

Economics Group

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Energy Leads Import Prices Lower in November

Once again driven by petroleum, prices on traded goods fell substantially for the second month in a row, declining 0.6 percent in November. At present, import prices show little inflationary pressures from abroad.

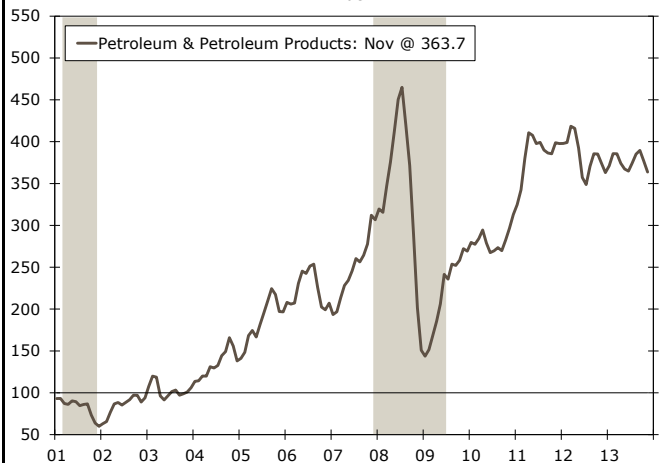
Energy Dampens Import Prices

- For the second consecutive month, total import prices fell 0.6 percent in November, largely led by a 3.5 percent decline in petroleum prices. Excluding petroleum, import prices advanced 0.1 percent on the month.
- By component, prices were mixed with industrial supplies and food/beverages down on the month, while modest gains were registered in capital goods and consumer goods.

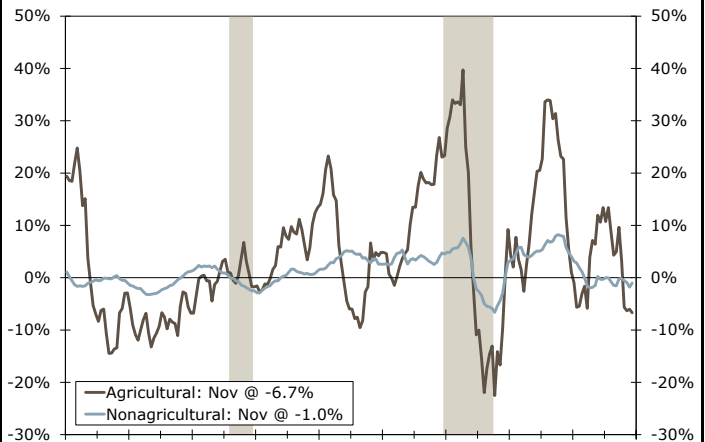
Export Prices Stabilize

- Export prices firmed last month, rising 0.1 percent, as gains in non-agricultural prices more than offset a 0.2 percent slide in agricultural prices.
- While year-over-year measures are in negative territory, we expect global economic conditions will continue to strengthen over the current pace and for import and export prices to gradually trend higher in 2014.

Import Prices For Energy Products
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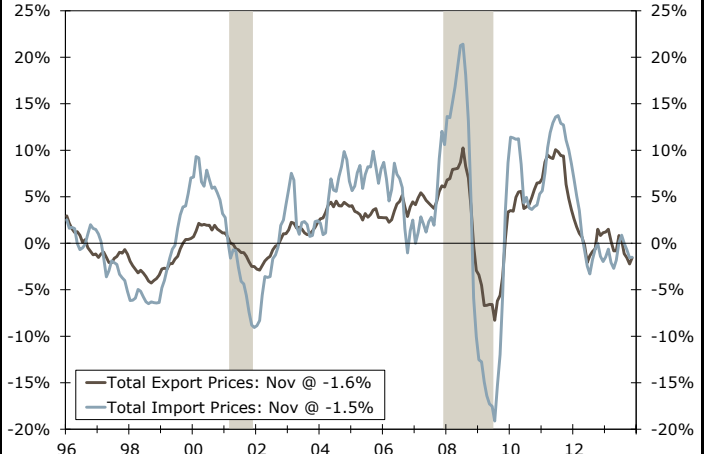
Export Prices - Agricultural vs. Nonagricultural
Year-over-Year Percent Change



Import Prices By Sector
Year-over-Year Percent Change



Import Prices vs. Export Prices
Year-over-Year Percent Change



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

Wells Fargo Securities, LLC Economics Group

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