

Fig 1: Table

% , y/y	India WPI	Food	Fuel	Core
Apr-25	0.85	3.34	-5.68	1.37
May-25	0.13	1.92	-5.85	0.83
Jun-25	-0.19	-0.24	-4.44	0.99
Jul-25	-0.58	-2.14	-3.84	1.20
Aug-25	0.52	0.20	-4.25	2.01
Sept-25	0.13	-2.02	-2.72	2.12
Oct-25 (P)	-1.42	-5.69	-3.78	1.73

Source: CEIC, Office of Economic Advisor and UBI Research

October'25 WPI y/y likely fell on high base effect coupled with falling food WPI

- **Wholesale Price Index (WPI)**, in our assessment, likely turned negative in October 2025 at -1.42%, compared to 0.13% in September 2025 and 2.75% in October last year. Apart from the high base effect, the decline in WPI was largely driven by a sharp fall in the food WPI, even as core WPI remained in positive territory. Food inflation fell further to -5.7%, while core inflation moderated from 2.12% in September to 1.73% in October. Fuel inflation continued to stay negative at -3.78%. The high base effect was also instrumental in keeping both headline and food inflation subdued, as headline WPI and food WPI in October 2024 stood at 2.75% and 12.1%, respectively. In contrast, core inflation in October last year was 0.28%, which helps explain the relatively higher core WPI this year.
- **Food WPI** likely slipped deeper into negative territory under the combined impact of a high base and easing food prices. During the month, food prices corrected notably in a few segments—especially vegetables, where inflation fell 3.2% m/m, while overall food inflation was -0.7% m/m. On a year-on-year basis, food WPI, which was 12.1% in October 2024, is estimated to have fallen to -5.7% in October 2025. Inflation in cereals, pulses, vegetables and fruits remained negative to sharply negative at -1.3%, -17%, -37% and -4.4% respectively. Vegetables WPI likely dropped to an all-time low during the month. Notably, the recent floods in some northern states appear to have had little to no impact on food prices, which has been a welcome surprise.
- **Fuel WPI** likely remained in the deflationary zone for the 15th consecutive month in October 2025, reflecting a broad-based decline across crude, mineral oils, and electricity segments, though coal inflation showed a slight uptick. Crude oil prices fell by 6% m/m in October. On a y/y basis, fuel WPI is estimated to have remained negative at -3.78%, compared to -2.72% in September. The subdued global oil price environment is expected to continue keeping fuel WPI contained.
- **Core WPI**, which excludes food and fuel, is estimated to have moderated slightly from 2.12% y/y in September to 1.73% in October, as prices of most commodities—except precious metals—softened during the month. Within this category, manufactured sub-segments likely registered a slight decline, minerals edged up, while non-food articles remained largely stable. Month-on-month, core WPI is estimated to have eased -0.12% in October amid muted commodity price movements. Core WPI, which tracks non-food manufactured products, closely mirrors global commodity trends, as over 40% of India's manufacturing raw materials are imported.
- **A comparative analysis** of China's Producer Price Index (PPI) and India's WPI reveals a strong correlation between the two. China's PPI remained in deflationary territory at -2.1% in October, compared to -2.3% in September, while India's WPI is similarly expected to have fallen to -1.42% in October from 0.13% in the previous month.
- **Looking ahead**, global commodity price trends and geopolitical developments warrant close monitoring, particularly amid tariff-related uncertainties. The actual impact of the recent GST rate cuts will become clearer after the upcoming data release. For FY26, our overall WPI inflation projection is tracking below 0.5%. However, potential upside risks—such as unseasonal winter rains or renewed geopolitical tensions—remain key factors to watch closely.

Fig 2: WPI likely switched to negative zone in Oct'25 (% , y/y)

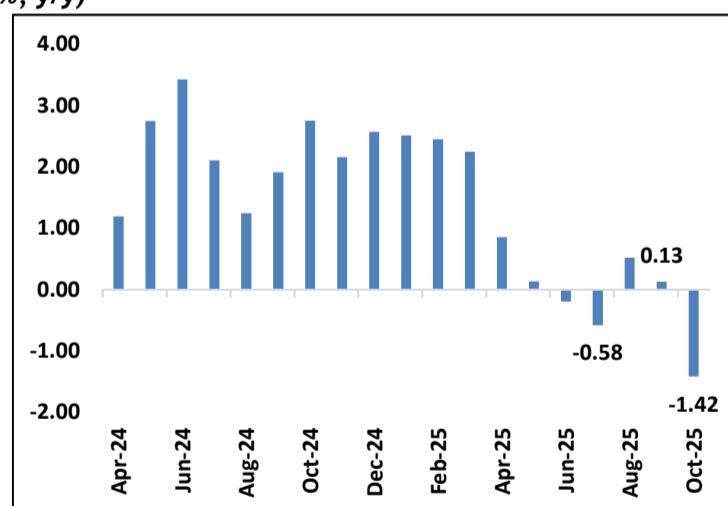


Fig 3: China PPI and India WPI both in negative zone in Oct'25 (% , y/y)

