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PPI: Something for everyone

The October producer price index is softer than expected, with the overall total falling 0.3% (Consensus and Decision Economics: -0.1%) and the core, ex-food-and-energy, total flat (Consensus and Decision Economics: +0.1%).

The drop in the overall index reflected a widely foreseen 1.4% decline in energy prices, and softish +0.1% result for food. The more surprising unched core-index outcome incorporated a +0.1% core consumer-goods reading and a -0.1% figure for capital goods.

Both of those totals were impacted by quite-weak motor vehicles results, with car prices off 0.8% and light truck prices down 1.6%. Together, those declines subtracted about 0.2 point from the core total. Remaining core-goods prices were in a reasonably wide upside scatter--with very few outright declines, but a great many very restrained increases.

That is a relatively healthy-economy pattern--though not one pointing to any great momentum, particularly in the face of a global slowdown. FOMC members will find something for everyone in the numbers.

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