Analysis on Consumer Price Index – April 2026

PHDCCI Research Bureau

Consumer Price Index (y-o-y) inches up from 3.21% in February 2026 to 3.4% March 2026

All India sequential inflation rates (%) based on CPI (General) and CFPI: March 2026

	February 2026	March 2026
CPI Inflation	3.21%	**3.40%**
CFPI Inflation	3.47%	**3.87%**

Weights		Feb-26	Mar-26
100	CPI (General)	3.21%	3.40%
6.383	Clothing and footwear	2.81%	2.75%
3.333	Education services	3.32%	3.30%
36.75	Food and beverages	3.35%	3.71%
4.469	Furnishings, household equipment and routine household maintenance	1.36%	1.39%
6.1	Health	1.90%	1.75%
17.67	Housing, water, electricity, gas and other fuels	1.51%	1.97%
3.609	Information and communication	0.24%	0.32%
2.989	Paan, tobacco and intoxicants	3.51%	4.22%
5.038	Personal care, social protection and miscellaneous goods and services	19.65%	18.65%
1.516	Recreation, sport and culture	2.22%	2.29%
3.348	Restaurants and accommodation services	2.72%	2.88%
8.796	Transport	-0.05%	0.00%

Drivers of CPI Inflation

- The YoY inflation in food and beverages increased from 3.4% in February 2026 to 3.7% in March 2026, making this division a major driver of increased CPI inflation.
- Similarly, the YoY inflation for Housing, water ,electricity, gas and other fuels increased from 1.51% to 1.97% and for Transport from -0.05% to 0.00% in Feb, 2026 to March 2026 respectively, marking these as significant drivers as well.
- Conversely, the YoY inflation for Clothing and footwear decreased from 2.81% to 2.75%, for Health from 1.90% to 1.75% and for Personal care, social protection and miscellaneous goods and services from 19.65% to 18.65% from Feb 2026 to March 2026. These divisions thus moderated the increase in CPI inflation.

Source: Ministry of Statistics and Programme Implementation, GoI

Meat, fresh, chilled or frozen show 12.47% y-o-y inflation rate in March 2026, highest within Food and beverage division

Food and beverages (Division)	March 2026	February 2026
Beverages (Group)		
Cocoa drinks	**1.94**	**1.06**
Coffee and coffee substitutes	8.31	9.57
Fruit and vegetable juices	1.19	1.42
Other beverages	-0.13	-0.01
Soft drinks	-1.08	-1.03
Tea, maté and other plant-derived products for infusion	0.47	1.19
Water	-1.48	-1.46
Food (Group)		
Cereals and cereal products	-0.48	-0.35
Fish and other seafood	**7.29**	**6.97**
Fruits and nuts	7.28	8.63
Meat, fresh, chilled or frozen	**12.47**	**9.73**
Milk, other dairy products and eggs	3.00	3.09
Oils and fats	**7.81**	**7.37**
Ready-made food and other food products	**2.94**	2.14
Sugar, confectionery and desserts	2.2	2.72
Vegetables, tubers, plantains, cooking bananas and pulses	**1.7**	**0.12**
Services for processing primary goods for food (Group)		
Services for processing primary goods for food	3.07	3.24

Source: Ministry of Statistics and Programme Implementation, GoI

Food and beverage division:

Food

- Meat, fresh, chilled or frozen contributed to highest inflation with 12.47% increase followed by oil and fats (7.81%), fish and other sea food (7.29) and fruits and nuts (7.28%) within Food group in March 2026.
- Meat, fresh, chilled or frozen showed the highest increase in inflation rate of 275 bps, followed by Vegetables, tubers, plantains, cooking bananas and pulses (158 bps), Ready made food and other products (80 bps) and Oils and fats (44 bps) from Feb 2026 to March 2026.
- Meat prices inflated due to supply volatility of poultry because of mass spread of avian Influenza throughout prominent poultry farms. This lead to increases in prices of poultry products to ₹270 – 340/kg, causing inflation. Disruptions in fertilizer supply from West Asia due to geopolitical tensions raised cost of inputs such as Urea. This raised the prices of agricultural produce, like garlic (₹116/kg) and Mushrooms (₹98/kg) among other flavor-critical items.

