



PHD Research Bureau
PHD Chamber of Commerce and Industry



CPI Inflation softens to 5 % in September 2023

The Consumer Price Index (CPI) inflation has softened to 5.02% in September 2023 as compared with 6.83% in August 2023. The fall in CPI inflation is majorly caused by reduction in the inflation rate of food and beverages (from 9.19% in August 2023 to 6.3% in September 2023), fuel and light (from 4.31% in August 2023 to -0.11% in September 2023), and housing (from 4.38% August 2023 to 3.95% September 2023).

The rural CPI inflation has reduced to 5.33% in September 2023 as compared with 7.02% in August 2023. The urban CPI inflation has fallen to 4.65% in September 2023 as compared with 6.59% in August 2023.

All India sequential inflation rates (%) based on CPI (General) and CFPI: September 2023 over August 2023							
		September 2023			August 2023		
		Rural	Urban	Combd	Rural	Urban	Combd
Inflation	CPI (General)	5.33	4.65	5.02	7.02	6.59	6.83
	CFPI	6.65	6.35	6.56	9.67	10.42	9.94

Source: PHD Research Bureau, compiled from MoSPI

The combined Year-on-Year (Y-o-Y) growth in rural CPI inflation in September 2023 is 5.33% as compared with 7.56% in September 2022. The combined Year-on-Year (Y-o-Y) growth in urban CPI inflation in September 2023 is 4.65% as compared with 7.27% in September 2022.

All India year-on-year inflation rates (%) based on CPI (General) and CFPI: September 2023 over September 2022							
		September 2023			September 2022		
		Rural	Urban	Combd	Rural	Urban	Combd
Inflation	CPI (General)	5.33	4.65	5.02	7.56	7.27	7.41
	CFPI	6.65	6.35	6.56	8.53	8.77	8.60

Source: PHD Research Bureau, compiled from MoSPI

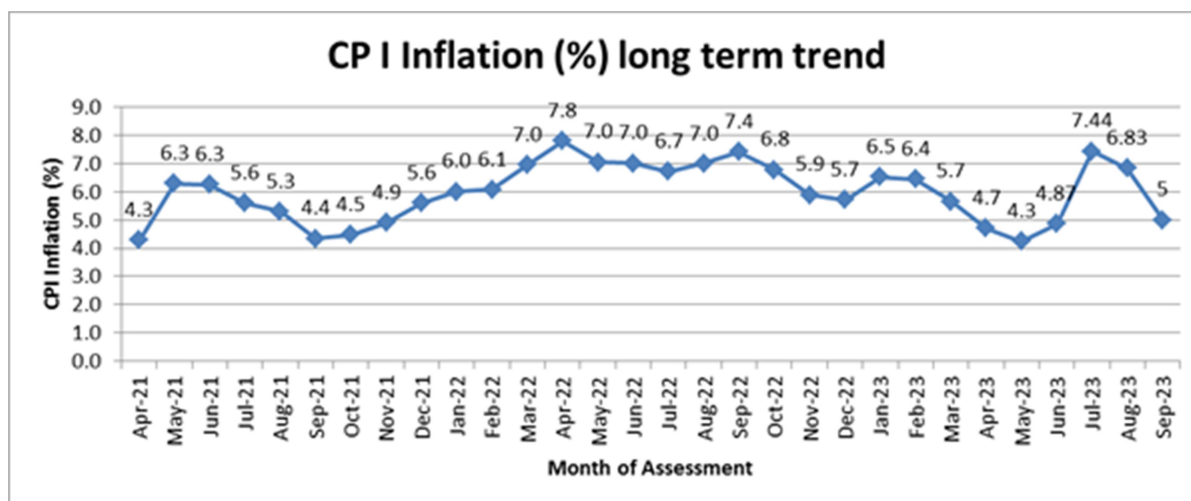
The all-India CPI and year-on-year inflation (%) for September 2023 for rural, urban and combined are given as follows:

