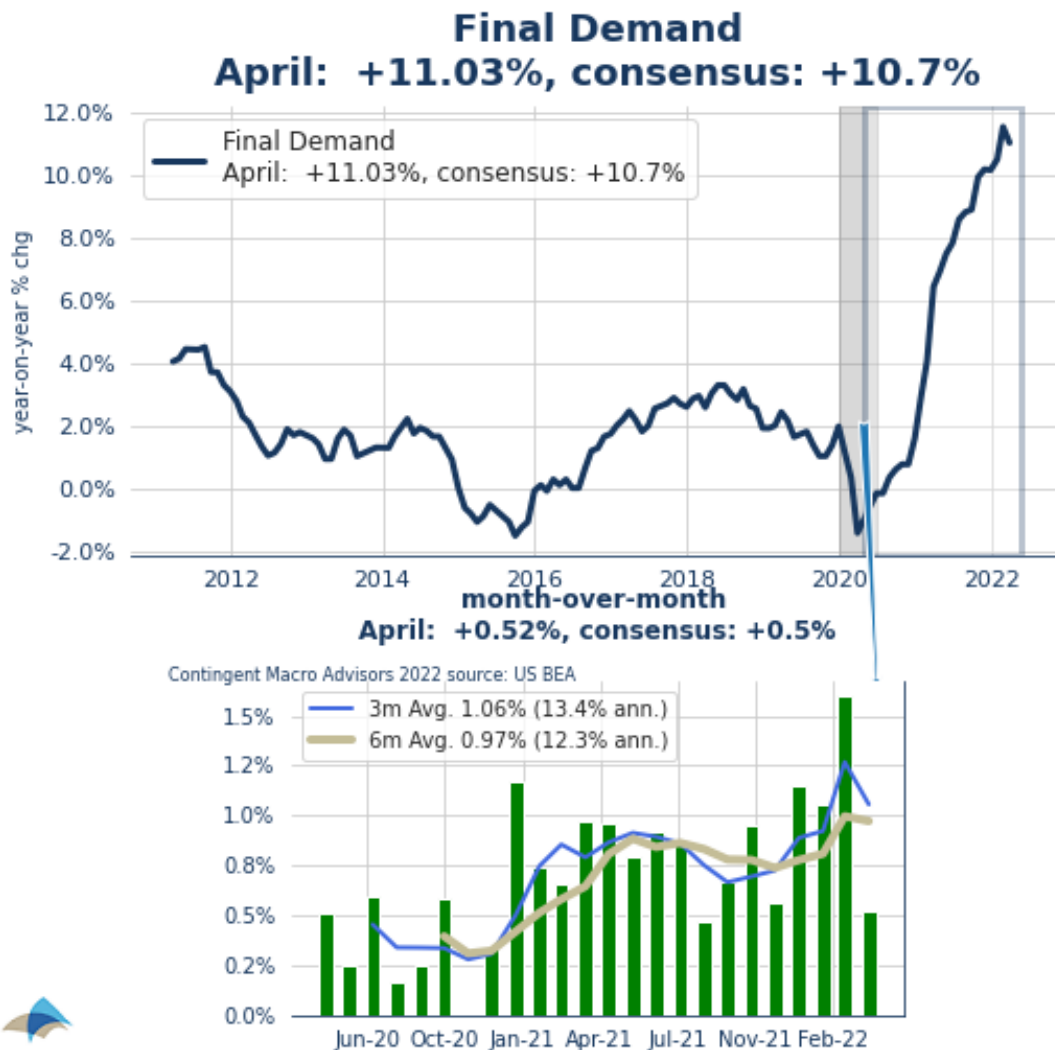


12.May.2022

Producer Prices: Revised Sharply Higher

Bottom Line: Producer prices rose slightly less than expected in April but were revised sharply higher for March. Core producer price gains were notably slower in April, but gains for March were revised up from +0.972 to +1.16, and February's gains were revised up from +0.39 to +0.549. Transportation and related services remained a source of significant pipeline inflation pressure in April, but input prices in other trade services sectors fell for the first time in over six months as many retailers accepted lower margins amid higher prices. Overall, pipeline price pressures remained significant, even stronger than previously estimated. Moreover, there were signs that price pressures were hurting final demand, limiting pricing power and forcing many retail sectors to cut margins.



