

August 2016 WPI inflation stands at 3.74%

The WPI inflation increased to 3.74% in August 2016 from 3.55% in July 2016, 2.12% in June 2016, 1.24% in May 2016, 0.79% in April 2016 and (-)0.45% in March 2016. The increase in WPI inflation in the month of August 2016 is attributed to increase in the prices of potato (66.72), sugar (35.36%) and food product(11.35%).

Driven by the increase in the prices of pulses, sugar and food product, inflation increased to 3.74% (Y-O-Y) in August 2016 as compared to 3.55% (Y-O-Y) for the month of July 2016. The Index for Wholesale Prices for the month of August 2016 declined by 0.4% to 183.1 (provisional) from 183.9 (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

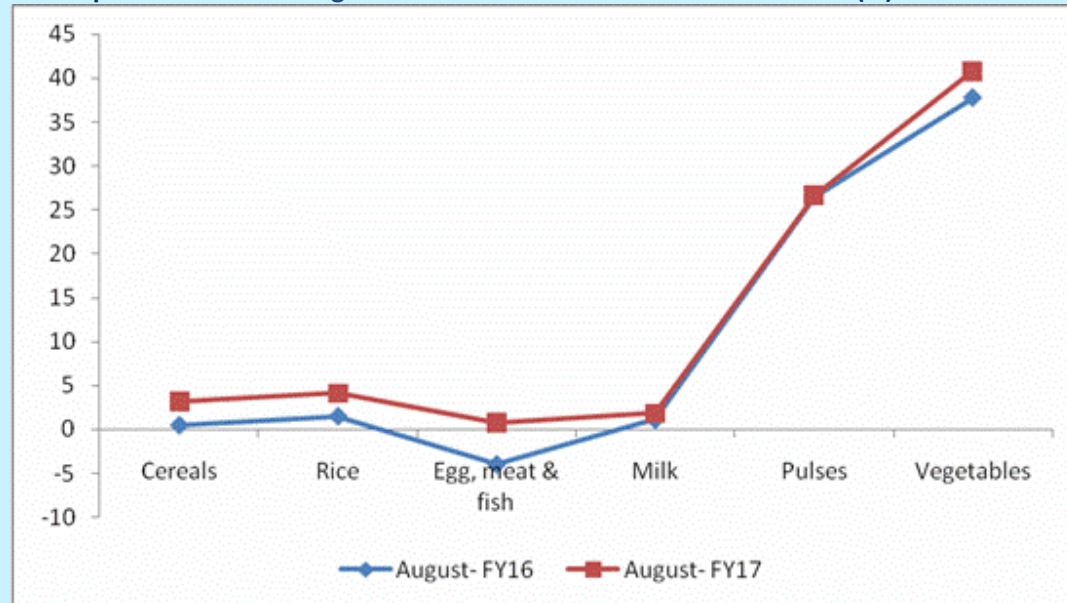
WPI inflation in select commodities

Commodity		WPI Inflation Y-o-Y % growth		
		June'16	July'16	August'16
1	All Commodities	2.12	3.55	3.74
2	Primary Articles	6.58	9.38	7.47
3	Food Articles	8.57	11.82	8.23
4	Cereals	7.84	7.03	7.23
5	Vegetables	17.18	28.05	0.17
6	Non-food Articles	6.04	9.49	8.44
7	Fuel & Power	-2.84	(-) 1.00	1.62
8	Petrol	-8.74	(-) 10.30	-8.65
9	Manufactured Products	1.30	1.82	2.42
10	Sugar	26.40	32.33	35.36
11	Edible oils	3.55	4.18	5.56
12	Cement & Lime	0.92	3.29	3.21

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 is 4.45% compared to a build up rate of 0.23% in the corresponding period of the previous year.

Build up in inflation from August in select food commodities (%)

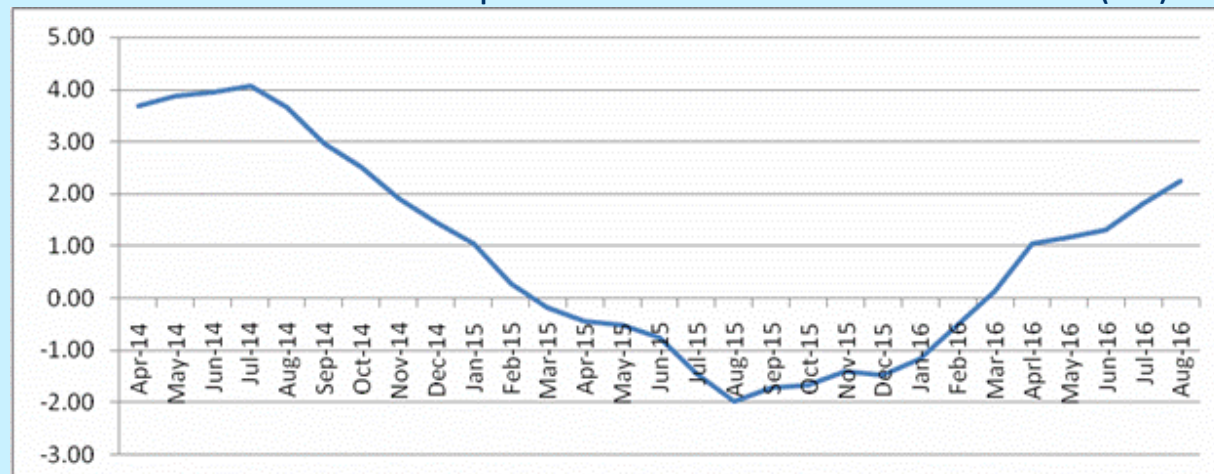


Source: PHD Research Bureau, compiled from the office of the Economic Advisor, Govt. of India

Manufacturing inflation stands at 2.42% (weight 64.97%)

The WPI inflation for manufactured products stands at 2.42% for the month of August 2016 as against 1.82% for the month of July 2016. The index for this major group rose by 0.2% to 156.7 (provisional) from 156.4 (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

Food inflation at 8.23% (Weight 14.34%)

Food inflation for the month of August stands at 8.23% as against 11.82% in July 2016. The index for Food Articles group declined by 0.6% to 284.2 (provisional) from 285.8.0 (provisional) for the previous month due to lower of poultry chicken and urad (6% each), moong (5%), arhar and fruits & vegetables (4% each), tea (3%), maize and egg (2% each) and masur (1%). However, the price of gram (8%), mutton (5%), condiments & spices (3%), fish-inland (2 %) and wheat, coffee, fish-marine and barley (1% each) moved up.

Non-food articles inflation at 8.4% (weight 4.26%)

The index for 'Non-Food Articles' group declined by 0.1 % to 236.3 (provisional) from 236.6 (provisional) for the previous month due to lower price of hides (raw) (30%), raw jute (20%), fodder (6%), mesta (5%), raw rubber and niger seed (3% each), soyabean (2%) and cotton seed, sunflower, skins(raw) and coir fibre (1% each). However, the price of flowers (16%), gingelly seed (12%), copra (coconut) (7%), guar seed (5%), linseed and rape & mustard seed (3% each), castor seed (2%) and safflower (kardi seed), raw cotton, groundnut seed and raw wool (1% each) moved up.

Fuel & power inflation stands at 1.6% (weight 14.91%)

The index for this major group declined by 3.0 percent to 182.2 (provisional) from 187.9 (provisional) for the previous month due to lower price of high speed diesel (6%), aviation turbine fuel (5%), petrol and furnace oil (4% each), LPG, kerosene, and bitumen (1% each).

Warm regards,

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