All India Consumer Price Indices and year-on-year Inflation rates (%) for September, 2023 (Provisional)						
Category	Rural		Urban		Combined	
	September, 2023 Index	Inflation Rate (%)	September, 2023 Index	Inflation Rate (%)	September, 2023 Index	Inflation Rate (%)
Food and Beverages	186.6	6.32	193.0	6.16	189.0	6.30
Pan, tobacco and intoxicants	202.2	3.96	207.2	3.76	203.5	3.88
Clothing and Footwear	192.8	4.50	181.2	4.74	188.2	4.61
Housing	-	-	176.2	3.95	176.2	3.95
Fuel and Light	181.6	1.06	175.5	-2.06	179.3	-0.11
Miscellaneous	181.6	4.91	173.7	4.58	177.8	4.77
General Index (All Groups)	185.8	5.33	182.2	4.65	184.1	5.02

Source: PHD Research Bureau, compiled from MoSPI (Housing CPI inflation for rural not calculated) by MoSPI

The long term trend in the CPI inflation (%) as observed since April 2021 is depicted in Figure 1. India observed a decline in its CPI Inflation from May 2021 (6.3%) till September 2021 (4.3%) after which it observed an increase. It reached its peak in April 2022 of 7.8% after which the values of CPI inflation have observed a decline thereafter reaching 7.4% in July 2023 and the value of CPI inflation in August 2023 was 6.8%. Presently the value stands at 5.0%, which is a decline from the previous month.

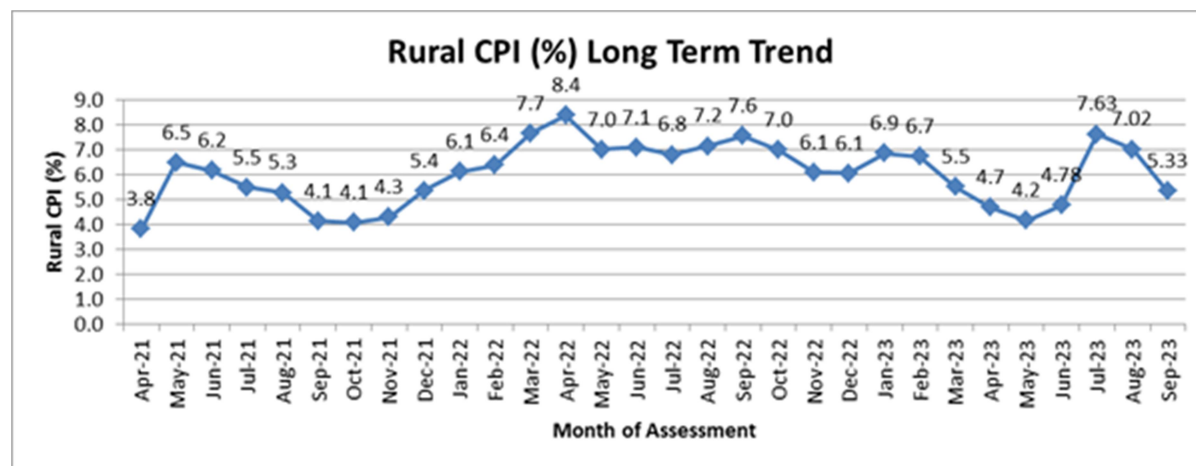
Figure 1: long term trend in the CPI inflation (%)



Source: PHD Research Bureau, compiled from MoSPI

The long term trend in Rural CPI inflation (%) as observed from April 2021 is depicted in Figure 2. India observed a decline in the Rural CPI from May 2021 from 6.5 to 4.1 in September 2021. The rural CPI rose from November 2021 and reached its peak value of 8.4 in April 2022 thereafter declining and observing a minimum of 4.7 in April 2023. The rural inflation declined from 7.02% in August 2023 to 5.33% in September 2023.

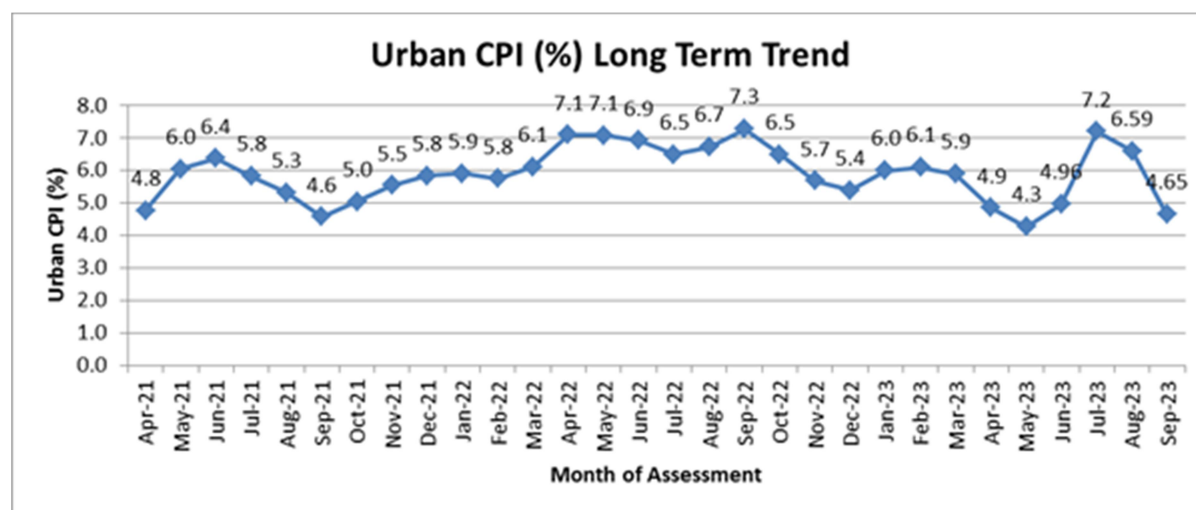
Figure 2: long term trend in the Rural CPI inflation (%)



Source: PHD Research Bureau, compiled from MoSPI

The long term trend in urban CPI (%) as observed from April 2021 is depicted in Figure 3. The Urban CPI started declining from 6.4 in June 2021 to 4.6 in September 2021. The urban CPI rose again and reached 7.1 in April 2022 and attained a maximum of 7.3 in September 2022. The urban CPI increased to 7.20% in July 2023 and declined to 6.59% in August 2023. Presently, the value stands at 4.65% in September 2023.

Figure 3: long term trend in the Urban CPI inflation (%)

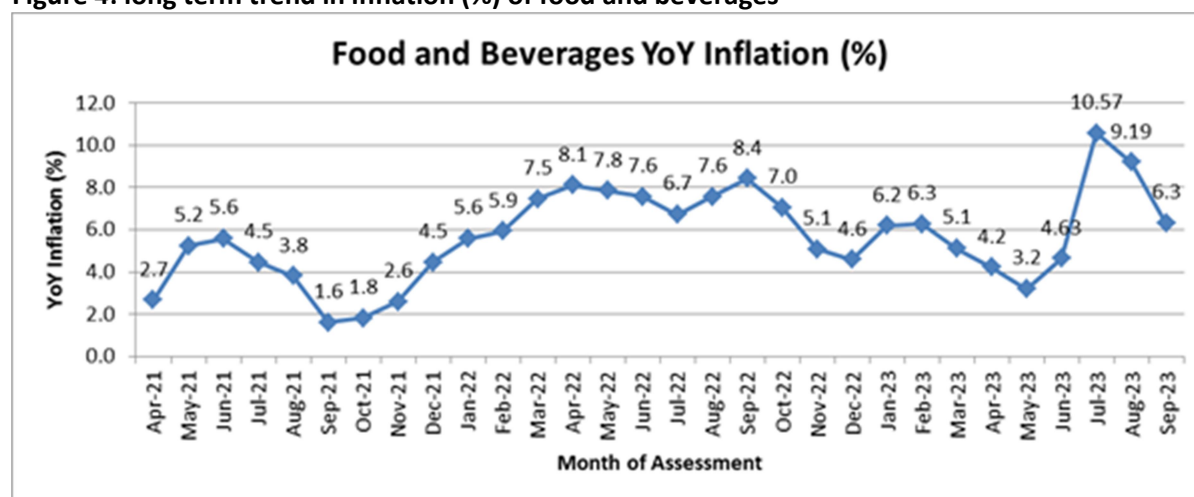


Source: PHD Research Bureau, compiled from MoSPI

The long term trend in the inflation of food and beverages as observed from April 2021 is depicted in Figure 4. The YoY inflation declined from 5.6% in May 2021 to its minimum value of 1.6% in September 2021 after which it started increasing. It reached its maximum value of 8.4% in September

2022 thereafter declining to 4.6% in December 2022. The YoY inflation value rose again to reach 6.3% in February 2023. It declined to 9.19% in August and presently it stands at 6.3% in September 2023.

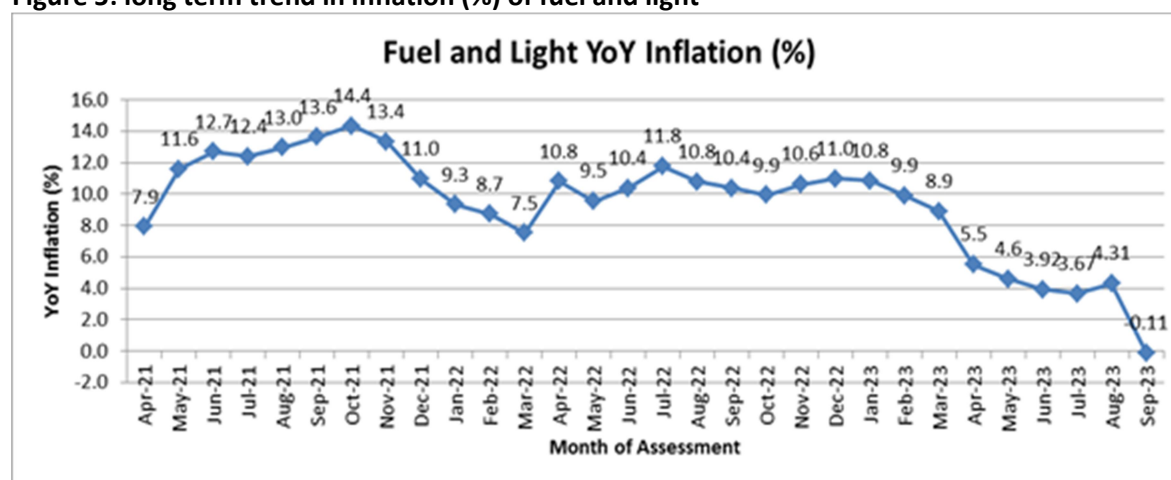
Figure 4: long term trend in inflation (%) of food and beverages



Source: PHD Research Bureau, compiled from MoSPI

The long term trend of inflation of Fuel and Light as observed from April 2021 is depicted in Figure 5. The value rose to 14.4% in October 2021 after rising from 7.9% in April 2021. It declined thereafter, reaching a value of 7.5% in March 2022. The value rose again in August 2023 to 4.31%. Presently, the September 2023 value of inflation of fuel and light is -0.11%.

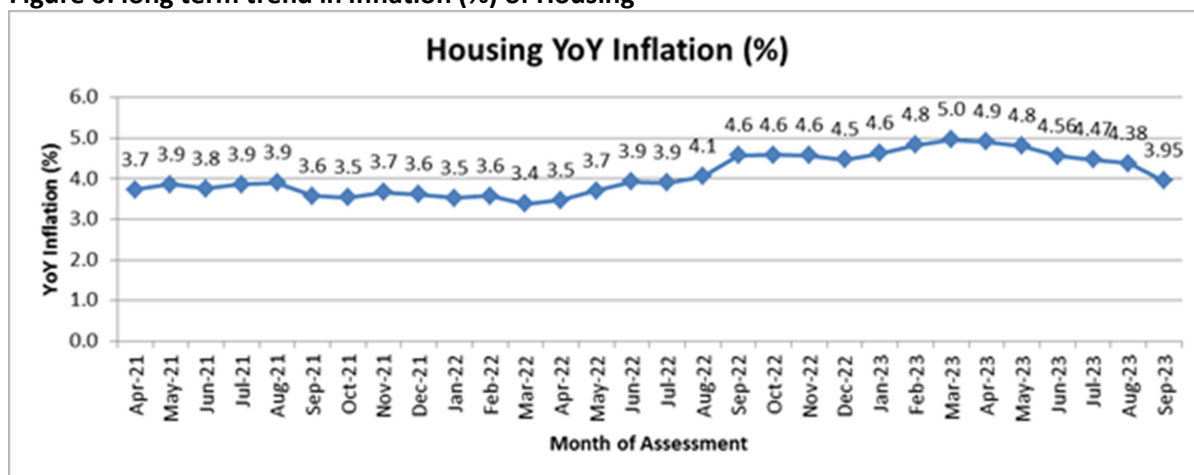
Figure 5: long term trend in inflation (%) of fuel and light



Source: PHD Research Bureau, compiled from MoSPI

The long term trend in YoY inflation of housing is depicted in Figure 6. The values have remained fairly constant over the period observing a growth to 4.6 in September 2022 and reaching a maximum value of 5 in March 2023. The value declined slightly in August 2023 to 4.38%. Presently, September 2023 saw the housing inflation value to 3.95%.

Figure 6: long term trend in inflation (%) of Housing



Source: PHD Research Bureau, compiled from MoSPI

Annexure

Month	CPI (%)	Rural CPI (%)	Urban CPI (%)	Food and Beverages (%)	Fuel and Light (%)	Housing (%)
Apr-21	4.3	3.8	4.8	2.7	7.9	3.7
May-21	6.3	6.5	6.0	5.2	11.6	3.9
Jun-21	6.3	6.2	6.4	5.6	12.7	3.8
Jul-21	5.6	5.5	5.8	4.5	12.4	3.9
Aug-21	5.3	5.3	5.3	3.8	13.0	3.9
Sep-21	4.4	4.1	4.6	1.6	13.6	3.6
Oct-21	4.5	4.1	5.0	1.8	14.4	3.5
Nov-21	4.9	4.3	5.5	2.6	13.4	3.7
Dec-21	5.6	5.4	5.8	4.5	11.0	3.6
Jan-22	6.0	6.1	5.9	5.6	9.3	3.5
Feb-22	6.1	6.4	5.8	5.9	8.7	3.6
Mar-22	7.0	7.7	6.1	7.5	7.5	3.4
Apr-22	7.8	8.4	7.1	8.1	10.8	3.5
May-22	7.0	7.0	7.1	7.8	9.5	3.7
Jun-22	7.0	7.1	6.9	7.6	10.4	3.9
Jul-22	6.7	6.8	6.5	6.7	11.8	3.9

Aug-22	7.0	7.2	6.7	7.6	10.8	4.1
Sep-22	7.4	7.6	7.3	8.4	10.4	4.6
Oct-22	6.8	7.0	6.5	7.0	9.9	4.6
Nov-22	5.9	6.1	5.7	5.1	10.6	4.6
Dec-22	5.7	6.1	5.4	4.6	11.0	4.5
Jan-23	6.5	6.9	6.0	6.2	10.8	4.6
Feb-23	6.4	6.7	6.1	6.3	9.9	4.8
Mar-23	5.7	5.5	5.9	5.1	8.9	5.0
Apr-23	4.7	4.7	4.9	4.2	5.5	4.9
May-23	4.3	4.2	4.3	3.2	4.6	4.8
June-23	4.8	4.7	4.9	4.6	3.9	4.6
July-23	7.4	7.6	7.4	10.6	3.7	4.5
Aug-23	6.83	7.02	6.59	9.19	4.31	4.38
Sep-23	5.00	5.33	4.65	6.3	-0.11	3.95

Source: PHD Research Bureau, compiled from MoSPI

In a nutshell, the Consumer Price Index (CPI) inflation has reduced to 5% in September 2023 as compared with 6.83 % in August 2023. The CPI inflation for rural and urban for the month of August 2023 was 7.02% and 6.59% which has fallen to 5.33% and 4.65% respectively in September 2023. The fall in CPI inflation is majorly caused by reduction in the inflation rate of food and beverages (from 9.19% in August 2023 to 6.3% in September 2023), fuel and light (from 4.31% in August 2023 to -0.11% in September 2023), and housing (from 4.38% August 2023 to 3.95% September 2023).

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Warm Regards,

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