The PPI ROSE by 0.5% in April, compared with market expectations for an increase of 0.5%. Overall producer prices are 11.0% ABOVE the year-ago level.

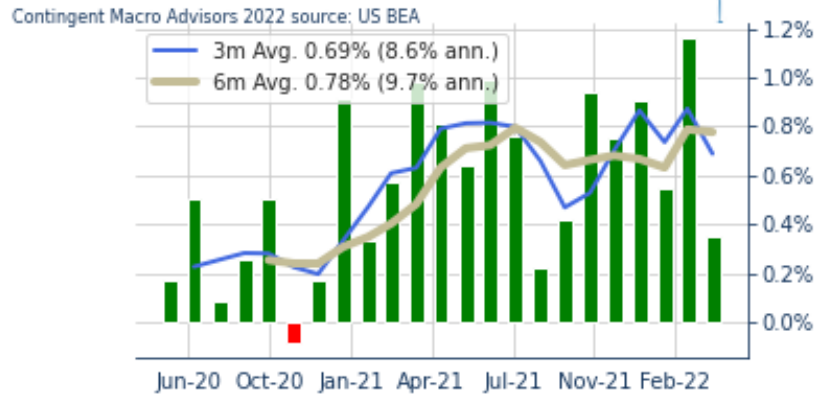
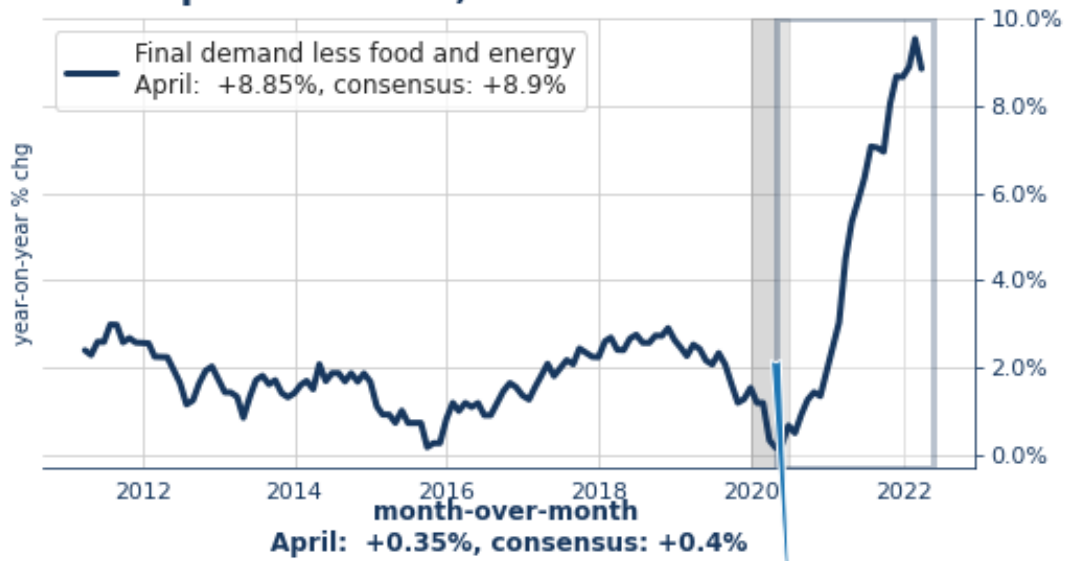
The Goods PPI ROSE by 1.3% in April and is now 16.3% ABOVE its year-ago level. Food prices rose by 1.5% and are now 16.3% ABOVE their year-ago level.

