India's retail inflation: September 2026 print and Q4 outlook

Consumer Price Index (base 2024=100)

Briefing deck, 25 October 2026

Data: NSO, MoSPI press release of 12 October 2026

5.54%

CPI inflation, September 2026 (provisional)

Up from 4.83% in August

Inflation has risen every month since January 2026

5.54%
Headline CPI inflation, Sep 2026 (Aug: 4.83%)

7.74%
Food inflation (CFPI), up from 5.97% in August

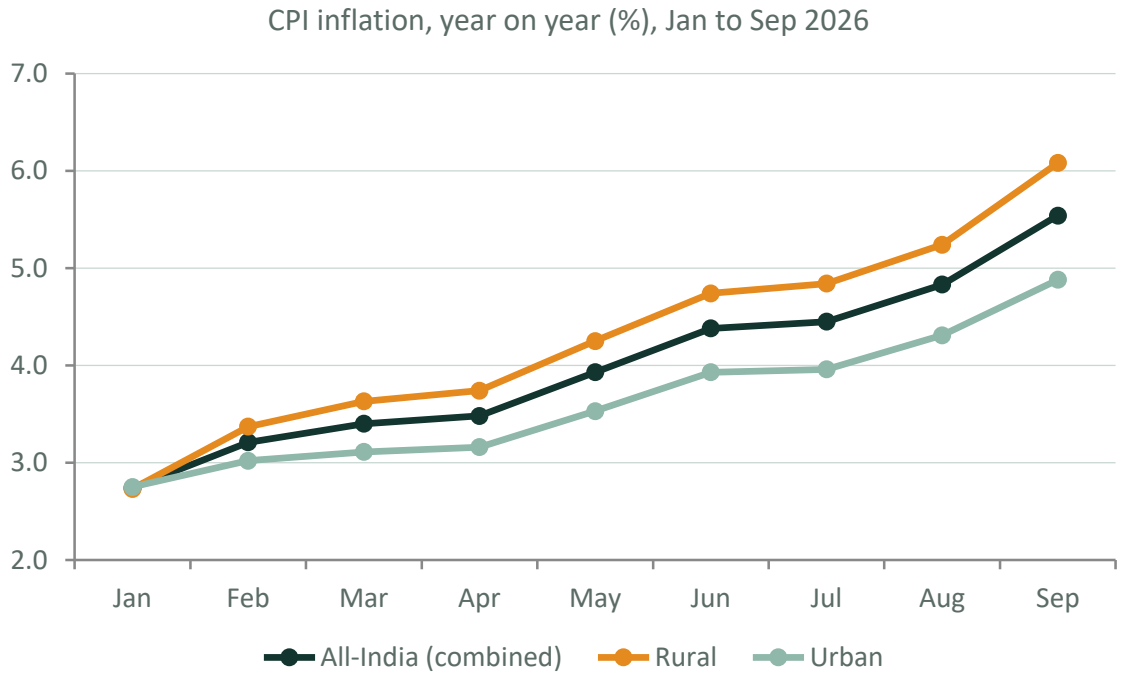
6.08%
Rural inflation, against 4.88% in urban areas

+0.69%
Month-on-month rise in the all-India index

- Food is the main driver: onion prices are up 108.09% year on year, with ginger and garlic also sharply higher.
- Rural inflation runs 1.2 percentage points above urban, and the gap has widened since January.
- Illustrative scenarios put headline inflation at about 5.7% to 7.7% in Q4 2026, depending on the pace of monthly price rises.

Source: NSO, MoSPI, CPI press release (base 2024=100), 12 October 2026

Rural inflation is pulling away from urban



+3.35 pp

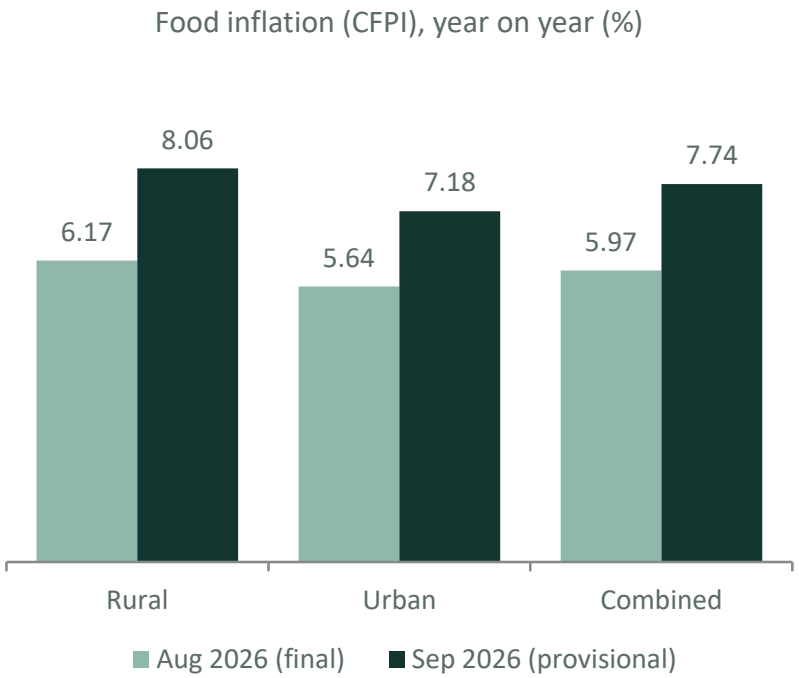
Rural inflation since January (2.73% to 6.08%)