Beverages

- Coffee and coffee substitutes contributed to highest inflation with 8.31% followed by Cacao drinks (1.94%), Fruit and vegetable juices (1.19%) and Tea, mate and other plant-derived products for infusion (0.47%) within beverage group in March 2026.
- Only Cacao drinks showed an increase in inflation rate of 88 bps from Feb 2026 to March 2026.
- The lack of supply of Cacao bean in 2025-26 increased their costs. Since manufacturers continue to use the stock brought at high costs, the prices of cacao related products such as cacao drinks continue to show an increase in prices,

LPG cylinder and piped natural gas show 5.27% y-o-y inflation rate in March 2026

Sub Categories under Housing, water, electricity, gas and other fuels	March 2026	February 2026
Electricity (class)		
Electricity		
Electricity charges	-2.42	-2.39
Gas (class)		
LPG Cylinders and Piped natural gas		
LPG cylinder and piped natural gas	**5.27**	**1.62**
Liquid fuels (class)		
Liquid fuels		
Kerosene	**0.87**	**0.44**
Kerosene PDS	0.15	-2.12
Solid fuels (class)		
Charcoal		
Charcoal	**2.67**	**2.36**
Coal		
Coal	**4.28**	**2.52**
Firewood and chips		
Firewood and chips	**4.21**	**3.06**
Other solid fuels		
Dung cake	2.05	2.21
Fuel (biogas and gobar gas)	**5.13**	**4.59**

Sub categories under transport	March 2026	February 2026
Fuels and lubricants for personal transport equipment		
Diesel		
Diesel	0.22	0.22
Other fuels for personal transport equipment		
Other natural gas (CNG)	**1.78**	**1.64**
Petrol		
Petrol	0.04	0.04

Among volatile components other than Food and beverages not included in core inflation calculation:

Housing, water, electricity, gas and other fuels

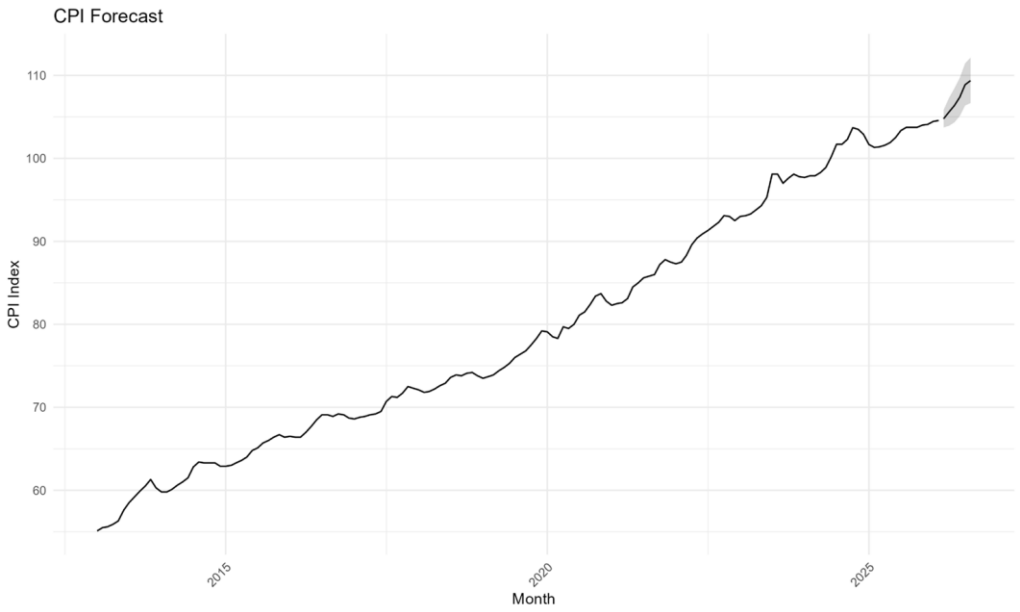
- LPG cylinder and piped natural gas shows the highest inflation of 5.27%, followed by Fuel (biogas and gobar gas) (5.13%), Coal (4.28%) and Firewood and chips (4.21%) in March 2026.
- LPG cylinder and piped natural gas shows the highest increase in inflation of 365 bps, followed by Kerosene PDS (227 BPS), Coal (176 bps) and Firewood and chips (115 bps) from Feb 2026 to March 2026.
- Shocks in supply of crude oil an natural gas has lead to increase in their prices, thus increasing their cost. Since crude oil is used to process LPG, the cost of production went up, reflected by an increase in LPG cylinder prices for commercial use (19kg) by ₹114 - 144, leading to inflation.

Transport

- Other natural gas (CNG) shows the highest inflation of 1.78%,
- Other natural gas (CNG) shows the only instance of increase in inflation of 14 bps from Feb 2026 to March 2026.
- Increases in prices of LPG due to disruptions of crude oil supply from West Asia forced people to switch to natural gas. This increased the demand for CNG and similar products. Since supply did not increase simultaneously, prices of CNG increased to ₹77 in Delhi and ₹96 in Hyderabad.

