs didn't happen until April 2, which means their direct effects won't show up until the next consumer-price report, a month from now.

why? Tariffs



“It’s good news for the Fed, but the data seems stale,” said U.S. Bank chief economist Beth Ann Bovino.

Hotel prices, airline fares and gasoline prices all dropped sharply over the month, a sign that people are canceling their travel plans—one of the first things to go when consumers get nervous.

“A lot has happened in April. It’s a good base to start at, but unfortunately it’s going to climb higher” due to tariffs, Bovino said. The report reflects that “people are fearful and are starting to say, ‘Maybe I’ll do a staycation instead,’” she said.

What’s more, Canadians are canceling trips to the U.S., angered by Trump’s threats of annexation or scared by stories of visitors getting detained. The changes could upend local economies across the U.S. that depend on tourism.

On Wednesday, **Delta Air Lines** held off on giving full-year financial guidance, citing a lack of economic clarity. “It looks like at the present time, growth has stalled,” Chief Executive Ed Bastian said.

Gasoline prices dropped more than 6% in March, according to the CPI report, which helped drag down overall inflation. But underlying inflation cooled, too, as prices fell in categories that had previously been major upward drivers, such as vehicle insurance and used cars and trucks.

Consumers’ grocery and restaurant bills continued to rise; food prices increased 0.4% last month. Egg prices rose nearly 6% in March and are up 60% from a year earlier.

Prices excluding food and energy categories—the so-called core measure that economists watch in an effort to better capture inflation’s underlying trend—rose 2.8% on the year, below forecasts for a 3% increase. That was the smallest increase in the core measure since March 2021.

Stocks had soared Wednesday after Trump announced that he was pausing many of the tariffs he had just announced. On Thursday, though, investors focused not on the soft CPI number from March but on what may lie ahead. Stocks fell sharply Thursday, a sign that investors still expect tariffs to weigh on growth and boost inflation in the future.

The back-and-forth over Trump’s tariff policies have made businesses and consumers nervous. Some of Trump’s tariffs did go into effect in March, including fees on some goods from Mexico and Canada and some levies on Chinese products—though it might have been too early for those to show up in retail prices.

Prices of core goods actually declined in March for the first time since August. A few categories exposed to imports rose: Clothing prices increased 0.4% from February, and new vehicles rose 0.1%.

“Tariffs will snatch defeat from the jaws of victory” over inflation, Samuel Tombs, chief U.S. economist at Pantheon Macroeconomics, said in a note.

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