



CPI Inflation softens to 4.8% in March 2024

The Consumer Price Index (CPI) inflation eased to 4.8% in March 2024 as compared with 5.09% in February 2024. The fall in CPI inflation is majorly caused by a decrease in the inflation rate of Fuel and Light (from -0.7% in February 2024 to -3.2% in March 2024), Food and Beverages (from 7.7% in February 2024 to 7.6% in March 2024) and Housing (from 2.8% in February 2024 to 2.7% in March 2024)

The rural CPI inflation has increased to 5.4% in March 2024 from 5.3% in February 2024. The urban CPI inflation has softened to 4.1% in March 2024 as compared with 4.8% in February 2024.

All India sequential inflation rates (%) based on CPI (General) and CFPI: March 2024 over February 2024							
		March 2024 (Provisional)			February 2024		
		Rural	Urban	Combd	Rural	Urban	Combd
Inflation	CPI (General)	5.45	4.14	4.85	5.34	4.78	5.09
	CFPI	8.61	8.35	8.52	8.27	9.19	8.66

Source: PHD Research Bureau, compiled from MoSPI

The combined Year-on-Year (Y-o-Y) growth in rural CPI inflation in March 2024 is 5.4% as compared with 5.5% in March 2023. The combined Year-on-Year (Y-o-Y) growth in urban CPI inflation in March 2024 is 4.1% compared to 5.8% in March 2023.

All India year-on-year inflation rates (%) based on CPI (General) and CFPI: March 2024 over March 2023							

		March 2024(Provisional)			March 2023		
		Rural	Urban	Combd	Rural	Urban	Combd
Inflation	CPI (General)	5.45	4.14	4.85	5.51	5.89	5.66
	CFPI	8.61	8.35	8.52	4.72	4.82	4.79

Source: PHD Research Bureau, compiled from MoSPI

The all-India CPI and year-on-year inflation (%) for March 2024 for rural, urban, and combined are given as follows:

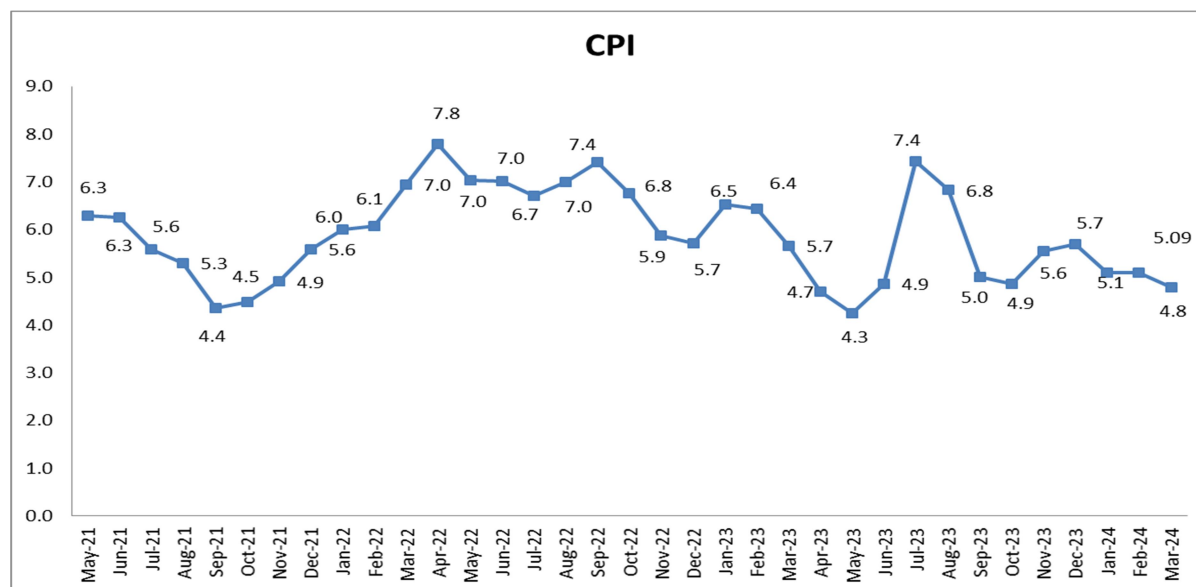
All India Consumer Price Indices and year-on-year Inflation rates (%) for March 2024 (Provisional)						
Category	Rural		Urban		Combined	
	March 2024 Index	Inflation Rate (%)	March 2024 Index	February Rate (%)	March 2024 Index	Inflation Rate (%)
Food and Beverages	188.5	7.84	194.3	7.47	190.6	7.68
Pan, tobacco and intoxicants	204.0	2.82	210.1	3.65	205.6	3.06
Clothing and Footwear	195.1	2.90	183.8	3.14	190.6	2.97
Housing	-	-	178.3	2.77	178.3	2.77
Fuel and Light	181.1	-0.17	167.7	-8.16	176.0	-3.24
Miscellaneous	184.2	3.54	176.0	3.53	180.2	3.50
General Index (All Groups)	187.7	5.45	183.6	4.14	185.8	4.85