Source: Ministry of Statistics and Programme Implementation, GoI,

Seasonally adjusted forecast suggest and upward trend in prices, with YoY CPI inflation potentially reaching 8.10% in August 2026



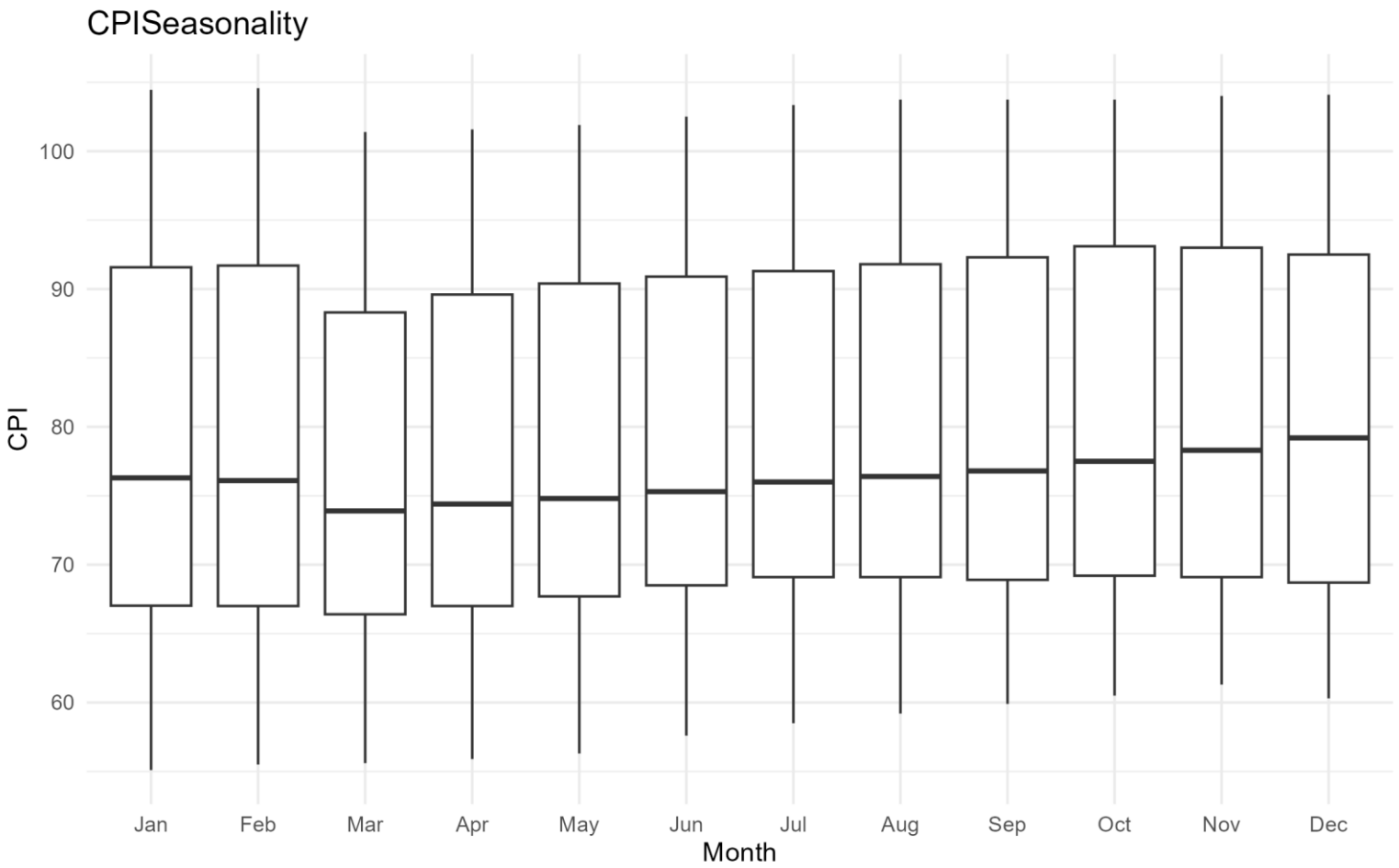
Date	Forecast	Lower CI Bound (95% conf.)	Upper CI Bound (95% conf.)
26-Mar	3.33%	2.30%	4.38%
26-Apr	3.96%	2.31%	5.63%
26-May	4.38%	2.38%	6.41%
26-Jun	4.75%	2.53%	7.02%
26-Jul	5.35%	2.92%	7.84%
26-Aug	5.43%	2.82%	8.10%

The Seasonally adjusted forecast indicates:

- The forecasted YoY CPI inflation for March is 3.33% compared to the provisional reported inflation of 3.40%.
- YoY inflation is estimated to reach approximately 5.43% in August 2026 based on past observed trend.

