09th June 2026

May’26 WPI set to rise as both core and food segments indicate a spurt during the month

Fig.1: Change in weights under new series

Major Group	Weights	
	2011-12 Series	2022-23 Series
Primary Articles	22.62	22.76
Fuel & Power	13.15	14.11
Manufactured items	64.23	63.13
Total	100	100

Fig.2: No. of items under new series

Major Group	No. of Items	
	2011-12 Series	2022-23 Series
Primary Articles	115	129
Fuel & Power	18	25
Manufactured items	564	803
Total	697	957

Fig 3: Table

%, y/y	India WPI	Food	Fuel	Core
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	-1.21	-5.01	-3.37	1.60
Nov-25	-0.32	-2.59	-3.24	1.80
Dec-25	0.83	0.00	-2.85	2.32
Jan-26	1.81	1.43	-4.64	3.81
Feb-26	2.13	1.82	-3.64	3.91
Mar-26	3.88	1.86	6.24	4.31
Apr-26	8.30	2.29	30.96	5.60
May-26 (P)*	10.57	4.99	30.78	8.36

Source: CEIC, Office of Economic Advisor and UBI Research

**We have attempted to project May’26 numbers on revised weights under new base of 2022-23 (available on the website of Office of Economic Advisor). Numbers till Apr’26 pertain to 2011-12 series.*

- The base year for Wholesale Price Index (WPI) will change to 2022-23 from May’26 data release. Revised weights available on the website of the Office of Economic Advisor show only minor changes in weights. The index numbers for FY24, FY25 and FY26 will also undergo change in the new series thus impacting FY27 WPI. We have attempted to project the May’26 WPI numbers on new weights.

- WPI inflation is seen accelerated to 10.57% in May 2026 from 8.30% in April and 0.13% in May’25. The rise in headline WPI was contributed by the heatwave induced jump in food inflation as well as elevated crude oil prices which fed into both food and core segment. Food WPI likely jumped from 2.29% to 4.99%, while core WPI likely accelerated to 8.36% from 5.60% in April. Fuel inflation is seen nearly flat at 30.78% from 30.96% in April.

- Food WPI is estimated at 4.99% in May vs. 2.29% last month as most of the food segments, especially vegetables have seen a sharp uptick in prices as heatwaves and hiked transportation costs add to the supply woes. Sequentially, food inflation is likely to have increased by 2.2% m/m. On a sequential basis, all food segments likely recorded an increase. Vegetables inflation is estimated to have spike by 15.2% m/m and 17.3% y/y. Yearly basis, pulses were down by 2.4% whereas spices & oils were up by 18.8% & 8.3% respectively.

- Fuel WPI y/y is estimated to be almost flat at 30.78% from last month’s 30.96% as crude oil prices were up about 2% m/m in rupee terms during the month. Y/y Inflation in crude petroleum likely has gone up to 72.3% from 67.2% last month, highest since November 2022. Inflation in mineral oils too went up to 43.4% (39.5% last month) while inflation in electricity probably jumped to 2.52%.

- Core WPI (excluding food and fuel) is projected to have shot up to 8.36% from 5.60% in the previous month, led by acceleration in global commodity prices due to West Asia crisis coupled with rupee depreciation. Inventory costs for manufacturers are going up across sectors as a consequence which have negatively impacted the core segment at large. All sub-components of core WPI are estimated to have registered increases during the month.

- A comparison with China’s Producer Price Index (PPI) suggests continued co-movement between the two indicators. China’s PPI has moved up sharply from 0.50% in March to 2.8% in April and is expected to go up further to 3.8% in May. India’s WPI too has spiked from 3.88% in March to 8.3% in April and is projected to clock 10.57% in May.

- Recent inflation developments pose significant upside risk to our WPI forecast for FY27 of close to 10%. Any further increase in crude prices could impart additional upside risks to inflation. Notwithstanding the methodological changes associated with the new WPI series, the wholesale inflation landscape points to strengthening cost pressures and a widening divergence with retail inflation. The persistence of elevated input costs suggests that inflation risks remain skewed to the upside.

Fig 4: WPI likely clocked 45 month high of 10.57% in May’26 vis-à-vis 8.3% in April’26; (%, y/y)

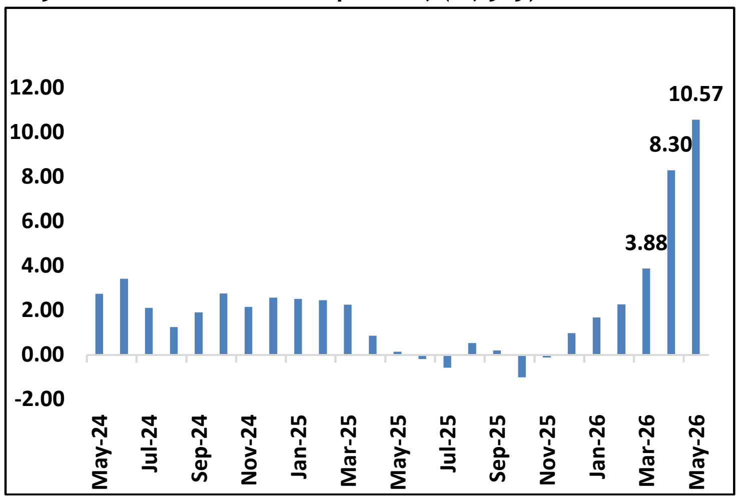


Fig 5: India WPI continues to harden closely following the trend in China PPI; (%, y/y)

