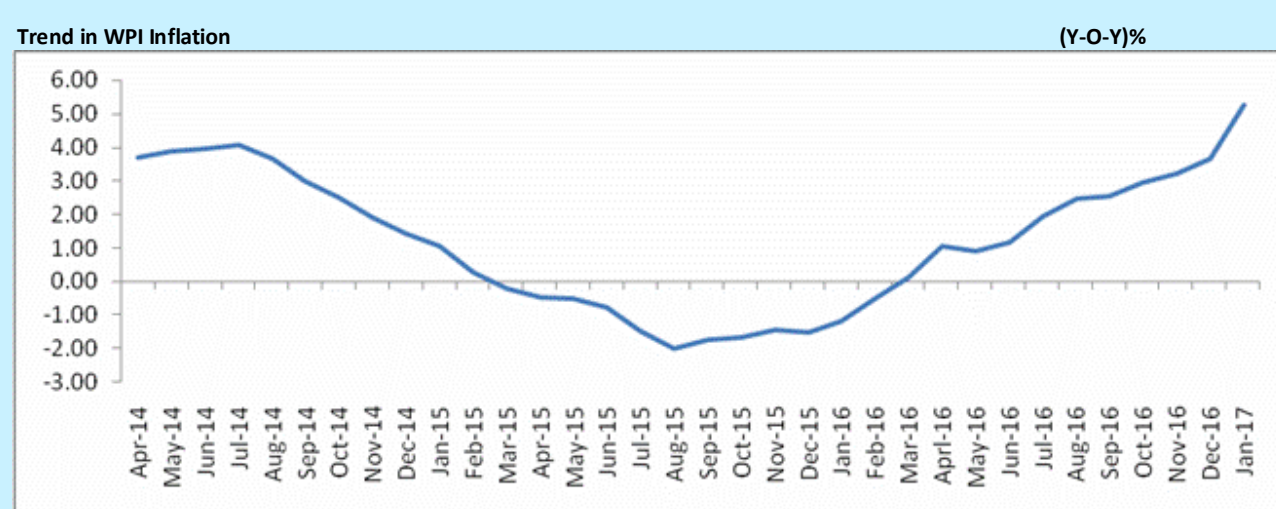


January 2017 WPI inflation stands at 5.25%

The WPI inflation stands at 5.25% in January 2017 compared to 3.39% in December 2016, 3.15% in November 2016, 3.79% in October 2016, 3.8% in September 2016, and 3.85% in August 2016. The increase in WPI inflation in the month of January 2017 is attributed to increase in the prices of fruits (3.58%), fibers (15.18%), sugar (22.83%), fuel and power (14.91%), etc.

Driven by the increase in the prices of fruits, fibers, sugar, fuel and power, WPI inflation stands at 5.25% in January 2017 as compared to 3.39% in December 2016. The index for this major group declined by 0.2 percent to 255.7 (provisional) from 256.3 (provisional) for the previous month.



Source: PHD Research Bureau, compiled from the office of the economic advisor to the Govt. of India

