



Economics Group

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Drag From Falling Import Prices Is Fading

The deflationary impulse from import prices continued to moderate in September, with prices up 0.1 percent. Exporters are also feeling less pressure to cut prices, with price declines easing on a year-ago basis.

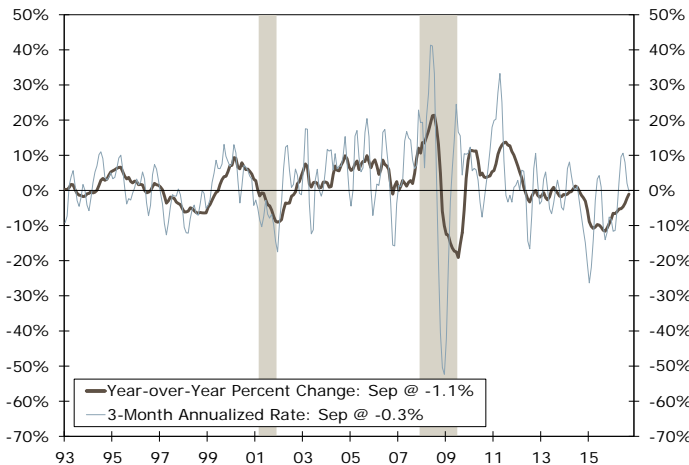
Import Prices Moved Up in September

- Import prices edged up 0.1 percent in September and are now down only 1.1 percent over the past year.
- A 1.2 percent rebound in petroleum prices accounted for much of the uptick. However, the more moderate pace of dollar strengthening in recent months has eased pressure on non-petroleum import prices. While flat last month, the year-ago decline in non-petroleum prices has eased to 0.8 percent.

Less Pressure on Non-Ag Exporters to Lower Prices

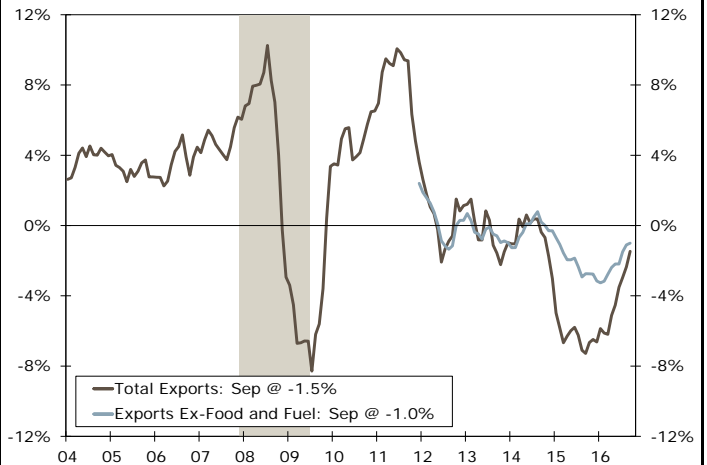
- Pressure on exporters to cut prices in order to stay competitive amid sluggish global demand and the strong dollar is also easing somewhat. Total export prices rose 0.3 percent last month, boosted largely by higher fuel prices but also gains in consumer goods and auto prices. Prices for agricultural exports, on the other hand, fell another 1.0 percent in September and look likely to remain a drag on total export prices amid strong yields.

Import Prices
All Commodities

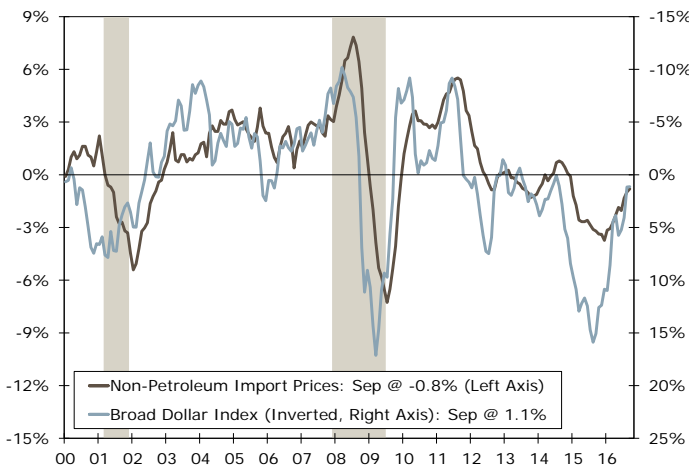


Export Prices

Year-over-Year Percent Change

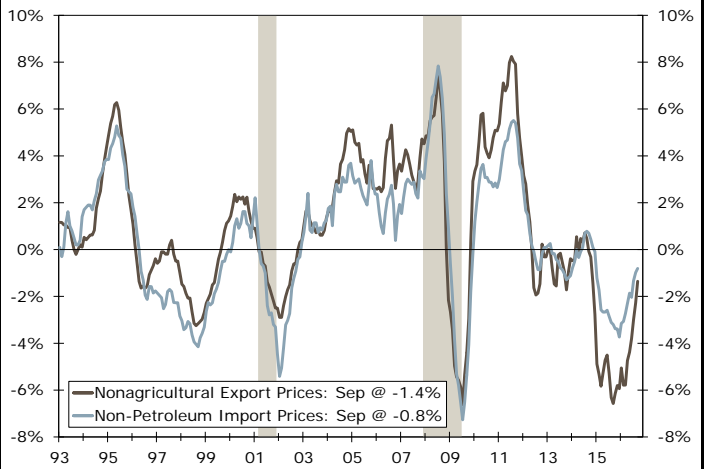


Non-Petroleum Import Prices vs. Dollar
Year-over-Year Percent Change



"Core" Trade Prices

Year-over-Year Percent Change



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