Meanwhile, energy prices rose by 1.7%. and are now 39.8% ABOVE their year-ago level. The Goods PPI less food and energy ROSE by 1.0%, and is now 10.0% ABOVE its year-ago level.

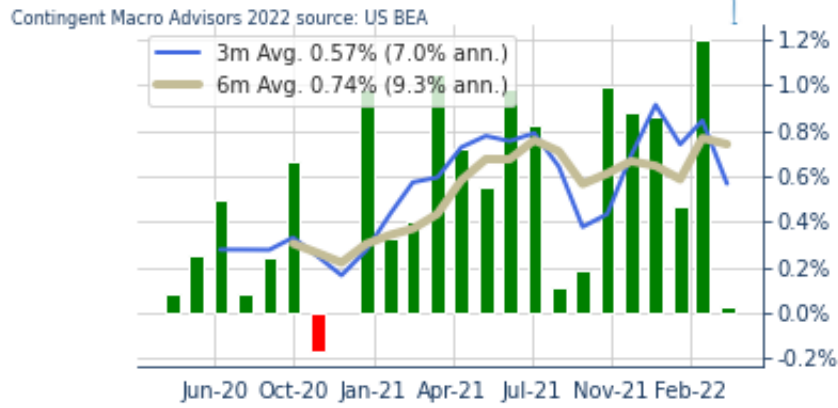
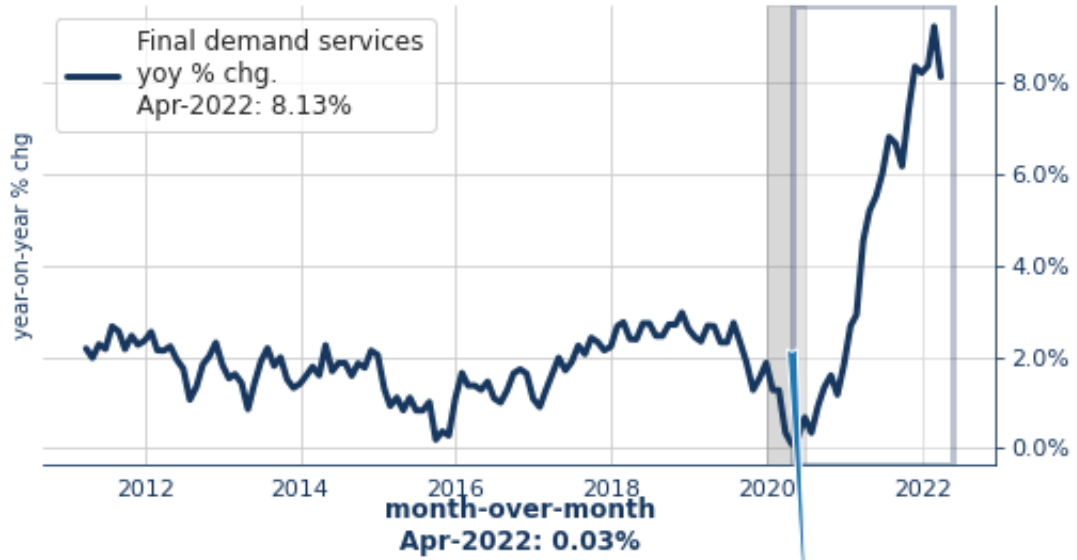
The Services PPI ROSE by 0.0% in April and is now 8.1% ABOVE its year-ago level.

The Core PPI ROSE by 0.4%, compared with market expectations for an increase of 0.7%. Core producer prices are now 8.8% ABOVE their year-ago level.

