

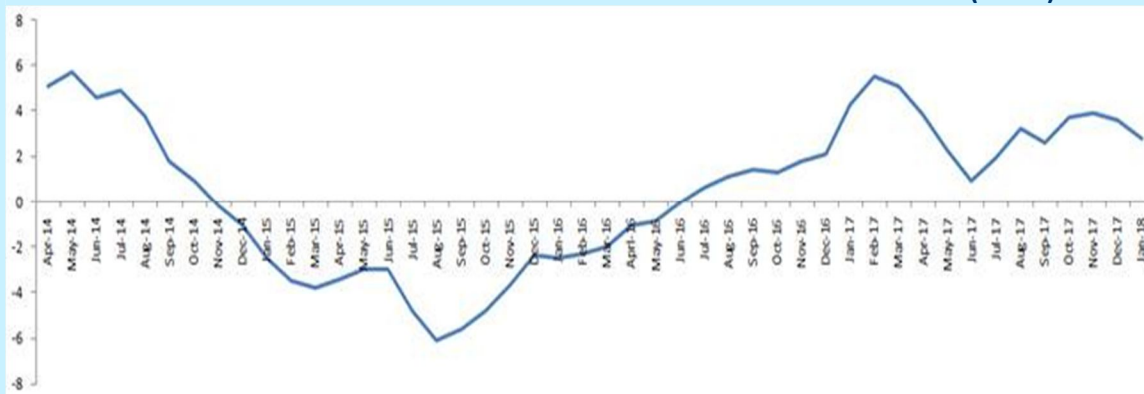
## January 2018 WPI inflation stands at 2.8%

The WPI inflation stands at 2.8% in January 2018 as compared to 3.6% in December 2017, 4.02% in November 2017, 3.7% in October 2017, 3.14% in September 2017 and 3.24% in August 2017. The decline in WPI inflation in the month of January 2018 is attributed to fall in the prices of food articles (3%), vegetables (40.77%), fruits (8.49%), LPG (19.89%) and petrol (1.21%).

Driven by fall in the prices of food articles, vegetables, fruits, LPG and petrol, WPI inflation stands at 2.8% in **January 2018** as compared 3.6% in December 2017. The official Wholesale Price Index for 'All Commodities' (Base: 2011-12=100) for the month of January, 2018 rose by 0.1 % to 115.8 (provisional) from 115.7 (provisional) for the previous month.

### Trend in WPI Inflation

(Y-O-Y) %



Source: PHD Research Bureau, compiled from the office of the Economic Advisor to the Govt. of India

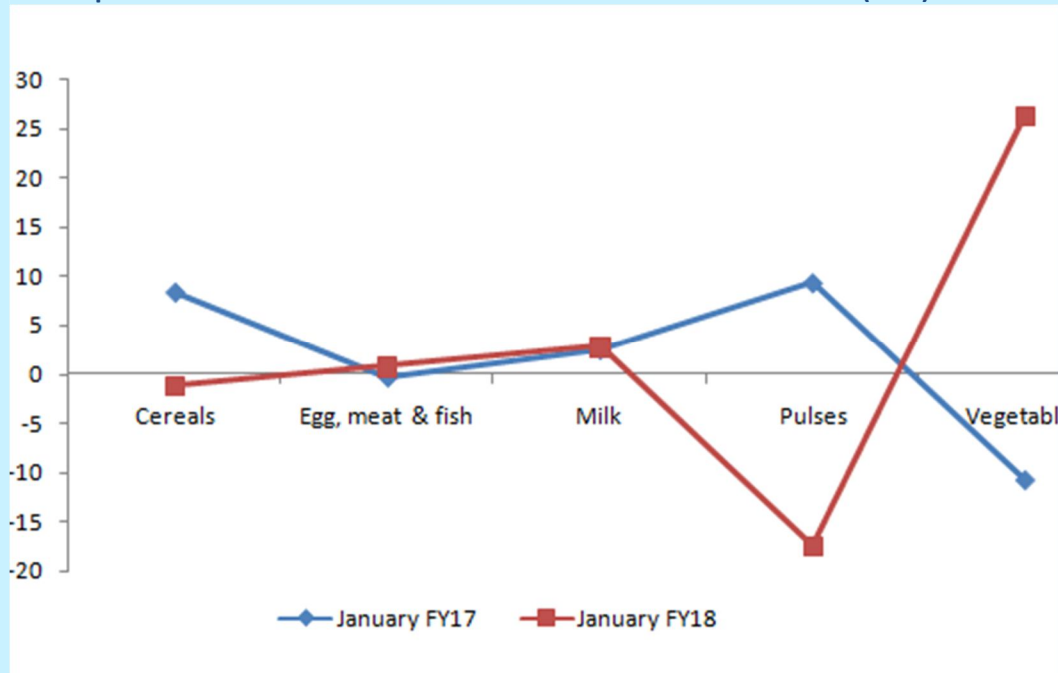
### WPI inflation in select commodities (Base year: 2011-12)