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

The long-term trend in the CPI inflation (%) since May 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 increased. It reached its peak in April 2022 of 7.8% after which the values of CPI inflation 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 4.8%.

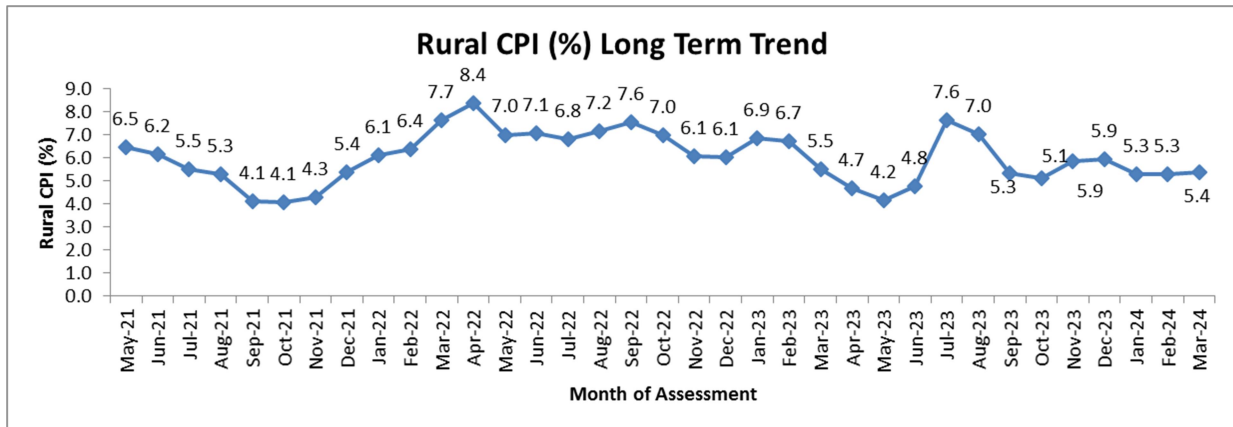
Figure 1: Long-term trend in the CPI inflation (%)



Source: PHD Research Bureau, compiled from MoSPI

The long-term trend in Rural CPI inflation (%) as observed from May 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 presently stands at 5.4%.

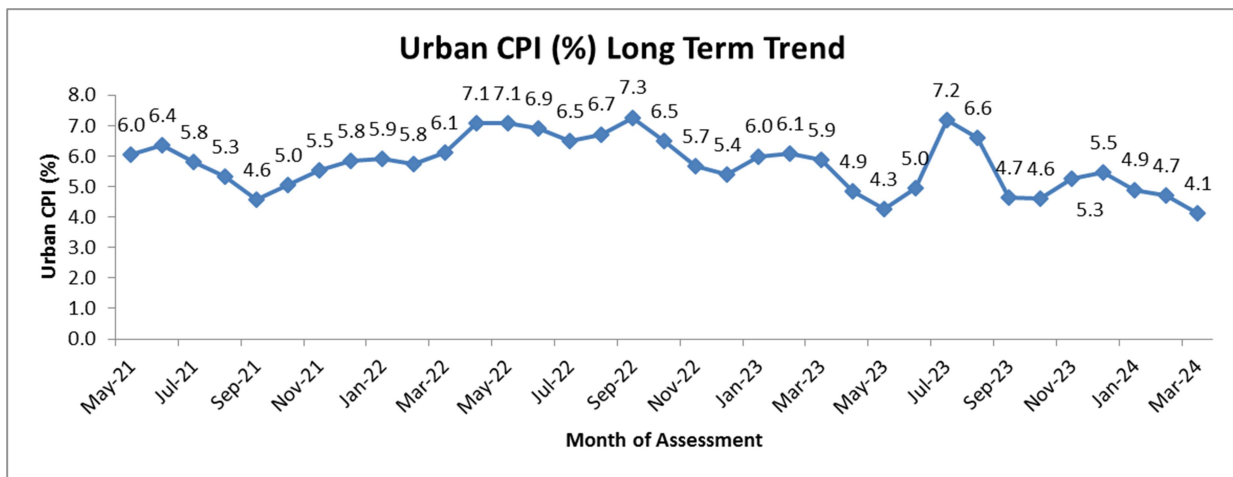
Figure 2: Long-term trend in the Rural CPI inflation (%)