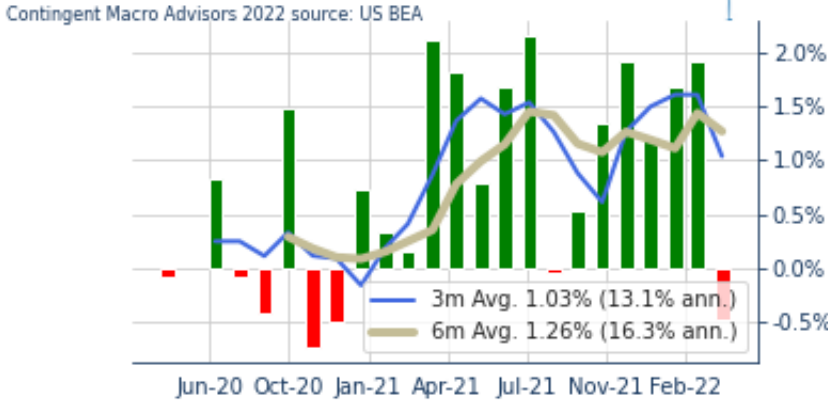
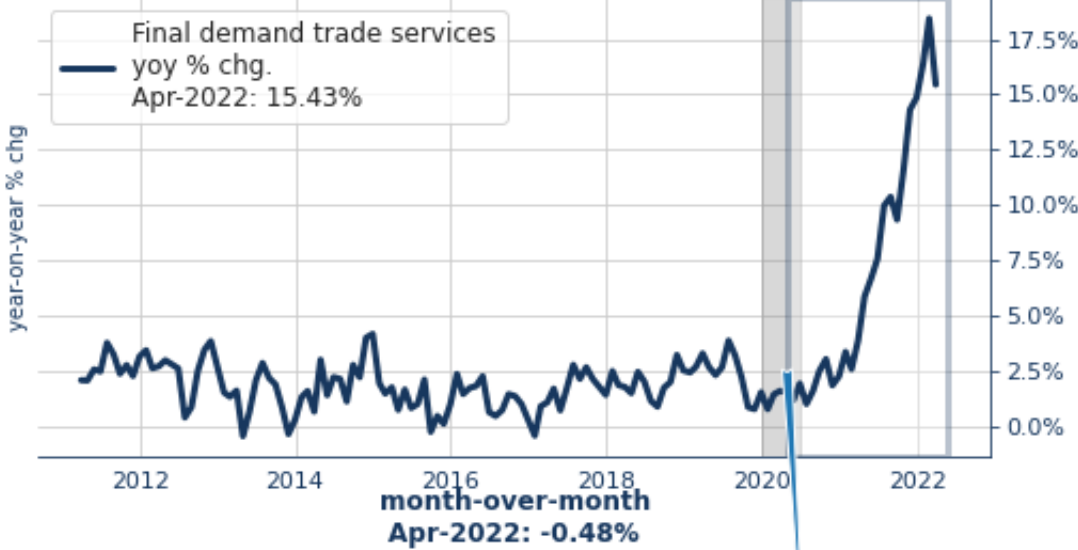
Final demand less food and energy April: +8.85%, consensus: +8.9%