Source: Data used for forecasting obtained from Ministry of Statistics and Programme Implementation, GoI

Seasonal CPI index lowest in March, suggesting increase in CPI inflation in following months

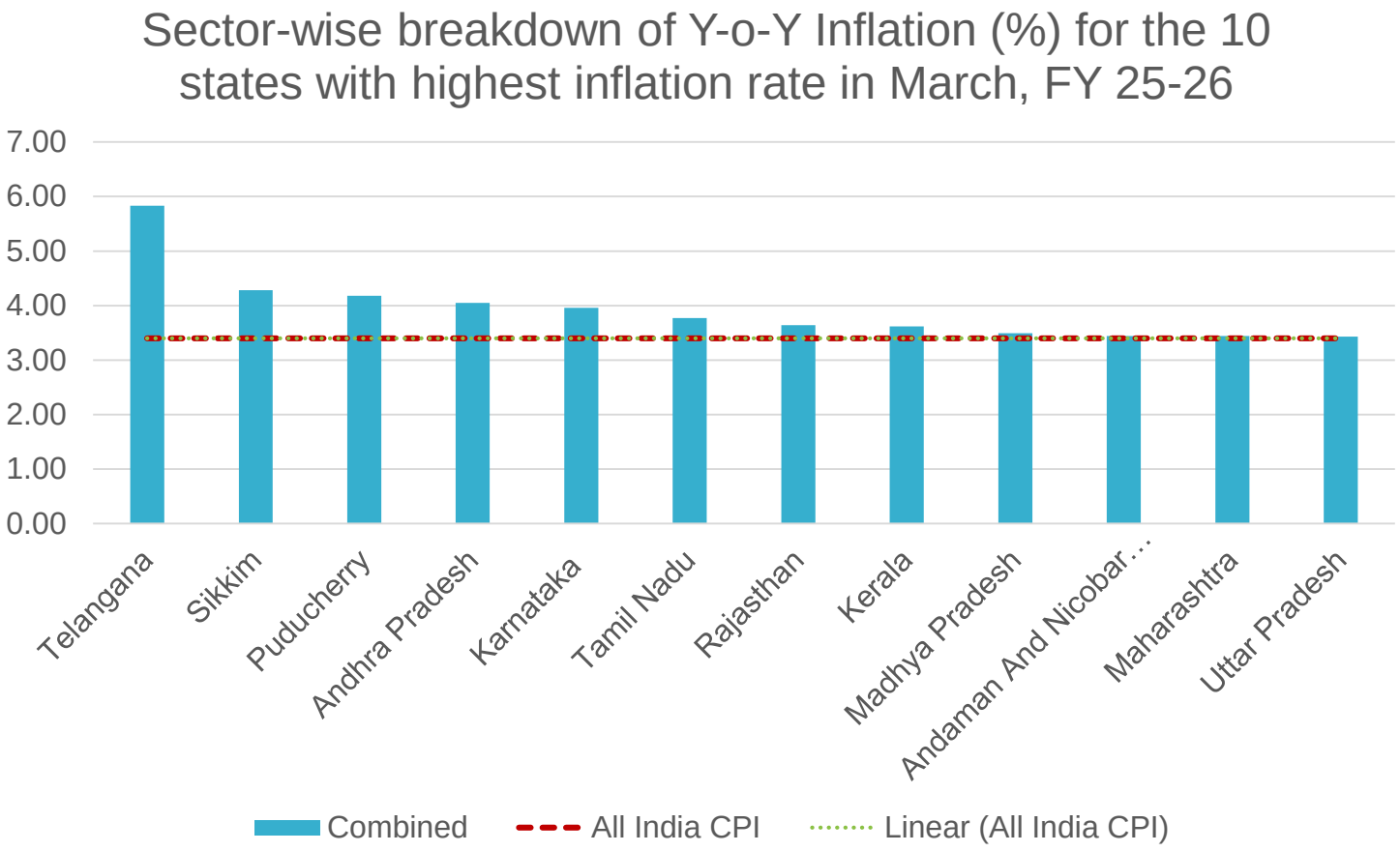


Seasonality plot indicates:

- The mean CPI Index values for all 12 months remain between the range of 70-80.
- CPI Index shows an overall increasing trend from January to December.

Source: Data used for forecasting obtained from Ministry of Statistics and Programme Implementation, GoI

One-third of states show inflation higher than the all India combined CPI inflation rate in March 2026



Source: Ministry of Statistics and Programme Implementation, GoI

The state-wise breakdown of CPI inflation rates indicate:

- 12 out of 36 total states have a combined CPI inflation higher than the all India average of 3.40% in March 2026.
- Telengana shows highest combined CPI inflation of 5.83% in March 2026.
- Of these 12 states, 8 were among the top 12 states with the highest food grain production in FY 2026. Hence, a decrease in supply of agricultural products due to increase in fertilizer costs would be the most prominent in these states, causing higher price rise (For example, price per tonne of rice increased by ₹ 167.97 in UP from March 2025 to 2026).

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Thank You