

Wal-Mart stores has been raising its retail food prices more than commonly believed and possibly at a faster rate than traditional grocers, an analysis by J.P. Morgan suggests.

J.P. Morgan analyzed recent Nielson Co. data for basket of food items including sausages and packaged lunchmeats and also spoke with national and regional grocers.

“We found that food prices are rising faster in Wal-Mart than in most other channels,” analyst Ken Goldman said in a note to clients. Competing grocers confirmed that Wal-Mart is being more rational on pricing in response to still-high levels of cost inflation than commonly perceived, said Goldman.

On its quarterly earnings call last week, Wal-Mart executives suggested the company was absorbing some of the food price increases, sacrificing profit margins to increase its sales volume, Goldman said.