+2.13 pp

Urban inflation since January (2.75% to 4.88%)

Source: NSO, MoSPI, CPI press release (base 2024=100), 12 October 2026

Food prices are the main upward force



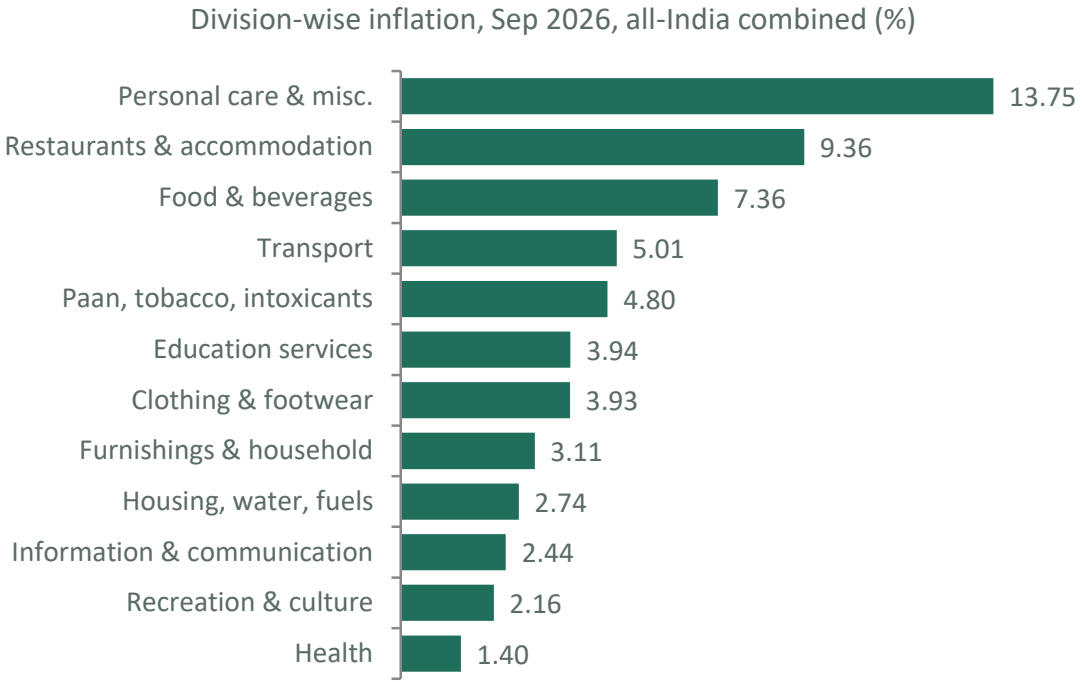
Highest item inflation, Sep 2026 (y/y, %)

Item	Aug 2026	Sep 2026
Onion	48.78	**108.09**
Silver jewellery	106.81	**87.80**
Ginger	73.82	**62.85**
Garlic	43.60	**54.62**
Lemon	15.15	**36.41**

Falling: potato −11.50%, tomato −8.62%, lady's finger −4.48%, motor car and jeep −4.51%.

