



# Economics Group

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## Import Price Inflation Continues to Climb in April

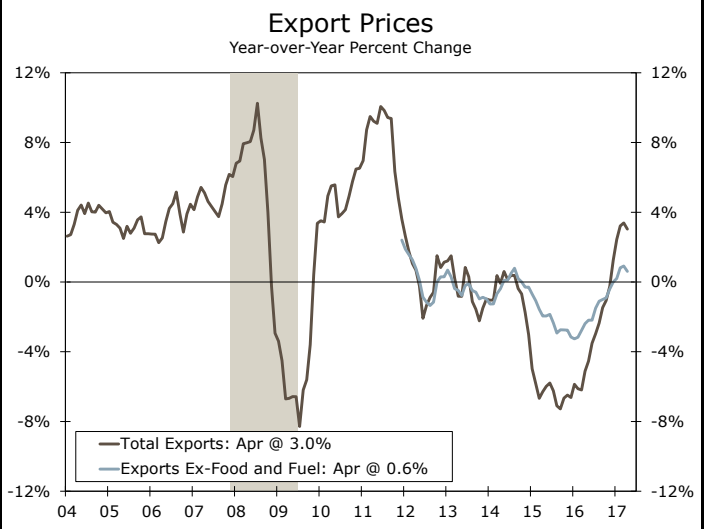
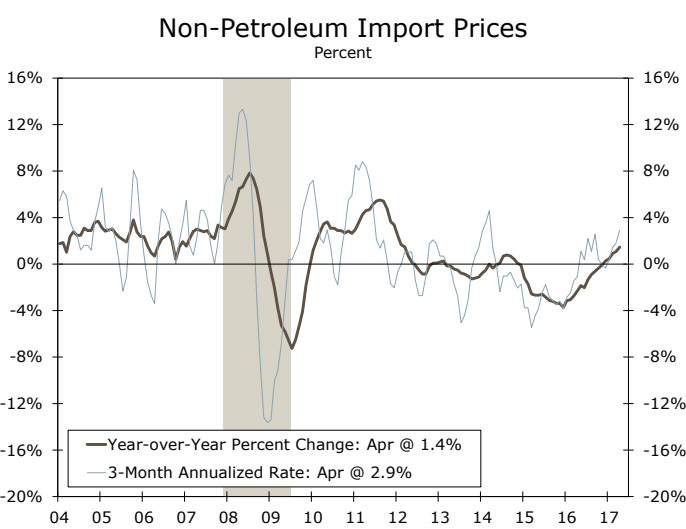
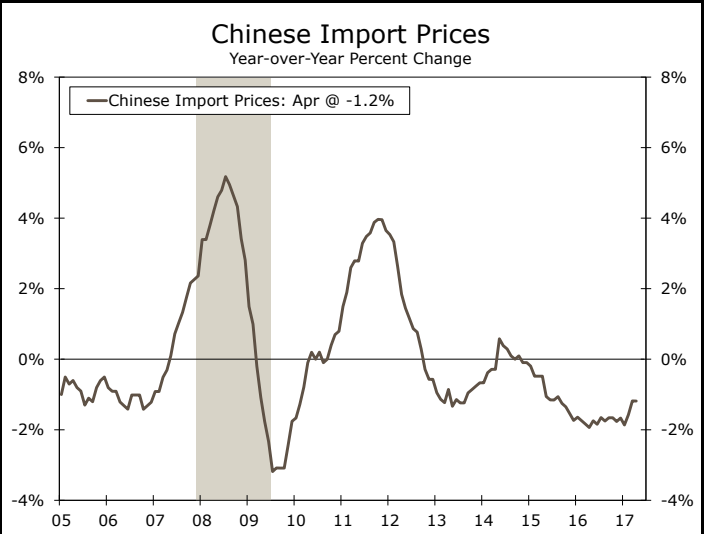
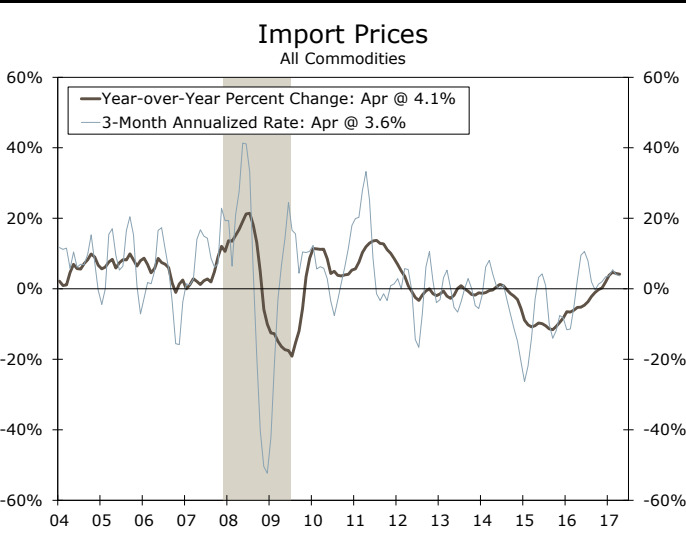
*Led by higher industrial supplies and fuel costs, import prices increased 0.5 percent in April. Improving conditions in business investment and industrial activity are reflecting higher non-fuel import prices.*

### Petroleum Prices Rebound

- For the fifth consecutive month, and easily beating expectations, import prices increased in April. Petroleum prices, up 1.6 percent, more than reversed a modest decline in March. Excluding petroleum, import prices increased 0.4 percent and are up 1.4 percent over the past year. Strengthening business sector activity, as reported in Q1 GDP, helps reflect the modest inflationary environment.

### Export Price Inflation Remains Firm

- Import prices of Chinese goods remain weak, with the annual rate trending in deflationary territory since October 2014.
- Led by foods/beverages and agriculture, export prices extended their modest inflationary monthly streak to eight months, up 0.2 percent in April. Improving global trade conditions since the start of the year appears to have solid momentum and, therefore, supports expectations for continued rising export prices.



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

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