

## Economics Group

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# Producer Price Environment Remains Soft in November

*Prices for finished goods fell for the third straight month, down 0.1 percent in November. Pipeline pressures also remain benign, providing little evidence of immediate consumer inflation pressures.*

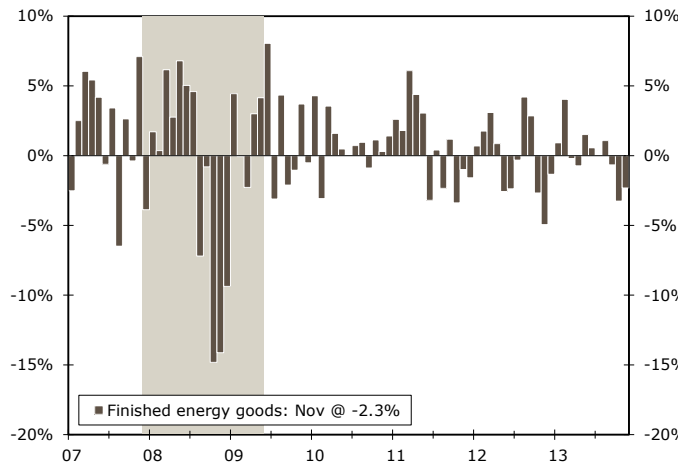
### Another Energy Driven Decline

- Led by a 0.4 percent decline in energy prices, the headline PPI slipped in November. Wholesale consumer food prices were unchanged on the month.
- Excluding food and energy, producer prices edged up 0.1 percent on the strength of light motor trucks (0.6 percent) and agricultural machinery & equipment (1.0 percent). Core inflation remains low on a year-over-year basis at 1.3 percent.

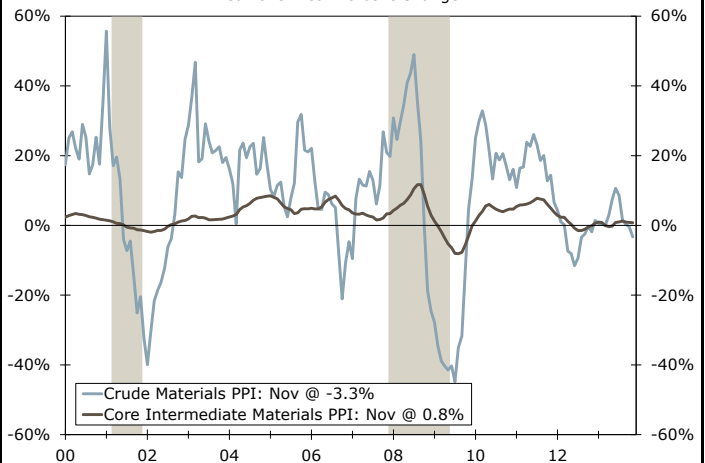
### Pipeline Pressures Still Benign

- For the second straight month, headline intermediate and crude PPI fell on lower energy prices. Core intermediate and crude PPI held up better, -0.1 percent and +1.4 percent, respectively.
- Today's benign report should not change Fed officials' perception of a tame inflation environment as we head into 2014. By itself, inflation provides little pressure on Fed officials to change policy at next week's FOMC meeting.

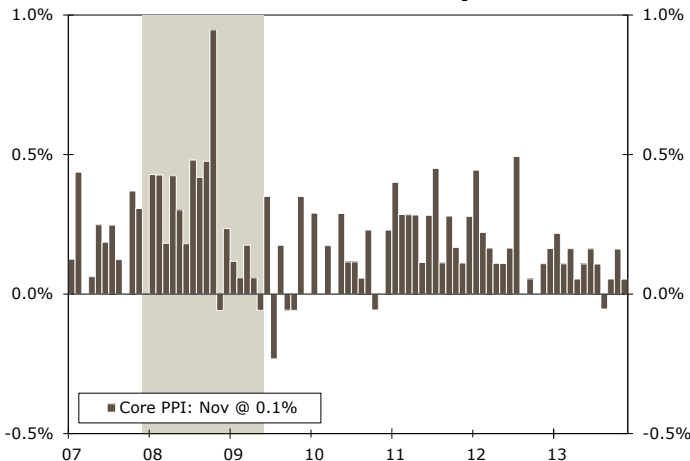
**Finished Energy Goods**  
Month-over-Month Percent Change



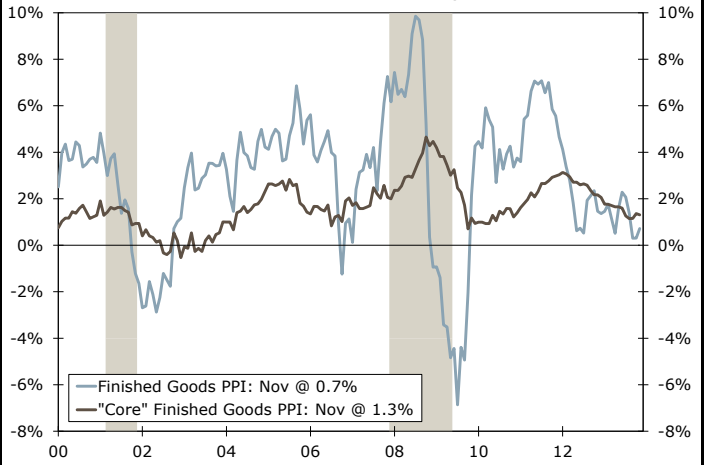
**Core Intermediate & Crude Materials PPI**  
Year-over-Year Percent Change



**Core Producer Price Index**  
Month-over-Month Percent Change



**Finished Goods Producer Price Index**  
Year-over-Year Percent Change



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