Source: PHD Research Bureau, compiled from MoSPI

The long-term trend in urban CPI (%) from May 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 7.2% in July 2023 and declined to 6.5% in August 2023. Presently, the value stands at 4.1% in March 2024.

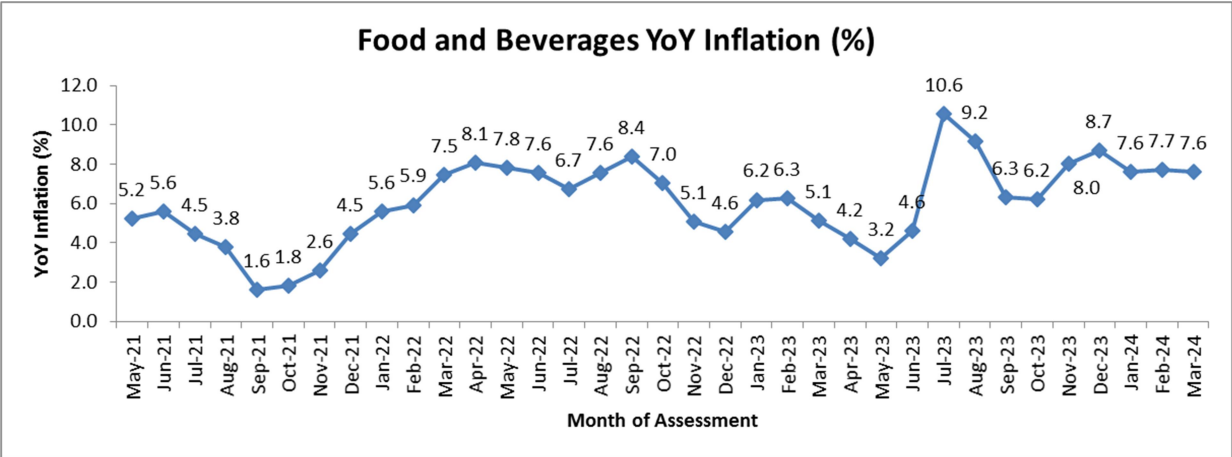
Figure 3: Long-term trend in the Urban CPI inflation (%)



Source: PHD Research Bureau, compiled from MoSPI

The long-term trend in the inflation of food and beverages as observed from May 2021 is depicted in Figure 4. The YoY inflation declined from 5.6% in June 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 after declining to 4.6% in December 2022. The YoY inflation value rose again to reach 10.5% in July 2023. Presently, the value stands at 7.6% in March 2024.