Commodity		WPI Inflation Y-o-Y % growth		
		Nov'17	Dec'17	Jan'18
1	All Commodities	4.02	3.58	2.84
2	Primary Articles	5.59	3.86	2.37
3	Food Articles	6.41	4.72	3.00
4	Cereals	-2.13	-3.00	-1.98
5	Vegetables	59.87	56.46	40.77
6	Non-food Articles	-0.51	-0.34	-1.23
7	Fuel & Power	8.36	9.16	4.08
8	Petrol	11.25	8.80	1.21
9	Manufactured Products	2.70	2.61	2.78
10	Sugar	4.17	0.89	-5.70

Source: PHD Research Bureau, compiled from the office of the Economic Advisor to the Govt. of India

Build up inflation rate in the financial year so far was 2.30% compared to a build up rate of 4.55% in the corresponding period of the previous year.

### Build up in inflation from March in select food commodities (in %)



Source: PHD Research Bureau, compiled from the office of the Economic Advisor to the Govt. of India

### Manufacturing inflation stands at 2.78% (weight 64.23 %)

The WPI inflation for manufactured products grows at 2.78% for January 2018 as against 2.61% for December 2017. The index for this major group rose by 0.6 % to 114.7 (provisional) from 114.0 (provisional) for the previous month.

### Trend in WPI inflation in manufactured products (in %)



Source: PHD Research Bureau, compiled from the office of the Economic Advisor to the Govt. of India

### Food inflation stands at 3% (Weight 15.26%)

Food inflation stands at 3% in January 2018 as against 4.72% in December 2017. The index for 'Food Articles' group declined by 2.4 % to 140.6 (provisional) from 144.1 (provisional) for the previous month due to lower price of gram and fruits & vegetables (10% each), urad and ragi (5% each), masur, rajma and jowar (3% each), bajra (2%) and maize, barley, poultry chicken and peas/chawali (1% each). However, the price of betel leaves (4%), fish-inland, egg, condiments & spices and arhar (2% each) and moong, paddy, fish-marine, sugarcane and wheat (1% each) moved up.

**Non-food articles inflation stands at (-)1.23% (weight 4.12%)**

Non-food articles inflation for the month of January 2018 stands at (-)1.23% as against (-)0.34% in December 2017. The index for 'Non-Food Articles' group rose by 1.4 % to 120.7 (provisional) from 119.0 (provisional) for the previous month due to higher price of raw wool (15%), guar seed (10%), soyabean (9%), raw silk and hides (raw) (6% each), safflower (kardi seed) (4%), raw jute, gingelly seed, raw cotton and copra (coconut) (3% each) and coir fibre (1%). However, the price of castor seed and mesta (5% each), raw rubber and floriculture (3% each) and linseed, niger seed and cotton seed (1% each) declined.

**Fuel & power inflation stands at 4.08% (weight 13.15%)**

Fuel & power inflation for the month of January 2018 stands at 4.08% as against 9.16% in December 2017. The index for this major group rose by 0.4 % to 96.9 (provisional) from 96.5 (provisional) for the previous month. The index for 'Coal' group rose by 2.4 % to 121.1 (provisional) from 118.3 (provisional) for the previous month due to higher price of non-coking coal (6%). However, the price of coking coal (3%) declined. The index for 'Mineral Oils' group rose by 1.4 % to 88.2 (provisional) from 87.0 (provisional) for the previous month due to higher price of HSD(3%), kerosene (2%) and furnace oil, bitumen, petrol, naphtha and ATF (1% each). However, the price of petroleum coke (2%) and LPG (1%) declined. The index for 'Electricity' group declined by 3.5 % to 102.4 (provisional) from 106.1 (provisional) for the previous month due to lower price of electricity (4%).

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**Warm regards,**

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