



# Economics Group

**Sam Bullard, Senior Economist**  
[sam.bullard@wellsfargo.com](mailto:sam.bullard@wellsfargo.com) • (704) 383-7372  
**Sarah Watt, Economic Analyst**  
[sarah.watt@wellsfargo.com](mailto:sarah.watt@wellsfargo.com) • (704) 374-7142

## Import Prices Continued to Soften in June

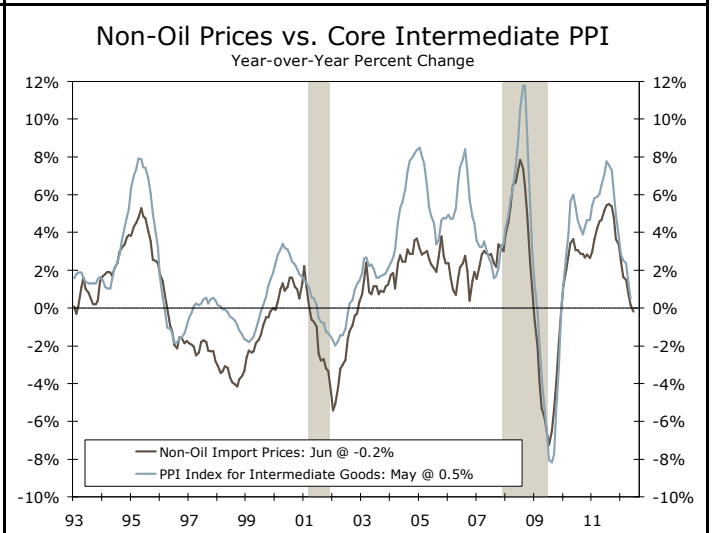
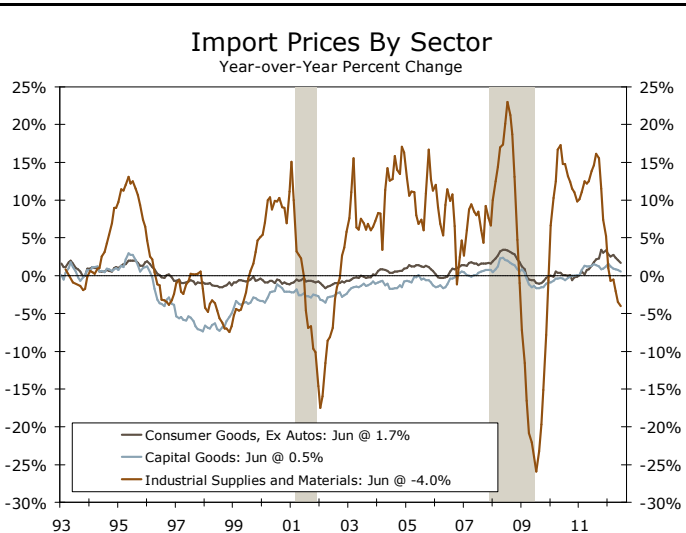
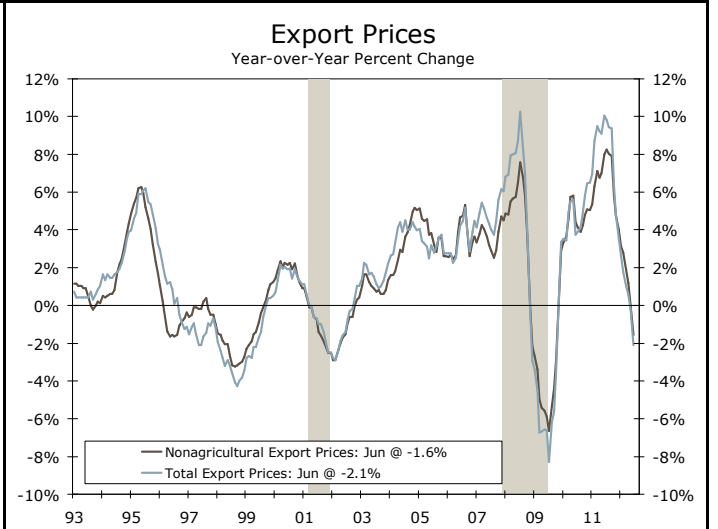
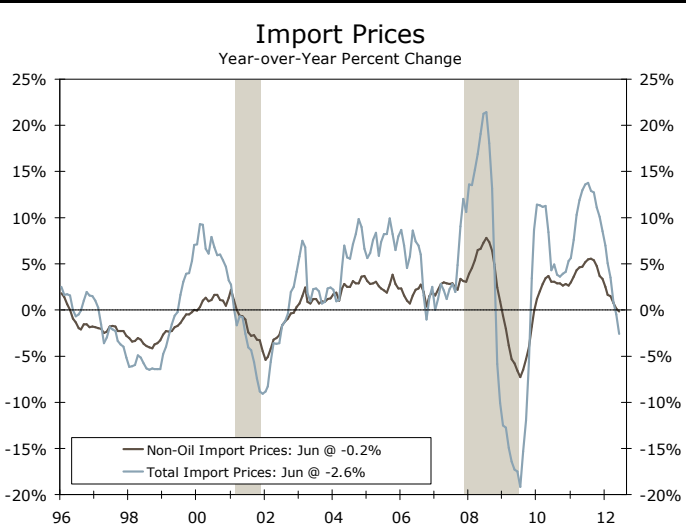
*Reflecting the third consecutive month of lower petroleum prices, total import prices declined more than expected, 2.7 percent in June. Excluding petroleum, import prices fell 0.3 percent.*

