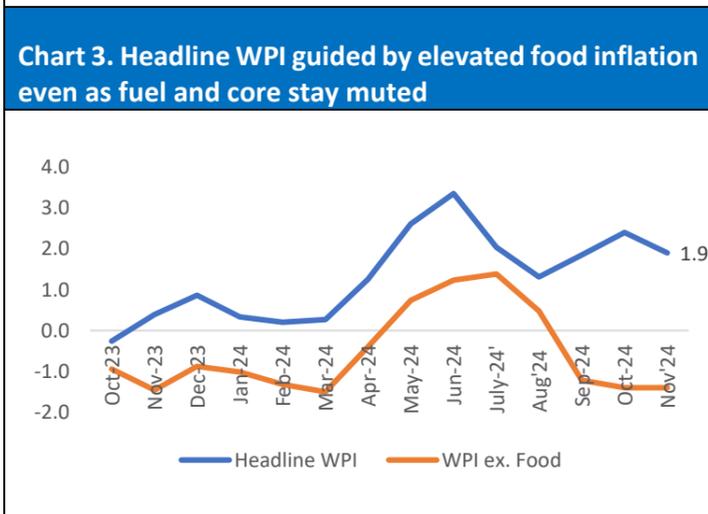
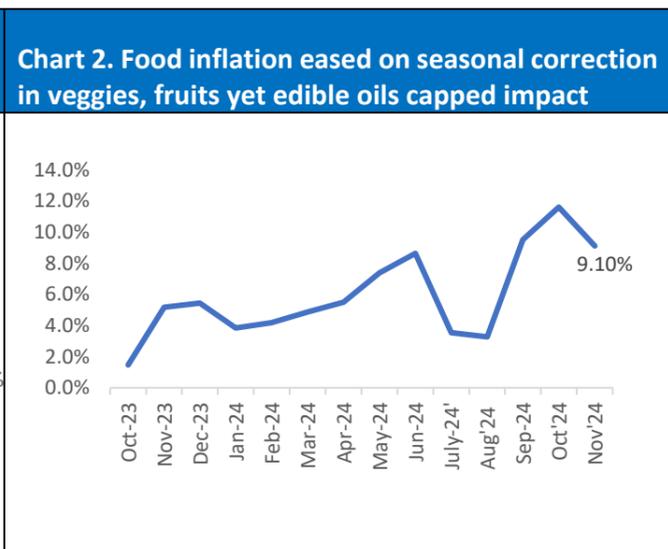
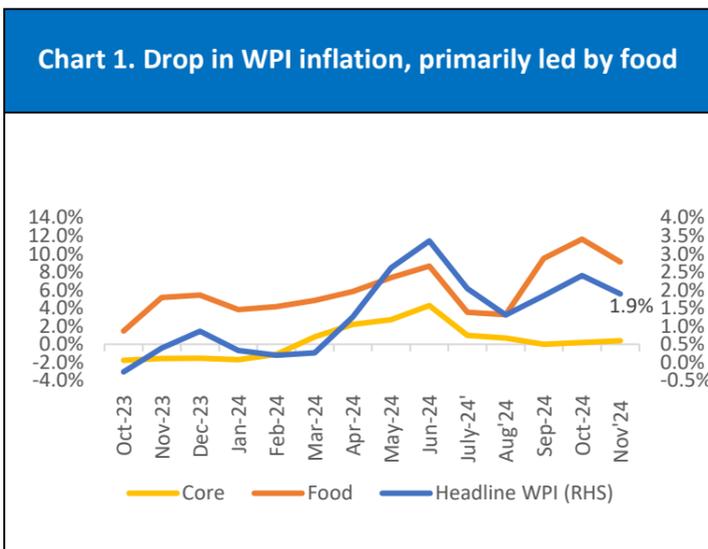


### India WPI for November'24 cools down to 1.9% y/y

- **Wholesale Price Index (WPI)** settles down at 1.9% (y/y) in Nov'24, lower from 2.4% in previous month, mainly driven by cooling down of food prices. WPI numbers came in below our estimate of 2.67% due to lower than anticipated food prices in November.
- **Food WPI** saw sequential decline in November due to supply corrections in post monsoon phase, especially in vegetables and fruits. However, edible oil prices were higher on global pressures keeping the 'manufactured food inflation' elevated during the month.
- **Fuel WPI** remained in negative zone in Nov'24 (y/y) due to high base effect. However, sequential uptick was seen after consecutive decline for last three months due to volatility in global energy prices.
- **Core WPI** which reflects inflation excluding food and fuel, witnessed a mild y/y pick-up at 0.4% in Nov'24. Sequentially, core inflation remained unchanged from previous month as decline in commodity prices in global market was more than off-set by rupee depreciation.
- **China's producer Price Index** went into further deflation zone to clock at (-)2.50% in Nov'24. India WPI shows close co-relation with China PPI, showing the impact of global commodity price movement on manufacturing sector inflation in both India and China.
- **Going forward**, trends in WPI are largely driven by seasonal food price correction. However, edible oil prices are still suspected to add to food price pressures. Meanwhile, the subdued commodity prices are favourable from inflation perspective even as impact may be offset partly by Rupee depreciation. From a global perspective, geo-political tensions and the impact of Trump's policies and spillover on domestic macros especially via China dumping effects will be on watch.



**Chart 4. Core WPI inched up on Rupee depreciation effect even as commodity prices stay subdued**

% y/y	Aug-24	Sep-24	Oct-24	Nov-24
Core CPI	0.7	0.0	0.2	0.40
Basic Metals	-1.64	-3.15	-2.25	-1.14
Chemicals and Chemical Products	0.29	0.07	-0.22	0.07
Textiles	1.34	1.12	0.89	1.27
Fabricated Metal Products	-1.66	-2.15	-2.59	-2.87
Non-metallic minerals (cement etc)	-3.85	-3.41	-4.06	-2.97

Y/Y, %	Headline WPI	Food	Fuel	Core
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
Nov-24	1.89	9.1	-6.2	0.40

Source: Ministry of Commerce and UBI Research

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