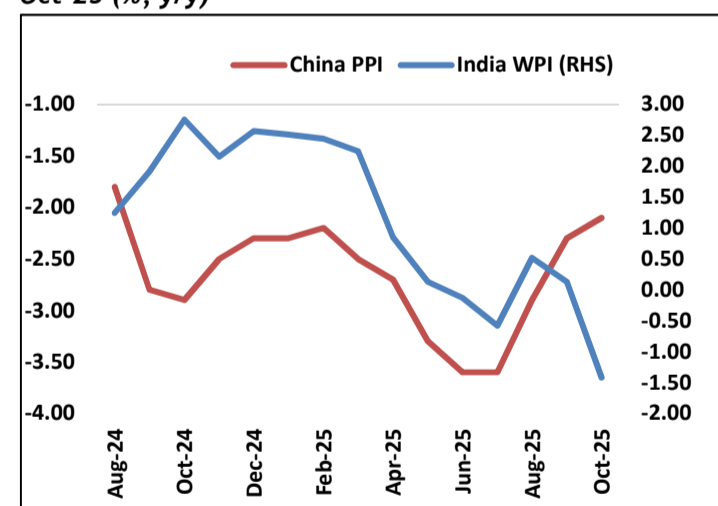
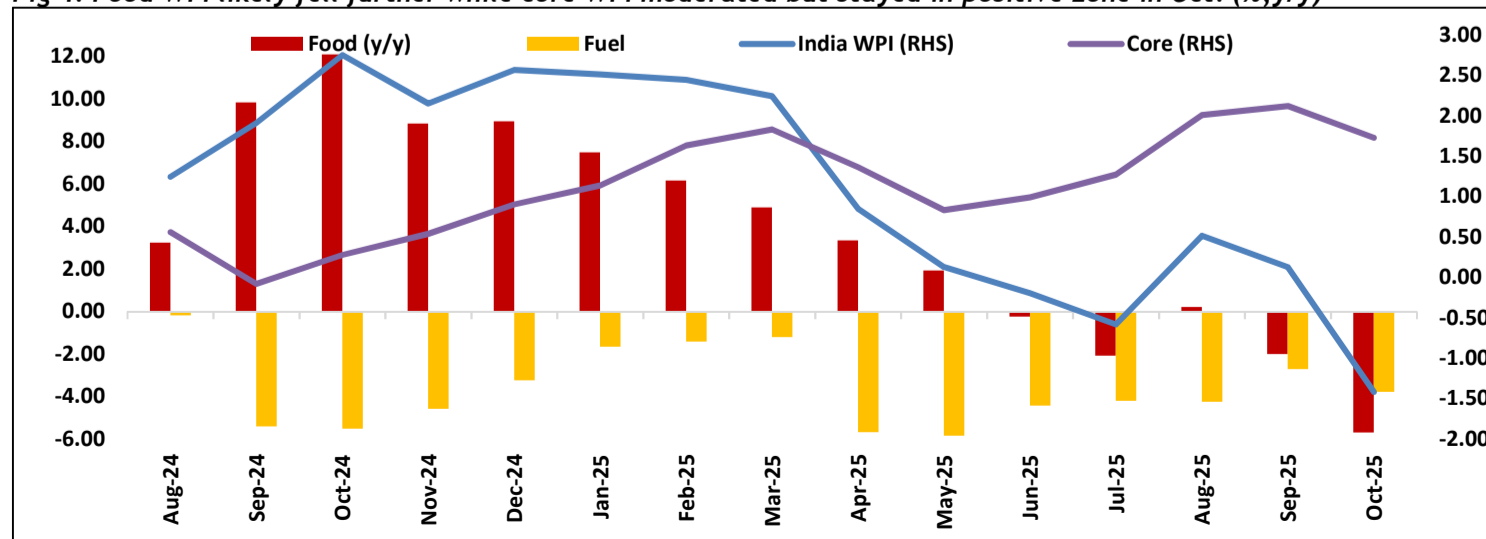


Fig 4: Food WPI likely fell further while core WPI moderated but stayed in positive zone in Oct. (% , y/y)



Source: CEIC, Office of Economic Advisor and UBI Research
Note: figures for Oct'25 India WPI are our projections

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