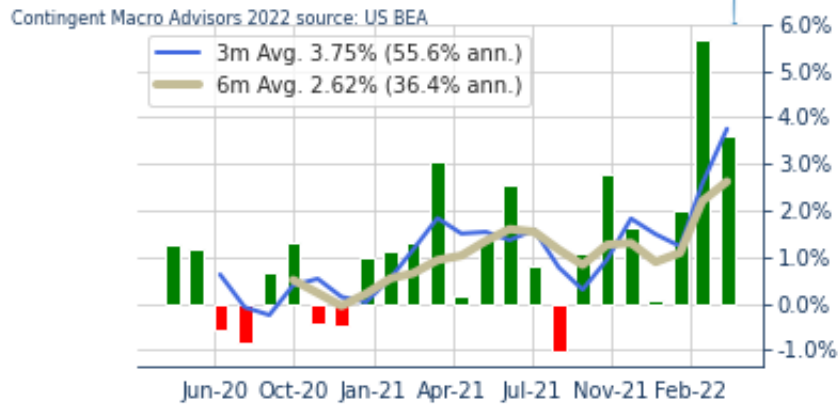
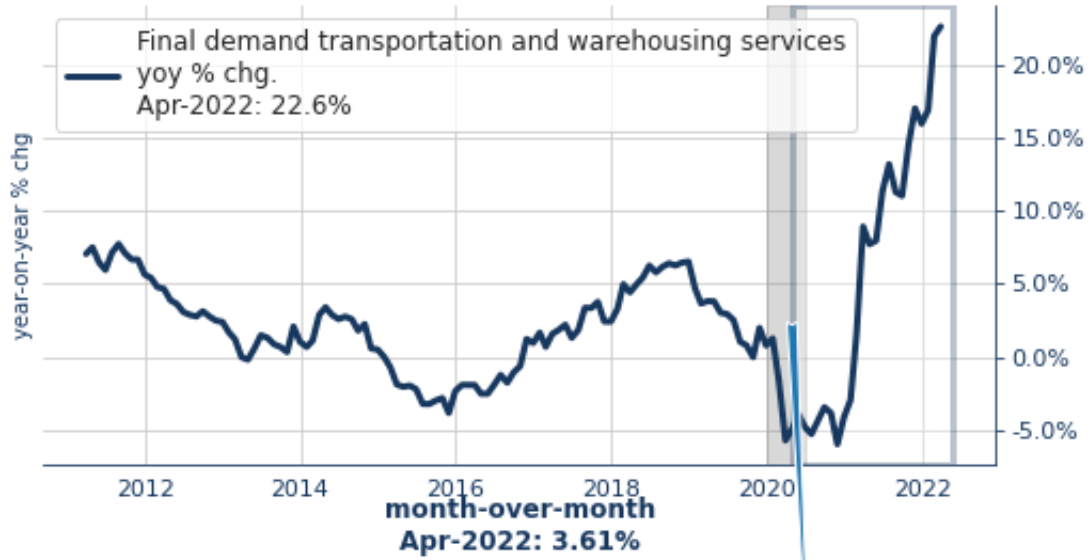
Final demand services



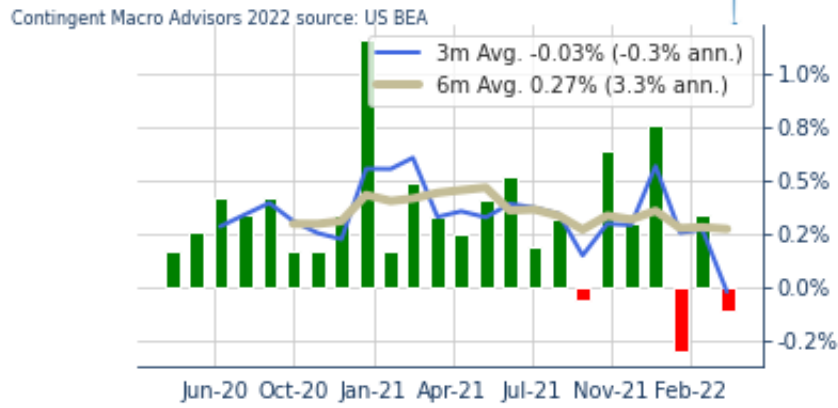
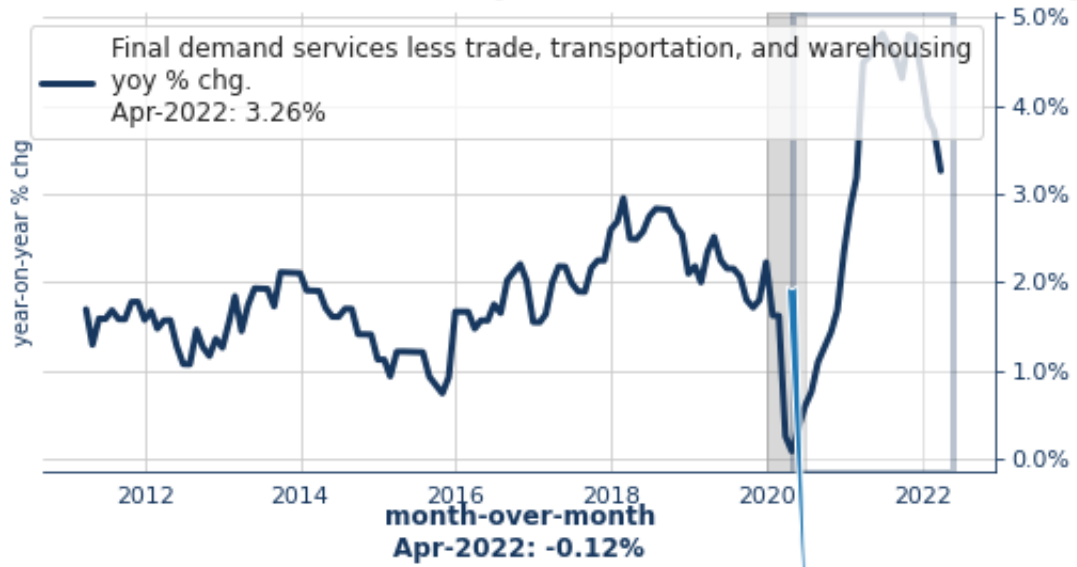
Final demand trade services



