

Wholesale Price Index (WPI Inflation):

The wholesale price-based inflation eased for the second consecutive month in January at 12.96 per cent, even though food prices hardened. WPI inflation has remained in double digits for the tenth consecutive month beginning April 2021. Inflation in December 2021 was 13.56 per cent, while in January 2021, it was 2.51 per cent.

- Inflation in manufactured products—the largest component of the index—stood at 9.42% compared with 10.62% in December and 5.47% in Jan 2021.
- Fuel and power inflation stood at 32.27% against 32.3% in December.
- Primary articles inflation stood at 13.87% compared with 13.38% in the previous month.
- Inflation in food articles was at 10.33% against 9.56% in the previous month and -2.93% in Jan 2021.
- Vegetable’s inflation stood at 38.45% compared with 31.56% in December.
- Inflation in non-food articles was at 19.68% against 18.99% in December.

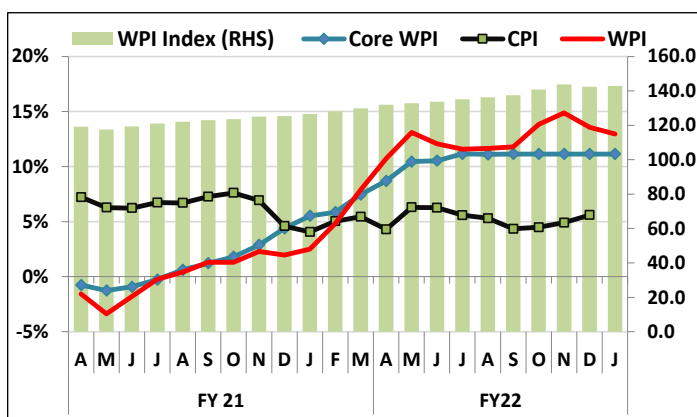
Rising input costs for products such as fuel, metals and chemicals have pushed up wholesale prices, a proxy for producer prices. The inflation print for January 2022 is along expected lines, with Reserve Bank of India (RBI). RBI's monetary policy committee (MPC) left the benchmark repo rate unchanged at 4.0% on 10th Feb 2022, while sticking to its accommodative policy stance to help the economy recover from the pandemic.

Consumer Price Index (CPI Inflation):

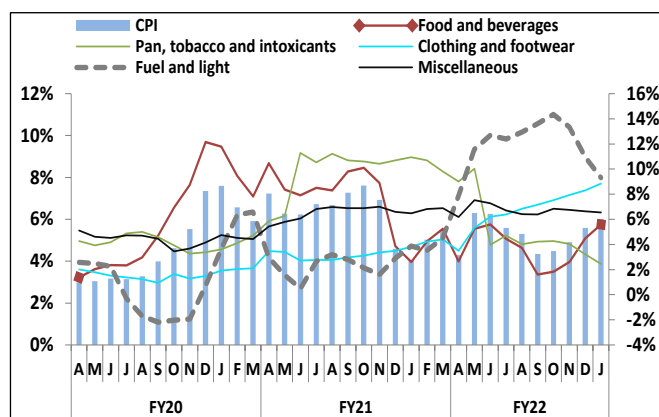
Consumer Price Index inflation stood at 6.01% in January 2022, compared to 5.56% in December. On a month-on-month basis, retail inflation fell by 0.3%. A Bloomberg poll of 40 economists had estimated inflation at 6% for January. The Monetary Policy Committee’s resolution released on February 10 projected that CPI inflation in the quarter ending March will be 5.77% and then come down to 4.5% in the June quarter. An unfavorable base pushed CPI inflation to a seven-month high, printing marginally above the 6% upper threshold of the MPC's medium-term range for the first time since June 2021.

Fuel and light inflation stood at 9.3% compared to 9.7% in December. Inflation in food and beverages rose to 5.58% compared to 4.5% in December. Clothing and footwear inflation was at 8.7% compared with 8.3% in the previous month. Housing inflation stood at 3.5%, compared with 3.6% a month ago.

WPI Inflation



CPI Inflation



Y-O-Y Growth (%)	Weights	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Jan-21
All Commodities	100	11.64%	11.80%	13.83%	14.87%	13.56%	12.96%	2.51%
Primary Articles	22.62	5.93%	5.98%	7.38%	10.21%	13.38%	13.87%	-1.56%
Fuel & Power	13.15	28.15%	29.49%	38.61%	39.81%	32.30%	32.27%	-3.28%
Manufactured	64.23	11.56%	11.57%	12.87%	12.34%	10.62%	9.42%	5.47%
Primary Articles								
Food	15.26	-0.80%	-2.55%	0.06%	4.82%	9.56%	10.33%	-2.93%
Non-Food	4.12	28.69%	29.48%	18.41%	13.41%	18.99%	19.68%	4.24%
Minerals	0.83	7.16%	30.79%	16.57%	26.18%	3.77%	39.14%	12.35%
Fuel & Power								
Coal	2.14	1.03%	1.03%	1.98%	3.08%	3.07%	3.07%	0.40%
Mineral oils	7.95	52.68%	51.74%	70.05%	81.85%	62.64%	52.17%	-8.82%
Electricity	3.06	2.90%	10.83%	10.83%	12.01%	-0.17%	15.74%	-0.85%
Manufactured Products								
Basic metals	9.65	27.61%	27.36%	32.14%	28.79%	22.19%	5.19%	15.31%
Food Products	9.12	12.73%	12.86%	12.81%	10.67%	8.75%	6.16%	4.99%
Chemicals	6.47	12.23%	12.92%	14.98%	15.40%	14.37%	5.43%	3.96%
Motor vehicles, Trailers	4.97	3.66%	3.21%	4.51%	5.17%	4.65%	6.15%	2.33%
Textiles	7.32	17.35%	17.34%	17.42%	18.24%	16.79%	5.41%	5.76%
Machinery	4.79	5.19%	6.16%	5.43%	6.15%	5.41%	5.46%	1.86%
CPI - Combined		5.30%	4.35%	4.48%	4.91%	5.59%	6.01%	4.06%