

Wholesale Price Index (WPI Inflation):

The Wholesale-Price based inflation (WPI) slipped into negative territory for the first time in almost three years, as overall prices eased across the board for the month of April this year. The WPI inflation fell (minus) 0.92 percent in April 2023, as compared to 1.34 percent recorded in March and 15.38 percent in April last year. The WPI inflation has fallen into negative for the first time since July 2020.

The decline in the rate of inflation in the month of April is primarily contributed by the fall in prices of basic metals, food products, mineral oils, textiles, non-food articles, chemical and chemical products, rubber and plastic products, and paper products. The country’s WPI inflation has been easing continuously for the last 11 months. The month-over-month change in WPI for the month of April 2023 over March 2023 remained at 0.00 percent.

The food price inflation last month dropped significantly to 0.17 percent from 2.32 percent in March. In manufactured products, the inflation rate declined (minus) 2.42 percent, compared to (minus) 0.77 percent in March. For the primary articles segment, the inflation rate cooled to 1.60 in April against 2.40 percent in March, Fuel and power basket inflation eased to 0.93 percent last month from 8.96 percent in March. The depreciation in WPI is in line with the decline of retail inflation in April. Retail inflation, based on the Consumer Price Index (CPI), eased to an 18-month low of 4.7 percent in April.

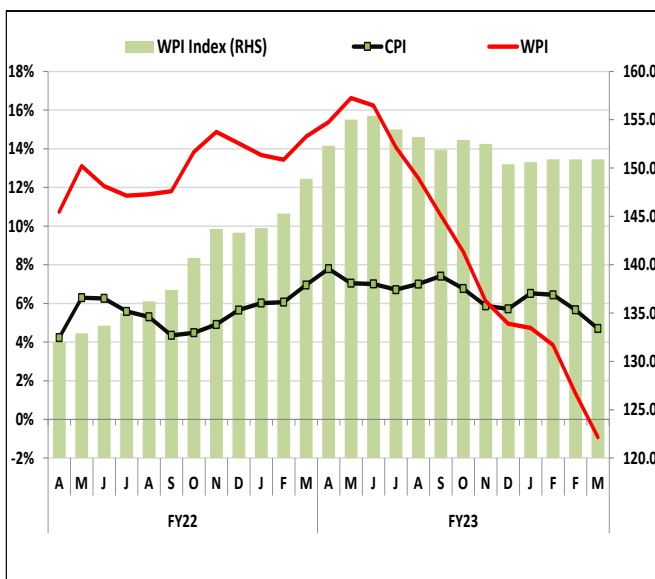
Consumer Price Index (CPI Inflation):

India's consumer price index (CPI) inflation eases sharply to 4.7% in April 2023, coming under the RBI's upper tolerance limit of 6%. This also signals further rate hike pauses or rate cuts from RBI's front with inflation below its upper target. In March, the retail inflation rate experienced a decline to its lowest point in the past 15 months, dropping below the 6% upper limit tolerance set by the RBI. The recorded rate for March 2023 was 5.66%, as opposed to 6.95% in the previous year. A year ago, in April month, CPI stood at 7.79%.

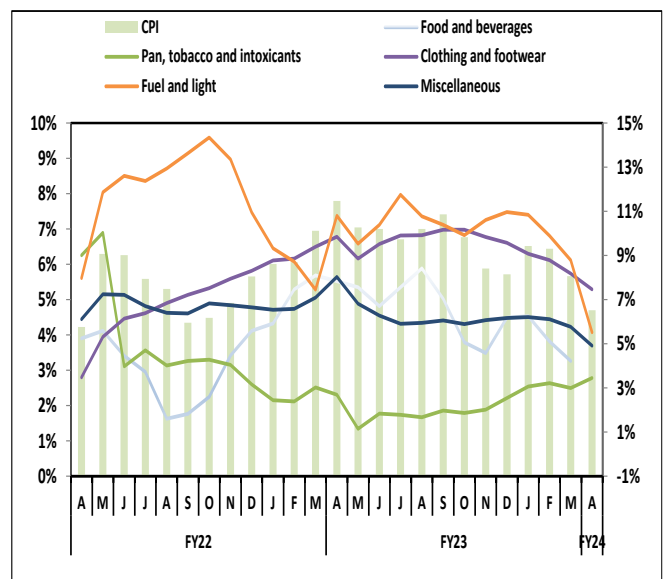
Inflation has been above RBI's upper tolerance limit of 6% since January 2022 which also pushed RBI to adopt an aggressive rate hike cycle from May 2022 to February 2023 policies. The easing in CPI comes due to a steep decline in food inflation. The consumer food price index (CFPI) comes at 3.84% in April 2023 versus 8.31% in the same month a year ago. In March 2023, food inflation was at 4.79%. The CPI stood at 178.1 in April 2023, while food inflation was at 175.9. The fall in inflation numbers is in line with estimates, aided by a favorable base and the same is expected to continue in coming months.

The latest CPI print for April at 4.70% along with core inflation falling to 5.3% gives MPC a breather before the upcoming policy meeting in June to continue a pause in rate hikes. Having said this, MPC will be watchful of risks from adverse weather on food inflation and volatility in oil prices."

WPI Inflation



CPI Inflation



Y-O-Y Growth (%)	Weights	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar- 23	Apr-23
All Commodities	100	10.55%	8.67%	6.12%	4.95%	4.73%	3.85%	1.34%	-0.92%
Primary Articles	22.62	11.54%	11.17%	5.94%	2.38%	3.88%	3.28%	2.40%	1.60%
Fuel & Power	13.15	33.11%	25.40%	19.71%	18.09%	15.15%	14.82%	8.96%	0.93%
Manufactured	64.23	6.12%	4.42%	3.44%	3.37%	2.99%	1.94%	-0.77%	-2.42%
Primary Articles									
Food	15.26	11.03%	8.45%	1.51%	-1.25%	2.38%	3.81%	5.48%	3.54%
Non-Food	4.12	4.34%	8.00%	7.86%	3.71%	4.52%	0.12%	-4.63%	-6.59%
Minerals	0.83	-2.42%	10.13%	-0.05%	-2.93%	-9.26%	-10.62%	-4.98%	4.47%
Crude, Petroleum & Natural Gas	2.41	44.72%	43.57%	48.23%	39.71%	23.79%	14.47%	-1.19%	-1.77%
Fuel & Power									
Coal	2.14	5.17%	4.19%	2.99%	2.60%	2.60%	3.36%	3.44%	3.21%
Mineral oils	7.95	46.00%	29.09%	23.76%	22.69%	17.88%	15.82%	6.04%	-4.94%
Electricity	3.06	20.48%	31.02%	20.08%	16.56%	16.56%	19.65%	22.67%	19.97%
Manufactured Products									
Basic metals	9.65	6.39%	1.18%	-0.28%	0.78%	1.33%	-0.20%	-7.11%	-9.80%
Food Products	9.12	2.83%	3.28%	4.44%	4.28%	3.95%	0.93%	-2.96%	-5.65%
Chemicals	6.47	11.37%	8.94%	6.45%	5.41%	4.15%	2.73%	0.00%	-3.29%
Motor vehicles, Trailers	4.97	5.08%	4.23%	2.98%	2.74%	1.92%	1.59%	1.43%	1.43%
Textiles	7.32	8.40%	5.71%	0.80%	-0.57%	-2.14%	-3.51%	-4.93%	-5.76%
Machinery	4.79	4.72%	5.07%	4.88%	4.62%	4.28%	4.34%	4.07%	3.30%
CPI - Combined		7.41%	6.77%	5.88%	5.72%	6.52%	6.44%	5.66%	4.70%