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Marlboro News Likely To Hit Tobacco Prices

NEW YORK — The price of tobacco, the fly in the ointment of the producer price index and the consumer price index, is almost assured to sink after Philip Morris Cos.' recent announcement that it would cut the price of its popular Marlboro brand of cigarettes by as much as 20%.

The effect could be seen as early as the April producer price index, which will be released early next month, or could be reflected more in the consumer price index, depending on how manufacturers allocate any price cuts.

In the year ended November 1992, the producer price index was up just 1.8%, noted James O'Sullivan, economist at Morgan Guaranty Trust Co. In the next three months, however, the producer price index has increased at a 3.6% annual rate.

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