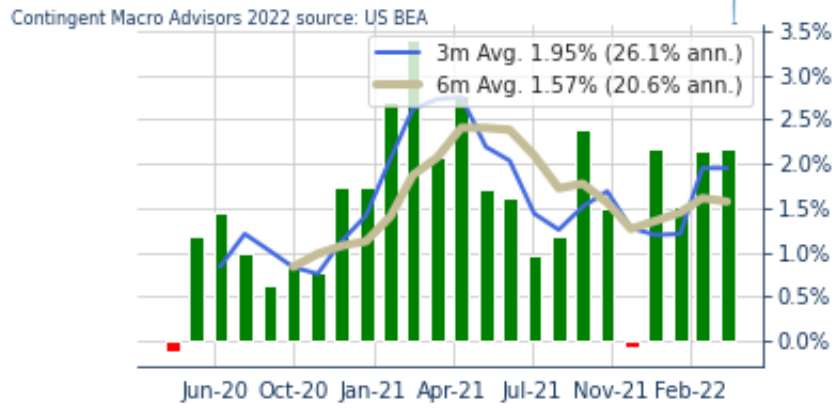
Final demand transportation and warehousing services



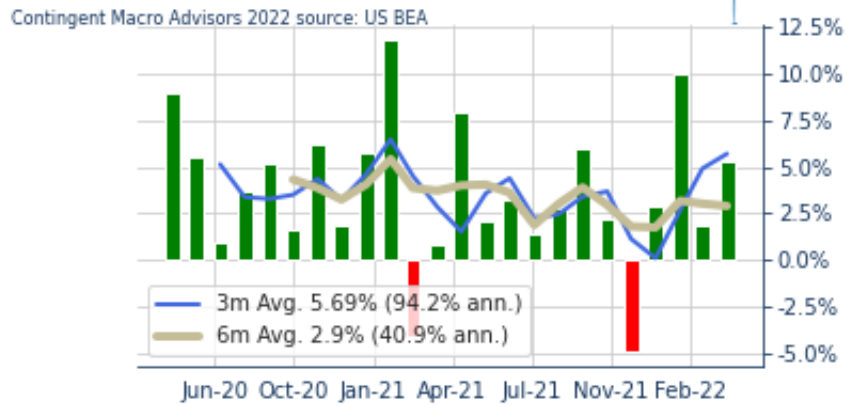
Final demand services less trade, transportation, and warehousing