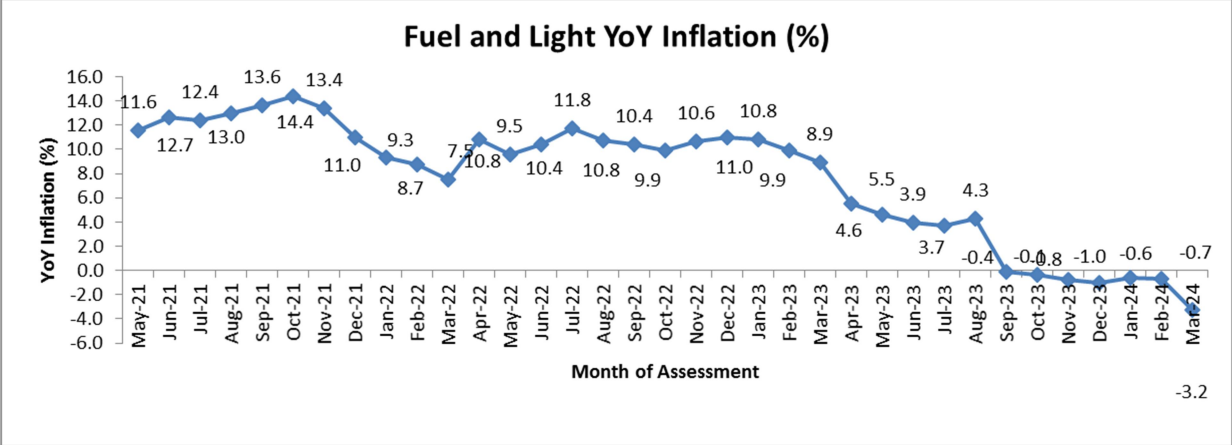
Figure 4: Long-term trend in inflation (%) of food and beverages



Source: PHD Research Bureau, compiled from MoSPI

The long-term trend of inflation of Fuel and Light as observed from May 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 4.3% from 3.6% in the previous month, after which it kept declining. Presently, the February 2024 value of inflation of fuel and light is -3.2%.

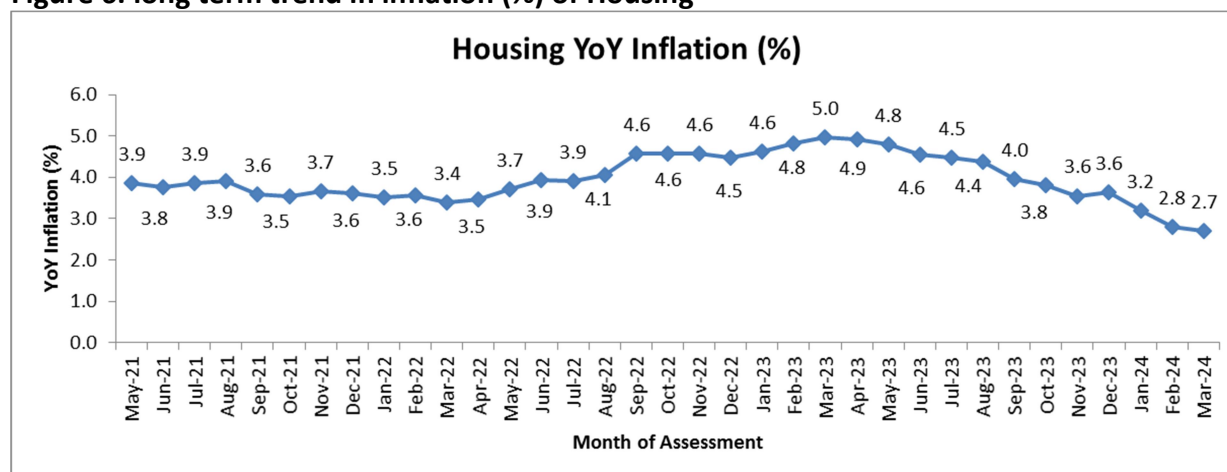
Figure 5: Long-term trend in inflation (%) of fuel and light



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, 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 3.9%. Presently, March 2024 saw the housing inflation value to 2.7%.

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
Nov-23	5.55	5.85	5.26	8.02	-0.77	3.55

Dec-23	5.7	5.9	5.5	8.7	-1.0	3.6
Jan-24	5.1	5.3	4.9	7.6	-0.6	3.2
Feb-24	5.09	5.3	4.7	7.7	-0.7	2.8
Mar-24	4.8	5.4	4.1	7.6	-3.2	2.7

Source: PHD Research Bureau, compiled from MoSPI

In a nutshell, The Consumer Price Index (CPI) inflation eased to 4.8% in March 2024 as compared with 5.09% in February 2024. The rural CPI and the urban CPI inflation for March 2024 stand at 5.4% and 4.1%, respectively. The fall in CPI inflation is majorly caused by a decrease in the inflation rate of Fuel and Light (from -0.7% in February 2024 to -3.2% in March 2024), Food and Beverages (from 7.7% in February 2024 to 7.6% in March 2024) and Housing (from 2.8% in February 2024 to 2.7% in March 2024)

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