### Broad-Based Declines

- Led by a 10.5 percent price-related decline in petroleum, total import prices fell for the third straight month in June. On a year-over-year basis, import prices are down 2.6 percent.
- Weakness was present elsewhere in the report, as industrial supplies dropped 6.9 percent, foods, feeds and beverage fell 1.0 percent, capital goods edged down 0.2 percent and consumer goods slipped 0.1 percent.

### Export Prices Also Lower on the Month

- Lower agricultural and non-agricultural prices brought total export prices down 1.7 percent last month.
- Economic concerns continue to weigh on the domestic and global outlook. Given the backdrop of a stronger U.S. dollar, softer energy prices and easing price pressures overseas, we expect the pace of import inflation will continue to moderate during the second half of the year.



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

## Wells Fargo Securities, LLC Economics Group

Diane Schumaker-Krieg	Global Head of Research & Economics	(704) 715-8437 (212) 214-5070	diane.schumaker@wellsfargo.com
John E. Silvia, Ph.D.	Chief Economist	(704) 374-7034	john.silvia@wellsfargo.com
Mark Vitner	Senior Economist	(704) 383-5635	mark.vitner@wellsfargo.com
Jay Bryson, Ph.D.	Global Economist	(704) 383-3518	jay.bryson@wellsfargo.com
Scott Anderson, Ph.D.	Senior Economist	(612) 667-9281	scott.a.anderson@wellsfargo.com
Eugenio Aleman, Ph.D.	Senior Economist	(704) 715-0314	eugenio.j.aleman@wellsfargo.com
Sam Bullard	Senior Economist	(704) 383-7372	sam.bullard@wellsfargo.com
Anika Khan	Senior Economist	(704) 715-0575	anika.khan@wellsfargo.com
Azhar Iqbal	Econometrician	(704) 383-6805	azhar.iqbal@wellsfargo.com
Tim Quinlan	Economist	(704) 374-4407	tim.quinlan@wellsfargo.com
Ed Kashmarek	Economist	(612) 667-0479	ed.kashmarek@wellsfargo.com
Michael A. Brown	Economist	(704) 715-0569	michael.a.brown@wellsfargo.com
Sarah Watt	Economic Analyst	(704) 374-7142	sarah.watt@wellsfargo.com
Kaylyn Swankoski	Economic Analyst	(704) 715-0526	kaylyn.swankoski@wellsfargo.com
Peg Gavin	Executive Assistant	(704) 383-9613	peg.gavin@wellsfargo.com
Cyndi Flowe	Administrative Assistant	(704) 715-3985	cyndi.h.flowe@wellsfargo.com

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