# US wholesale costs fall for 3rd month on cheap gas

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WASHINGTON — U.S. wholesale prices dropped in November for the third consecutive month, pushed down again by cheaper gasoline and lower home heating oil costs. But excluding volatile energy costs, inflation was mostly stable.

The producer price index, which measures prices before they reach the consumer, declined 0.1 percent last month, the Labor Department said Friday. This comes after similar decreases in October and September.

Overall wholesale prices have risen just 0.7 percent in the past 12 months.

Excluding energy and food prices, so-called core wholesale prices increased 0.1 percent in November and 1.3 percent over the past 12 months.

"If you are worried about upside inflation risks, you need to look elsewhere," said Ian Shepherdson, chief economist at Pantheon Macroeconomics.

Both consumer and wholesale inflation have been running extremely low in the past year. High unemployment and weak wage increases have made it difficult for businesses to raise prices.