

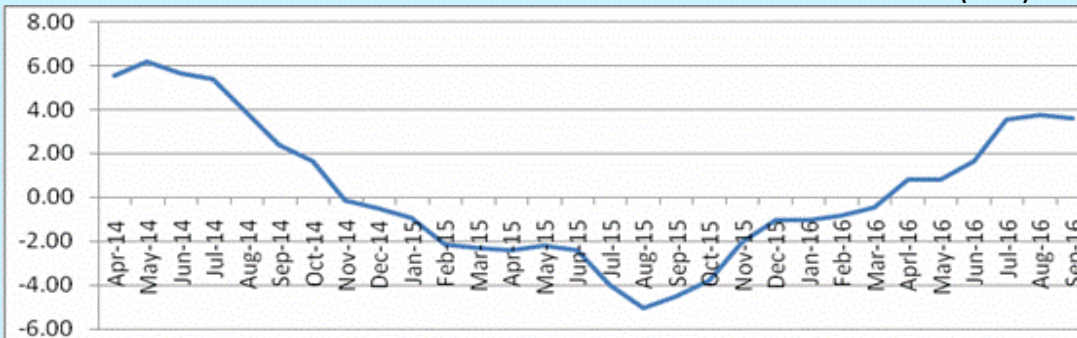
September 2016 WPI inflation stands at 3.57%

The WPI inflation stands at 3.57% in September 2016, 3.74% in August 2016, 3.72% in July 2016, 2.12% in June 2016 1.24% in May 2016 and 0.79% in April 2016. The decline in WPI inflation in the month of September 2016 is attributed to fall in the prices of rice (4.66%), wheat (7.01%) and pulses (23.9%).

Driven by the fall in the prices of rice, wheat, pulses, non-food articles including fibres (18.74%), Oil Seeds(2.16%), WPI inflation stands at 3.57% in September 2016 as compared to 3.74% (Y-O-Y) in August 2016. The index for this major group declined by 0.2% to 182.8 (provisional) from 183.1 (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

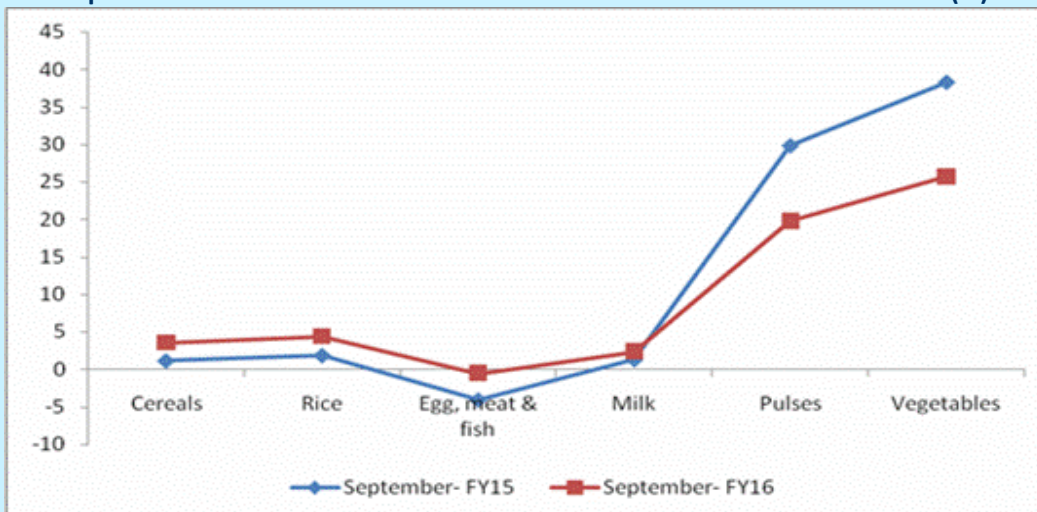
WPI inflation in select commodities

Commodity	WPI Inflation Y-o-Y % growth		
	July'16	August'16	September'16
1 All Commodities	3.72	3.74	3.57
2 Primary Articles	9.74	7.47	4.76
3 Food Articles	12.60	8.23	5.75
4 Cereals	9.19	7.23	6.84
5 Vegetables	28.45	0.17	-10.91
6 Non-food Articles	9.53	8.44	4.49
7 Fuel & Power	(-) 1.00	1.62	5.58
8 Petrol	(-) 10.30	-8.65	1.25
9 Manufactured Products	1.95	2.42	2.48
10 Sugar	32.96	35.36	32.92
11 Edible oils	4.92	5.56	5.87
12 Cement & Lime	4.23	3.21	1.49

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 4.28% compared to a build up rate of 0.23% in the corresponding period of the previous year.