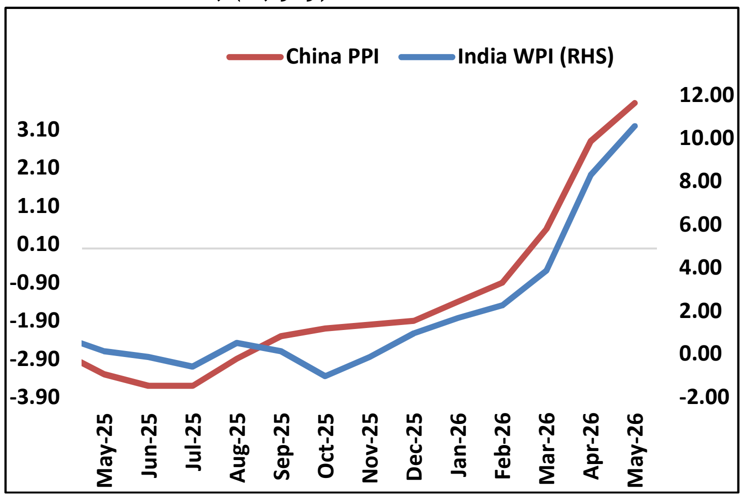
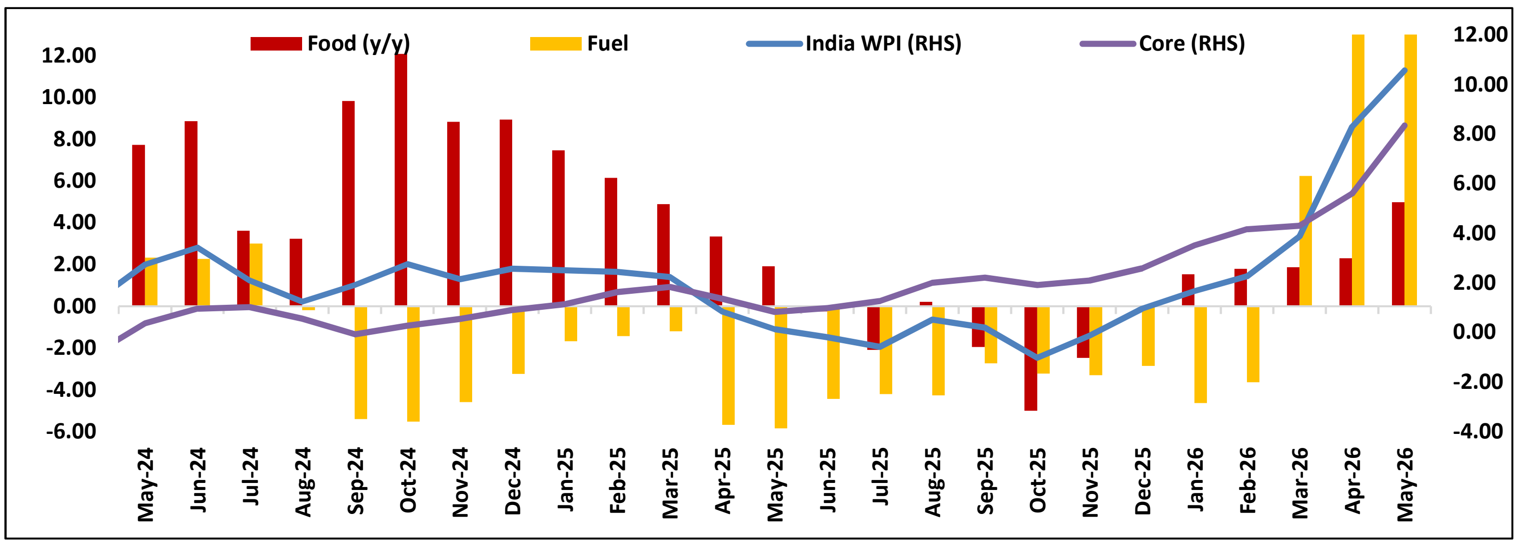


Fig 6: WPI likely spiked in May’26 led by jump in food and core inflation even as fuel WPI remains almost flat; (%,y/y)



Source: CEIC, Office of Economic Advisor and UBI Research

Note: Figures for May’26 India WPI are our projections; China PPI for May’26 is market estimate

By:

Kanika Pasricha
kanika.pasricha@unionbankofindia.bank.in

Nidhi Arora
nidhiarora@unionbankofindia.bank.in

Banking Research Team	
Kanika Pasricha **Chief Economic Advisor**	**kanika.pasricha@unionbankofindia.bank**
Suneesh K	suneeshk@unionbankofindia.bank
Nidhi Arora	nidhiarora@unionbankofindia.bank
Rajesh Ranjan	rajeshranjan@unionbankofindia.bank
Amit Srivastava	asrivastava@unionbankofindia.bank
Jovana Luke George	jovana.george@unionbankofindia.bank
Dhiraj Kumar	dhirajkumar@unionbankofindia.bank
Akash Deb	akash510@unionbankofindia.bank
Rohit Yarmal	rohitdigambar@unionbankofindia.bank
Shreyas Bidarkar	shreyas.bidarkar@unionbankofindia.bank