

Economics Group

Jay H. Bryson, Global Economist
jay.bryson@wachovia.com • 704.383.3518

Oil Price Rise Responsible for Out-sized Gain in Import Prices

Overall import prices rose more than expected in June due entirely to petroleum. June's rise notwithstanding, overall inflation rates likely will fall further in the months ahead.

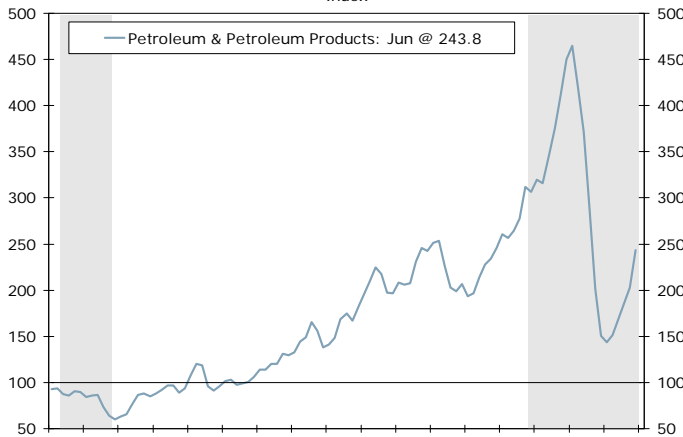
Oil Prices Drive Overall Rise in Import Prices

- Overall import prices rose 3.2 percent in June, driven largely by the 20.3 percent jump in petroleum prices during the month. This should reverse in July due to declining oil prices.
- Outside of petroleum prices, there were few signs of inflation. Non-oil import prices were up only 0.2 percent in June. Price of imported capital goods slid 0.1 percent.

Year-Over-Year Inflation Rates Remain Negative

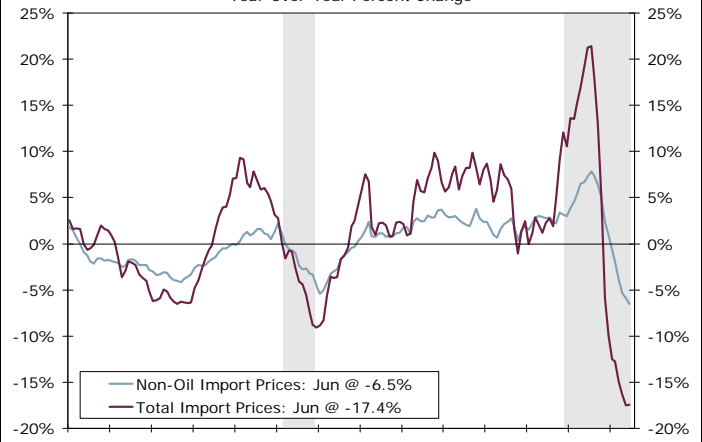
- On a year-over-year basis, import prices are down sharply. Total import prices are off 17.4 percent and non-oil import prices are down more than six percent.
- The big decline in import prices over the past 12 months should continue to exert downward pressure on other prices. Indeed, overall inflation rates should fall further in the near term.

Import Prices For Energy Products
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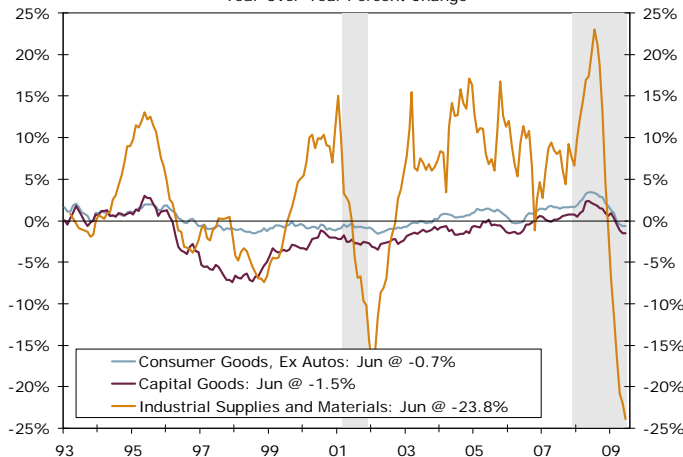
Import Prices

Year-over-Year Percent Change



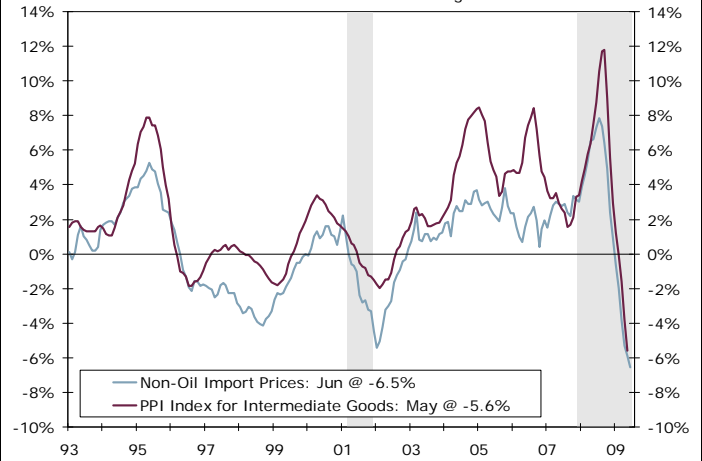
Import Prices By Sector

Year-over-Year Percent Change



Non-Oil Prices vs. Core Intermediate PPI

Year-over-Year Percent Change



Wells Fargo Securities, LLC Economics Group

Diane Schumaker-Krieg	Global Head of Research & Economics	(704) 715-8437 (212) 214-5070	diane.schumaker@wachovia.com
John E. Silvia, Ph.D.	Chief Economist	(704) 374-7034	john.silvia@wachovia.com
Mark Vitner	Senior Economist	(704) 383-5635	mark.vitner@wachovia.com
Jay Bryson, Ph.D.	Global Economist	(704) 383-3518	jay.bryson@wachovia.com
Sam Bullard	Economist	(704) 383-7372	sam.bullard@wachovia.com
Anika Khan	Economist	(704) 715-0575	anika.khan@wachovia.com
Azhar Iqbal	Econometrician	(704) 383-6805	azhar.iqbal@wachovia.com
Adam G. York	Economist	(704) 715-9660	adam.york@wachovia.com
Tim Quinlan	Economic Analyst	(704) 374-4407	tim.quinlan@wachovia.com
Kim Whelan	Economic Analyst	(704) 715-8457	kim.whelan@wachovia.com
Yasmine Kamaruddin	Economic Analyst	(704) 374-2992	yasmine.kamaruddin@wachovia.com

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