



Economics Group

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Import Prices Rise Further in March

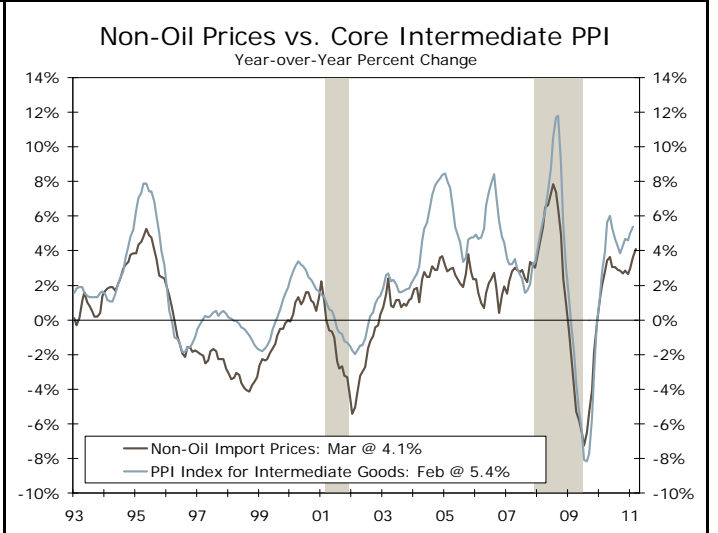
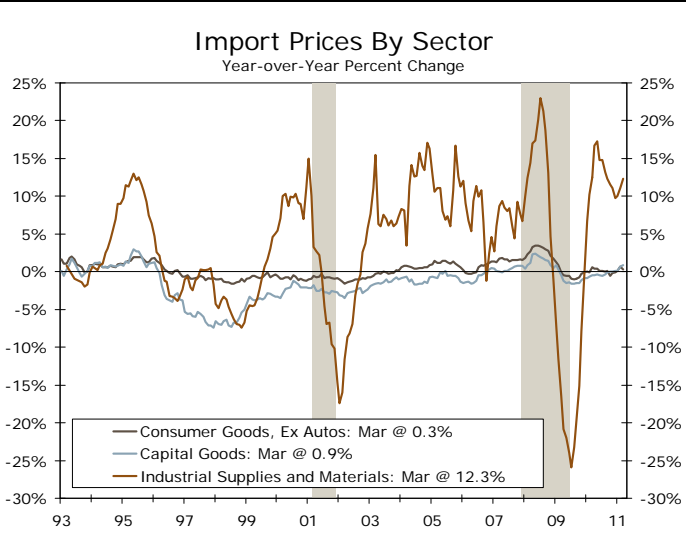
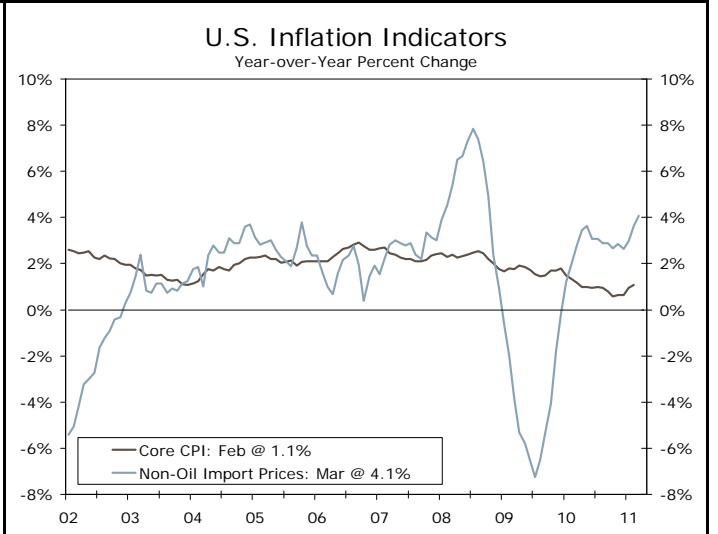
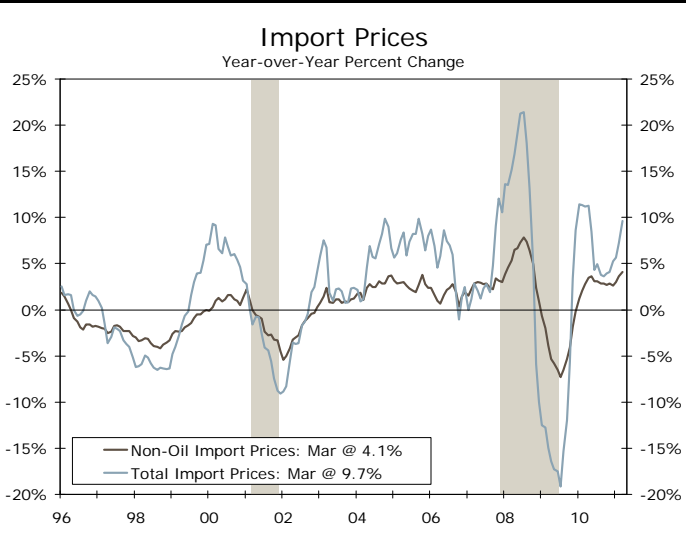
Recording the sixth consecutive monthly gain above 1.0 percent, total import prices jumped 2.7 percent in March. Large gains were recorded in food and fuel. Export prices also rose substantially on the month.

Food and Oil Push Import Prices Higher

- A 10.5 percent increase in petroleum and a 4.2 percent increase in food boosted total import prices once again in March. Last month's increase in food was the largest monthly gain since July 1994. Year over year, import prices are up 9.7 percent.
- Led by solid gains in nonfuel industrial supplies & materials and food, feeds & beverages, nonfuel import prices rose 0.6 percent last month and are up 4.2 percent over the past year.

That Said, Limited Pass Through to the Consumer

- While import prices have risen significantly over the past year, significant pass through to the consumer has not yet occurred. Import prices have resulted in higher production costs, but manufacturing pricing power remains limited at present. Clearly, pipeline pressures are building, which should result in further upward pressure on both headline and core consumer inflation over the course of the year.



Source: U.S. Department of Labor and Wells Fargo Securities, LLC

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