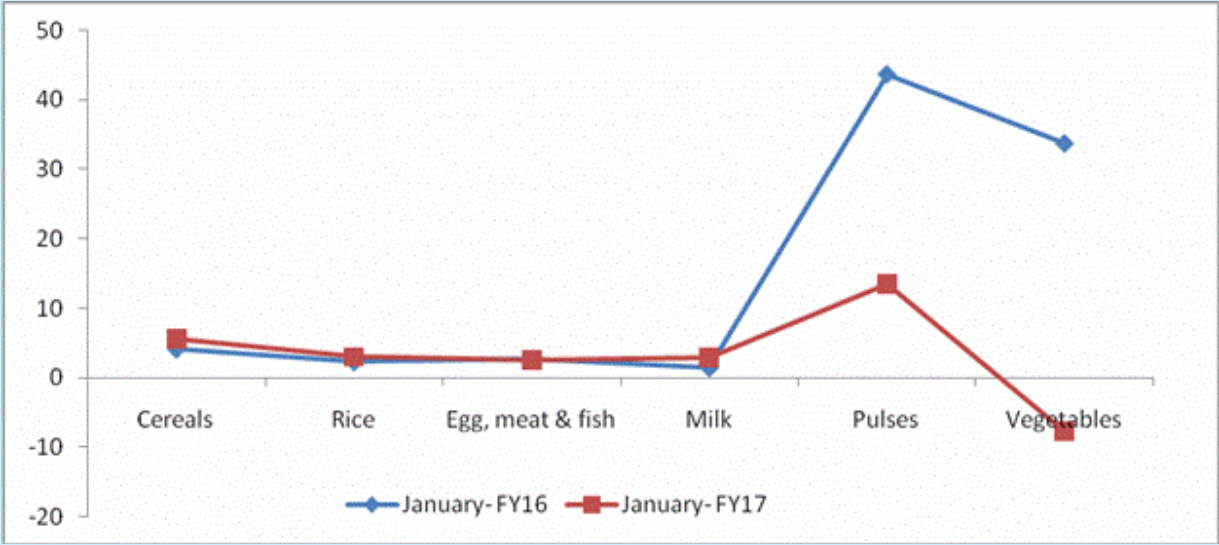
WPI inflation in select commodities

Commodity	WPI Inflation Y-o-Y % growth		
	November'16	December'16	January'17
1 All Commodities	3.15	3.39	5.25
2 Primary Articles	1.25	0.27	1.27
3 Food Articles	1.54	-0.70	-0.56
4 Cereals	7.32	7.49	5.94
5 Vegetables	-24.10	-33.11	-32.32
6 Non-food Articles	-0.14	0.62	1.98
7 Fuel & Power	7.07	8.65	18.14
8 Petrol	5.54	8.52	15.66
9 Manufactured Products	3.20	3.67	3.99
10 Sugar	31.76	28.04	22.83
11 Edible oils	3.98	4.87	6.25
12 Cement & Lime	0.17	0.11	0.46

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 5.31% compared to a build up rate of -0.40% in the corresponding period of the previous year.

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

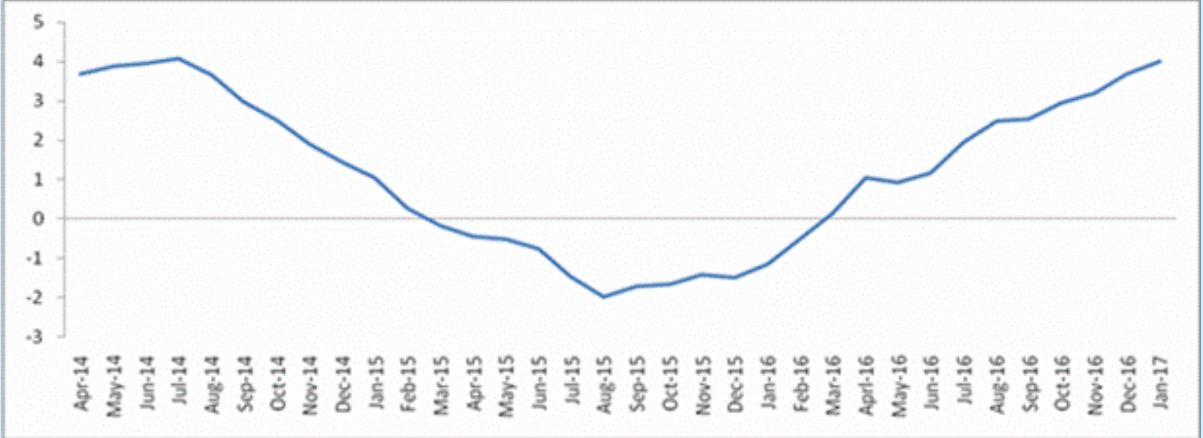


Source: PHD Research Bureau, compiled from the office of the Economic Advisor, Govt. of India

Manufacturing inflation stands at 3.99% (weight 64.97%)

The WPI inflation for manufactured products stands at 3.99% for January 2017 as against 3.67% for the month of December 2016. The index for this major group rose by 0.5 percent to 158.8 (provisional) from 158.0 (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

Food inflation at (-)0.56% (Weight 14.34%)

Food inflation for the month of January 2017 stands at -0.56% as against (-)0.70% in December 2016. The index for 'Food Articles' group declined by 1.1 percent to 267.2 (provisional) from 270.1 (provisional) for the previous month due to lower price of arhar (15%), gram (14%), masur (7%), urad (6%), moong (4%), egg (3%), fruits & vegetables (2%) and tea, rice, bajra and wheat (1% each). However, the price of jowar (5%), ragi and poultry chicken (4 % each), fish-inland and condiments & spices (2% each) and maize, pork, fish-marine and beef & buffalo meat (1% each) moved up.

Non-food articles inflation at 1.98% (weight 4.26%)

Non-food articles inflation for the month of January 2017 stands at 1.98% as against 0.62% in December 2016. The index for 'Non-Food Articles' group rose by 2.5 percent to 231.3 (provisional) from 225.6 (provisional) for the previous month due to higher price of

flowers (23%), raw rubber (10%), copra (coconut) and raw cotton (7% each), raw silk (6%), sunflower (5%), castor seed and safflower (kardi seed) (3% each) and soyabean (2%). However, the price of mesta (19 %), gingelly seed (4%), cotton seed (3%), linseed, coir fibre, rape & mustard seed and niger seed (2% each) and raw wool and hides(raw) (1% each) declined.

Fuel & power inflation stands at 18.14% (weight 14.91%)

Fuel & power inflation for the month of January 2017 stands at 18.14% as against 8.65% in December 2016. The index for this major group rose by 4.7 percent to 201.2 (provisional) from 192.1 (provisional) for the previous month due to higher price of coking coal (84%), aviation turbine fuel (10%), furnace oil (8%), high speed diesel and petrol (5 % each), bitumen (3%) and kerosene (2%).

Please contact for any query related to this mail to Ms. Surbhi Sharma, Sr. Research Officer at surbhi@phdcci.in with a cc to Dr. S P Sharma, Chief Economist, PHD Chamber of Commerce & Industry.

Warm regards,

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