

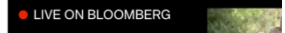
Economics

U.S. Producer Prices Increased by More Than Forecast in March

By [Reade Pickert](#)

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► PPI rises 1% from a month earlier and 4.2% from year earlier



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The producer price index for final demand increased 1% in March from the prior month after a 0.5% gain in February, the Labor Department said on Friday. The gain was twice the median projection in a Bloomberg survey of economists as cost increases for goods and services accelerated.



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The monthly advance in the index led to a 4.2% increase in the overall PPI from March 2020, when the pandemic caused prices to retreat. That was the sharpest annual gain since 2011.

Given major inflation metrics declined at the start of the pandemic, year-over-year figures will quickly accelerate -- a development referred to as the base effect. The upward distortion will also appear in the closely-watched consumer price index report on Tuesday.