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

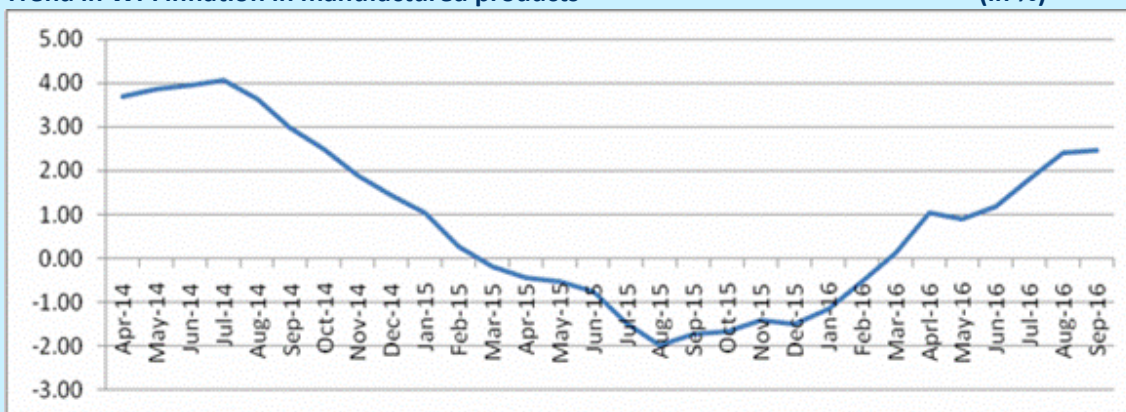


Source: PHD Research Bureau, compiled from the office of the Economic Advisor, Govt. of India

Manufacturing inflation stands at 2.48% (weight 64.97%)

The WPI inflation for manufactured products stands at 2.48% for the month of September 2016 as against 2.42% for the month of August 2016. The index for this major group rose by 0.3% to 157.1 (provisional) from 156.7 (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 5.75% (Weight 14.34%)

Food inflation for the month of September 2016 stands at 5.75% as against 8.23% in August 2016. The index for Food Articles group declined by 1.6 % to 279.6 (provisional) from 284.2 (provisional) for the previous month due to lower price of urad (12%), arhar, moong and poultry chicken (8% each), masur (5%), fruits & vegetables (4%), mutton and bajra (3% each), fish-marine and gram (2% each) and condiments & spices, barley and egg (1% each). However, the price of fish-inland and

tea (2% each) and jowar, coffee, ragi, wheat and milk (1% each) moved up.

Non-food articles inflation at 4.49% (weight 4.26%)

Non-food articles inflation for the month of September 2016 stands at 4.49% as against 8.44% in August 2016. The index for Non-Food Articles group declined by 2.5 % to 230.3 (provisional) from 236.3 (provisional) for the previous month due to lower price of raw rubber (13%), groundnut seed (6%), soyabean, raw cotton and mesta (5% each), flowers (4%), guar seed, raw jute and gingelly seed (2% each) and hides (raw) and linseed (1% each). However, the price of raw silk (7%), sunflower (6%), copra (coconut), castor seed and coir fibre (2% each) and safflower (kardi seed) (1%) moved up.

Fuel & power inflation stands at 5.58% (weight 14.91%)

Fuel & power inflation for the month of September 2016 stands at 5.58% as against 1.62% in August 2016. The index for this major group rose by 1.8 % to 185.4 (provisional) from 182.2 (provisional) for the previous month due to higher price of furnace oil and petrol (6% each), high speed diesel (3%), kerosene (2%) and bitumen (1%). However, the price of aviation turbine fuel (5%) declined.

Warm regards,

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