Processed Goods



Unprocessed Goods



| US Producer Price Inflation | Apr-22 | Mar-22 | 3m ann % chg | 6m ann % chg | YoY % chg | 2021 | 2020 | 5y |
|--|--------------|--------------|---------------|---------------|---------------|---------------|--------------|--------------|
| Final Demand | 0.52% | 1.60% | 13.43% | 12.31% | 11.03% | 10.18% | 0.76% | 4.09% |
| Final demand less food and energy | 0.35% | 1.16% | 8.57% | 9.73% | 8.85% | 8.67% | 1.35% | 3.65% |
| Final demand goods | 1.26% | 2.40% | 26.19% | 17.93% | 16.32% | 13.69% | -0.09% | 5.11% |
| Final demand goods less foods and energy | 1.04% | 1.10% | 12.28% | 10.34% | 10.01% | 9.35% | 1.78% | 3.83% |
| Final demand services | 0.03% | 1.20% | 7.03% | 9.26% | 8.13% | 8.36% | 1.17% | 3.51% |
| Final demand trade services | -0.48% | 1.91% | 13.06% | 16.21% | 15.43% | 14.30% | 1.83% | 5.27% |

| | | | | | | | | |
|--|-------|-------|--------|--------|--------|--------|--------|-------|
| Final demand transportation and warehousing services | 3.61% | 5.67% | 55.42% | 36.19% | 22.60% | 17.00% | -5.95% | 6.71% |
| Final demand construction | 3.96% | 0.58% | 22.14% | 19.76% | 19.64% | 12.17% | 1.16% | 6.99% |

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes.

| US PPI - Details | Apr-22 | Mar-22 | 3m ann % chg | 6m ann % chg | YoY % chg | 2021 | 2020 | 5y |
|--------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|
| Processed Goods | 2.16% | 2.16% | 26.07% | 20.55% | 22.00% | 24.31% | 1.42% | 7.60% |
| Unprocessed Goods | 5.26% | 1.85% | 93.08% | 39.37% | 48.23% | 39.75% | 1.33% | 12.92% |
| Motor Vehicles | 0.90% | 0.46% | 8.62% | 5.39% | 3.91% | 2.50% | 0.70% | 1.29% |
| Pharmaceutical | 0.24% | 0.27% | 4.28% | 1.80% | 1.61% | 1.33% | 1.81% | 2.18% |
| Chemicals | 2.49% | 2.38% | 29.19% | 15.67% | 22.50% | 39.84% | -2.79% | 6.91% |
| Lumber | -11.78% | 4.05% | -21.40% | 74.92% | -1.14% | 18.98% | 38.86% | 14.31% |
| Steel Mill Products | 2.43% | -5.52% | -41.16% | -20.71% | 25.06% | 128.05% | 5.23% | 21.51% |
| Outpatient healthcare | 0.28% | 0.03% | 1.58% | 2.81% | 2.70% | 3.20% | 2.30% | 2.17% |
| Inpatient healthcare | -0.21% | 0.25% | -0.36% | 2.60% | 2.75% | 2.70% | 3.63% | 2.70% |
| Food and alcohol retailing | -0.79% | 0.17% | 5.88% | 12.39% | 9.65% | 8.39% | -0.66% | 3.31% |
| Apparel and jewelry retailing | -1.14% | -0.53% | -13.94% | 5.77% | 8.57% | 16.64% | -3.38% | 1.75% |
| Airline passenger services | 2.87% | 11.15% | 95.80% | 51.53% | 21.63% | 21.77% | -24.62% | 3.32% |
| Inv Mgmt & Brokerage | -0.18% | -4.47% | -11.78% | 6.29% | -0.81% | 8.43% | 3.47% | 1.25% |
| Business Loans | 4.60% | 1.34% | 10.25% | 20.98% | 10.90% | 14.17% | -12.04% | 2.26% |
| Legal Services | -0.21% | 0.38% | 1.76% | 4.62% | 4.25% | 4.20% | 4.28% | 3.62% |
| Truck Transport | 4.36% | 5.07% | 56.69% | 39.33% | 27.41% | 17.90% | 2.23% | 9.34% |
| Machinery & Equip. Wholesaling | -0.24% | 0.86% | 13.85% | 24.30% | 17.89% | 14.77% | 3.06% | 6.64% |

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes.