

October CPI inflation at 4.87% and WPI at (-)0.52 %

CPI Inflation softened further to 4.8% in October 2023

The Consumer Price Index (CPI) inflation has softened further to 4.8% in October 2023 as compared with 5.02% in September 2023. The fall in CPI inflation is majorly caused by a reduction in the inflation rate of food and beverages (from 6.3% in September to 6.24% in October 2023), fuel and light (from -0.11% in September to -0.39% in October 2023), and housing (from 3.95% September to 3.8% in October 2023).

The rural CPI inflation has reduced to 5.12% in October 2023 as compared with 5.33% in September 2023. The urban CPI inflation has fallen to 4.62% in October 2023 as compared with 4.65% in September 2023.

All India sequential inflation rates (%) based on CPI (General) and CFPI: October 2023 over September 2023							
		October 2023 (Provisional)			September 2023		
		Rural	Urban	Combd	Rural	Urban	Combd
Inflation	CPI (General)	5.12	4.62	4.87	5.33	4.65	5.02
	CFPI	6.58	6.63	6.61	6.71	6.35	6.62

Source: PHD Research Bureau, compiled from MoSPI

The combined Year-on-Year (Y-o-Y) growth in rural CPI inflation in October 2023 is 5.12% as compared with 6.98% in October 2022. The combined Year-on-Year (Y-o-Y) growth in urban CPI inflation in October 2023 is 4.62% as compared with 6.50% in October 2022.

All India year-on-year inflation rates (%) based on CPI (General) and CFPI: October 2023 over October 2022							
		October 2023			October 2022		
		Rural	Urban	Combd	Rural	Urban	Combd
Inflation	CPI (General)	5.12	4.62	4.87	6.98	6.50	6.77
	CFPI	6.58	6.63	6.61	7.30	6.53	7.01

Source: PHD Research Bureau, compiled from MoSPI

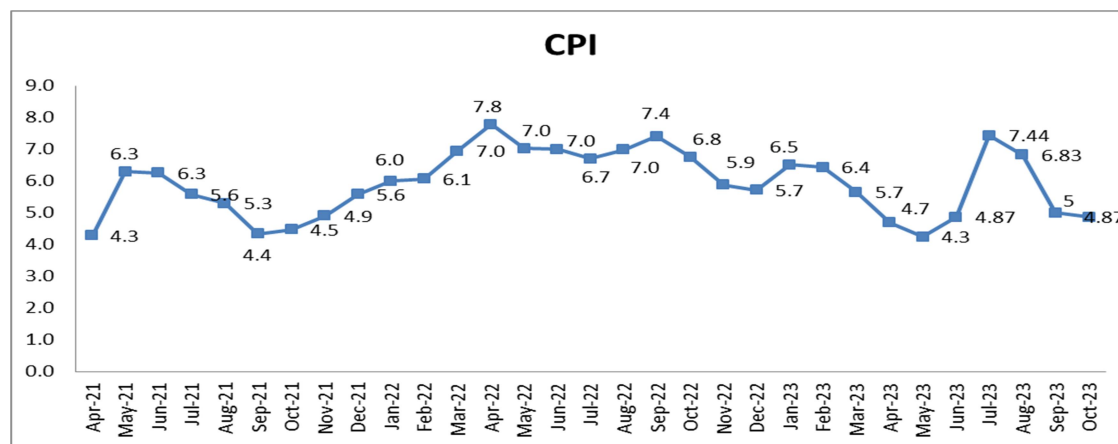
The all-India CPI and year-on-year inflation (%) for October 2023 for rural, urban, and combined are given as follows:

All India Consumer Price Indices and year-on-year Inflation rates (%) for October 2023 (Provisional)						
Category	Rural		Urban		Combined	
	October 2023 Index	Inflation Rate (%)	October 2023 Index	Inflation Rate (%)	October 2023 Index	Inflation Rate (%)
Food and Beverages	188.4	6.20	194.9	6.33	190.8	6.24
Pan, tobacco and intoxicants	202.5	3.90	207.8	3.85	203.9	3.87
Clothing and Footwear	193.2	3.93	182.1	4.90	188.8	4.31
Housing	-	-	177.7	3.80	177.7	3.80
Fuel and Light	182.3	0.83	175.7	-2.39	179.8	-0.39
Miscellaneous	181.9	4.60	173.9	4.26	178.0	4.40
General Index (All Groups)	187.0	5.12	183.4	4.62	185.3	4.87

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 4.87%, which is a decline from the previous month.

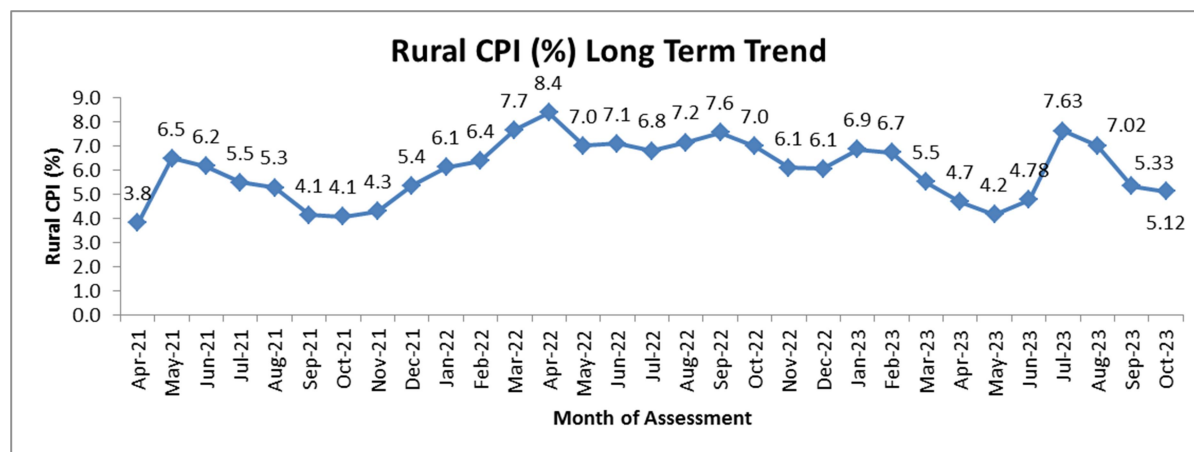
Figure 1: long term trend in the CPI inflation (%)



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 4.2 in May 2023. Rural inflation declined from 5.33% in September 2023 to 5.12% in October 2023.

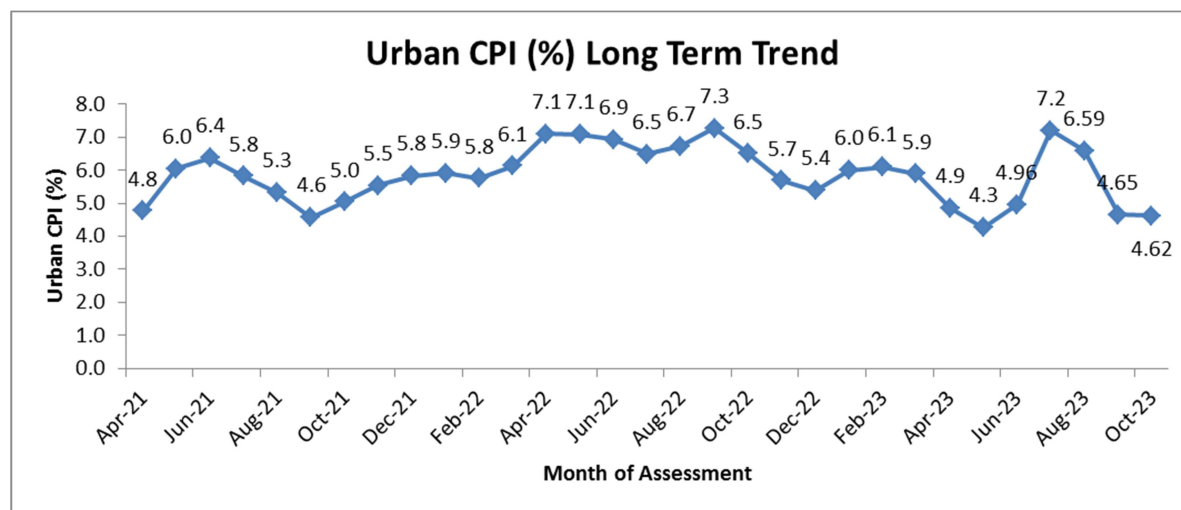
Figure 2: Long-term trend in the Rural CPI inflation (%)



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 4.62% in October 2023.

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

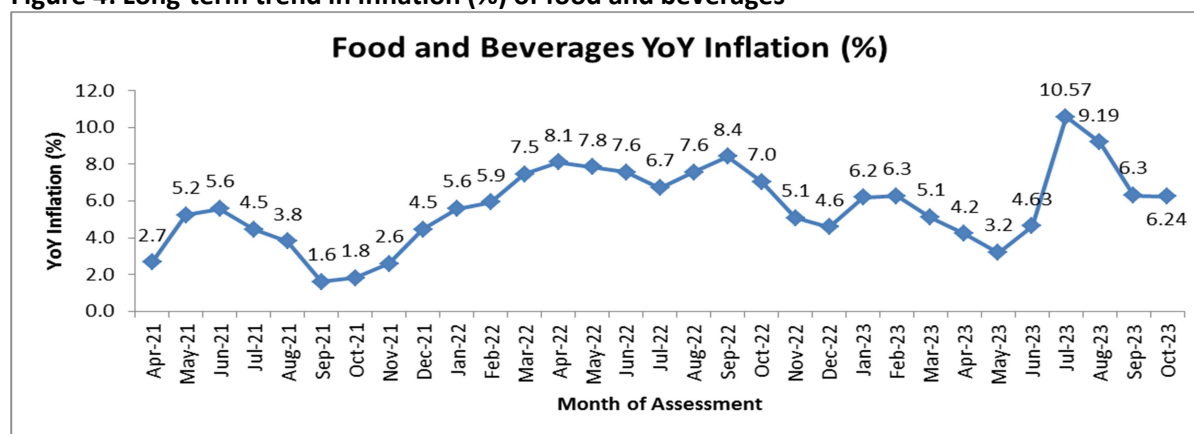


Source: PHD Research Bureau, compiled from MoSPI

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 10.57% in July 2023. It declined to 6.3% in September and presently it stands at 6.24% in October 2023.

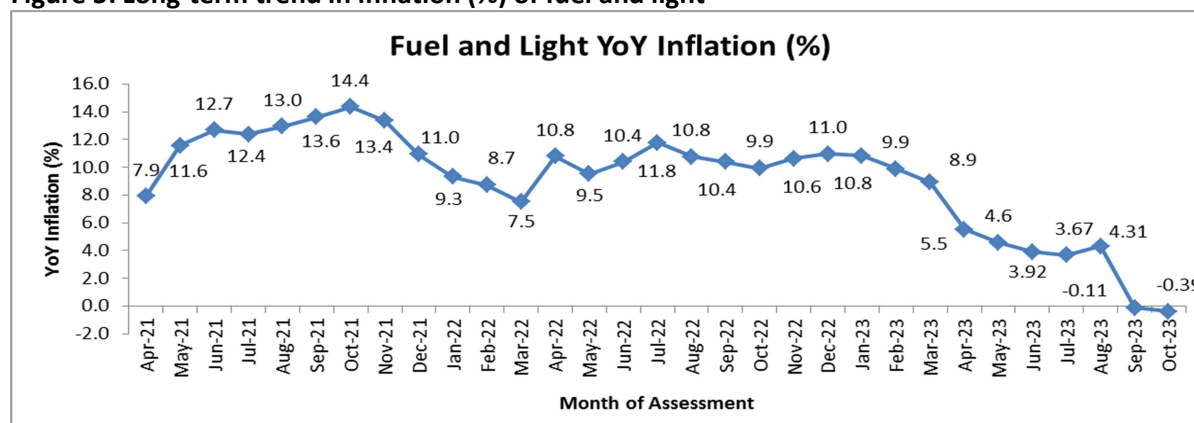
Figure 4: Long-term trend in inflation (%) of food and beverages



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 October 2023 value of inflation of fuel and light is -0.39%.

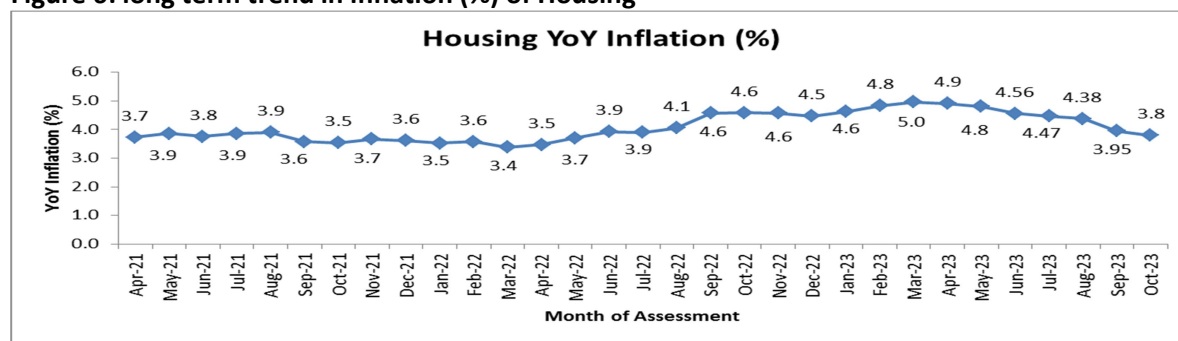
Figure 5: Long-term trend in inflation (%) of fuel and light



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 September 2023 to 3.95%. Presently, October 2023 saw the housing inflation value to 3.8%.

