

India WPI for October'24 jumps to 2.4% y-o-y

- **Wholesale Price Index (WPI)** rose further to 2.4% (y/y) in Oct'24, moving up from 1.84% in previous month, mainly driven by pickup in food and manufacturing prices.
- **Food WPI** saw significant increase to record double digit increase after 50 months. (Last time food WPI was in double digit in Aug-22), due to seasonal irregularities in supply especially, vegetables. Edible oil prices were key drivers of 'manufactured food inflation' due import duty hike in mid-September.
- **Fuel WPI** continue to remain in negative zone in Oct'24 due to high base effect. Fuel prices are seen to drop on m/m for last three months despite hike in LPG cylinder prices and uptick in global energy prices.
- **Core WPI** which reflects inflation excluding food and fuel, witnessed a sequential pickup at 0.09% (m/m) in Oct'24, after remaining in negative for last 4 months, along with y/y increase mainly led by rise in commodity prices during the month, though rupee depreciation added to further increase in overall impact.
- **Going forward**, trends in WPI would be driven by timing of seasonal correction in food prices and commodity prices with recent cooling in prices likely to provide relief even as Rupee depreciation may cap the impact. From a global perspective, the impact of Trump's trade and fiscal policies on global inflation and spillover impact on domestic macros will be on watch.

Chart 1. Headline, Core & Food (% y/y)

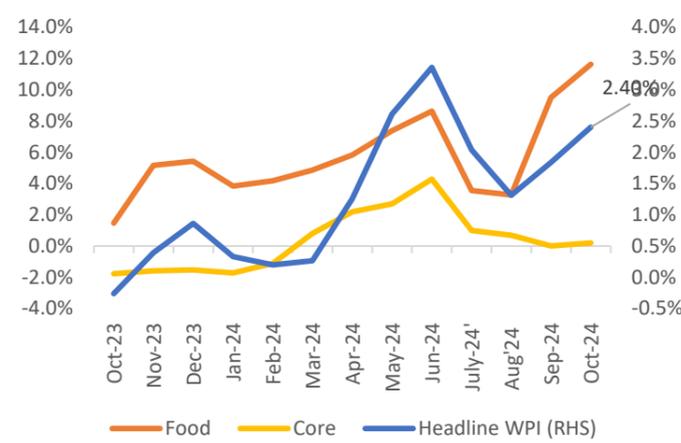


Chart 2. Core & its Components (% y/y)

% y/y	Jul-24	Aug-24	Sep-24	Oct-24
Core CPI	1.0	0.7	0.0	0.2
Manufactured food products	3.88	3.54	5.49	7.77
Basic Metals	0.64	-1.64	-3.15	-2.25
Chemicals and Chemical Products	0.07	0.29	0.07	-0.22
Textiles	2.17	1.34	1.12	0.89
Fabricated Metal Products	-1.45	-1.66	-2.15	-2.59

Chart 3. WPI & WPI ex Food (% y/y)

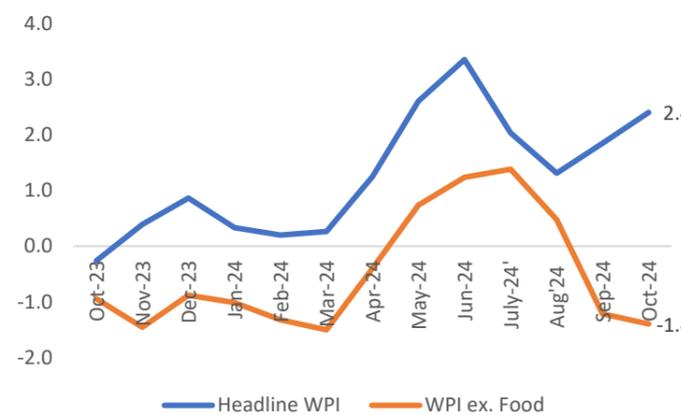


Chart 4. Food WPI (% y/y)



Y/Y, %	Headline CPI	Food	Fuel	Core
Oct-23	-0.26	1.47	-1.68	-0.73
Nov-23	0.39	5.17	-4.55	-0.52
Dec-23	0.86	5.43	-1.20	-0.79
Jan-24	0.33	3.84	-0.35	-1.20
Feb-24	0.20	4.17	-0.29	-1.61
Mar-24	0.26	4.87	-1.61	-1.47
Apr-24	1.26	5.50	1.94	-1.05
May-24	2.61	7.37	2.61	0.23
Jun-24	3.36	8.64	2.73	0.83
Jul-24	2.04	3.54	2.86	0.99
Aug-24	1.31	3.27	-0.29	0.69
Sep-24	1.85	9.50	-5.55	0.03
Oct-24	2.36	11.60	-6.85	0.20

Source: Ministry of Commerce and UBI Research

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