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
Oct-23	4.87	5.12	4.62	6.24	-0.39	3.8

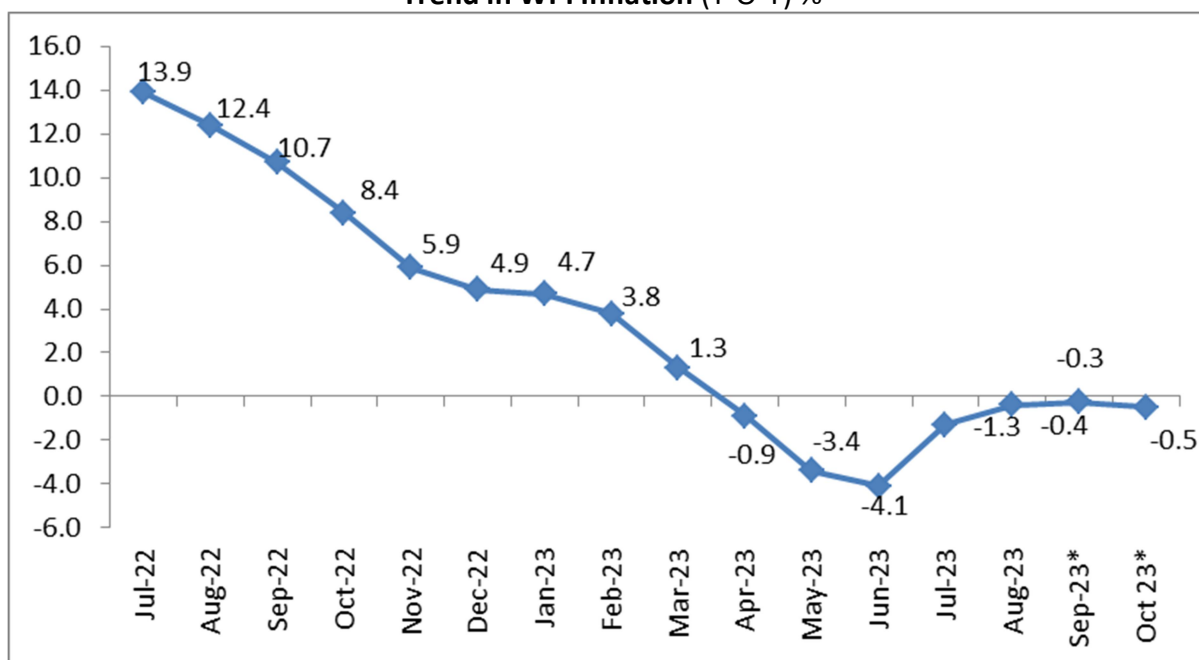
Source: PHD Research Bureau, compiled from MoSPI

In a nutshell, the Consumer Price Index (CPI) inflation has reduced to 4.87% in October 2023 as compared with 5 % in September 2023. The CPI inflation for rural and urban for the month of September 2023 was 5.33% and 4.65% which has fallen to 5.12% and 4.62% respectively in October 2023. The fall in CPI inflation is majorly caused by a reduction in the inflation rate of food and beverages (from 6.3% in September 2023 to 6.24% in October 2023), fuel and light (from -0.11% in September 2023 to -0.39% in October 2023), and housing (from 3.95% September 2023 to 3.8% October 2023).

WPI inflation stands at (-)0.52% in October 2023

The annual rate of inflation based on the All India Wholesale Price Index (WPI) number is (-)0.52% (provisional) for the month of October, 2023 (over October, 2022) against (-)0.26% recorded in September, 2023. Deflation in October 2023 is primarily due to fall in prices of chemical & chemical products, electricity, textiles, basic metals, food products as compared to the corresponding month of previous year.

Trend in WPI Inflation (Y-O-Y) %



Source: PHD Research Bureau, PHDCCI, compiled from the office of the Economic Advisor, Government of India (Note: Figures are rounded off) *Provisional

WPI inflation in Select Commodities (Base year: 2011-12)

S. No.	Commodity	WPI Inflation Y-o-Y % growth			
		Aug-23	Sep-23*	Oct-23*	Change in October 2023 as Compared to Previous Month
1	All Commodities	-0.46	-0.26	-0.52	↓
2	Primary Articles	6.73	3.70	1.82	↓
3	Food Articles	11.43	3.35	2.53	↓
4	Cereals	6.63	7.28	7.51	↑
5	Vegetables	48.44	-15.00	-21.04	↓
6	Non-food Articles	-6.80	-2.38	-1.33	↑
7	Crude Petroleum & Natural gas	-1.93	15.62	-2.17	↓
8	Fuel & Power	-6.34	-3.35	-2.47	↑
9	Petrol	-2.13	1.24	3.45	↑
10	Manufactured Products	-2.30	-1.34	-1.13	↓

Source: PHD Research Bureau, PHDCCI, compiled from the Office of the Economic Advisor, Government of India (Note: Figures are rounded off)

*Provisional

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