Source: NSO, MoSPI, CPI press release (base 2024=100), 12 October 2026

Beyond food, personal care and restaurants run hot



13.75%

Personal care and misc.; 'other personal effects' up 38.69%

9.36%

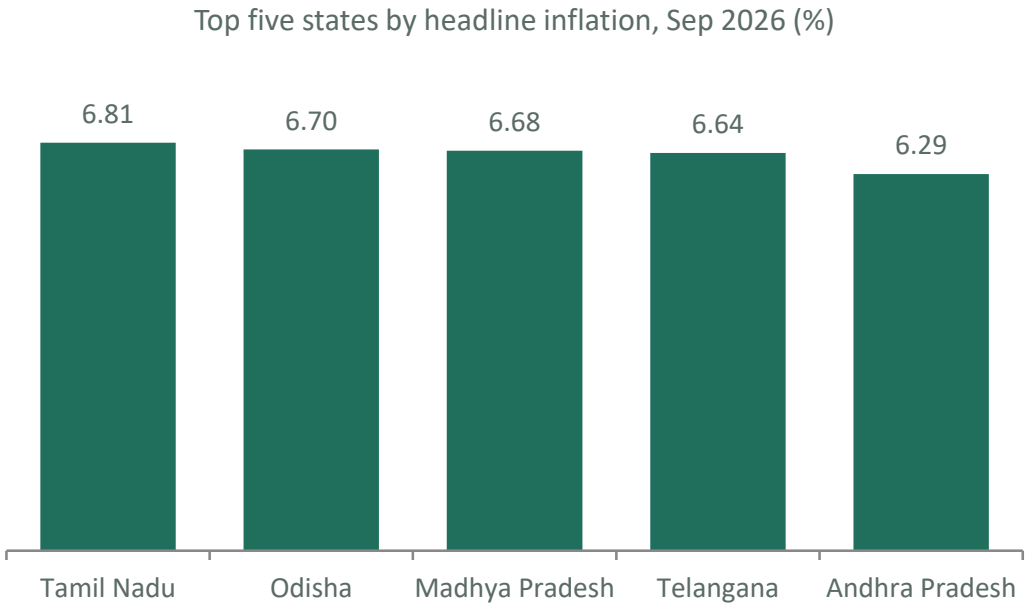
Restaurants and accommodation, led by food serving at 9.39%

14.73%

Goods transport services: a cost signal for industry

Source: NSO, MoSPI, CPI press release (base 2024=100), 12 October 2026

Tamil Nadu and Odisha lead the large states



States with population above 50 lakh (Census 2011). All-India: 5.54%.

6.81%

Tamil Nadu: highest among states above 50 lakh population

7.31%

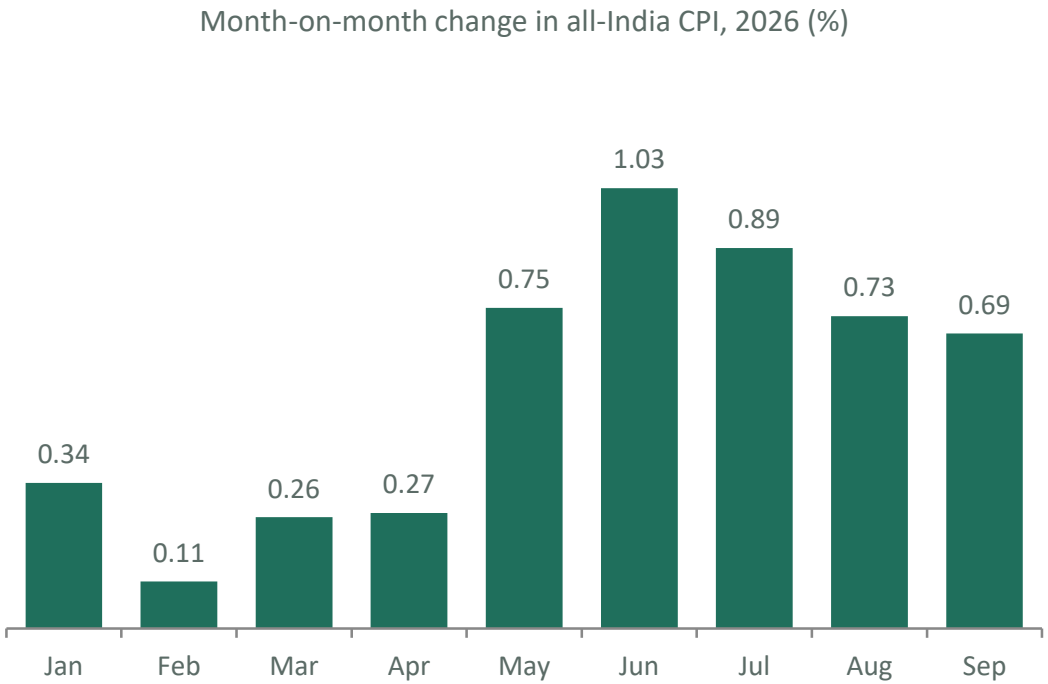
Madhya Pradesh: highest rural inflation of any state or UT

2.85%

Mizoram: lowest of all 36 states/UTs; Delhi is 3.40%

Source: NSO, MoSPI, CPI press release (base 2024=100), 12 October 2026

A soft 2025 base lifts year-on-year inflation



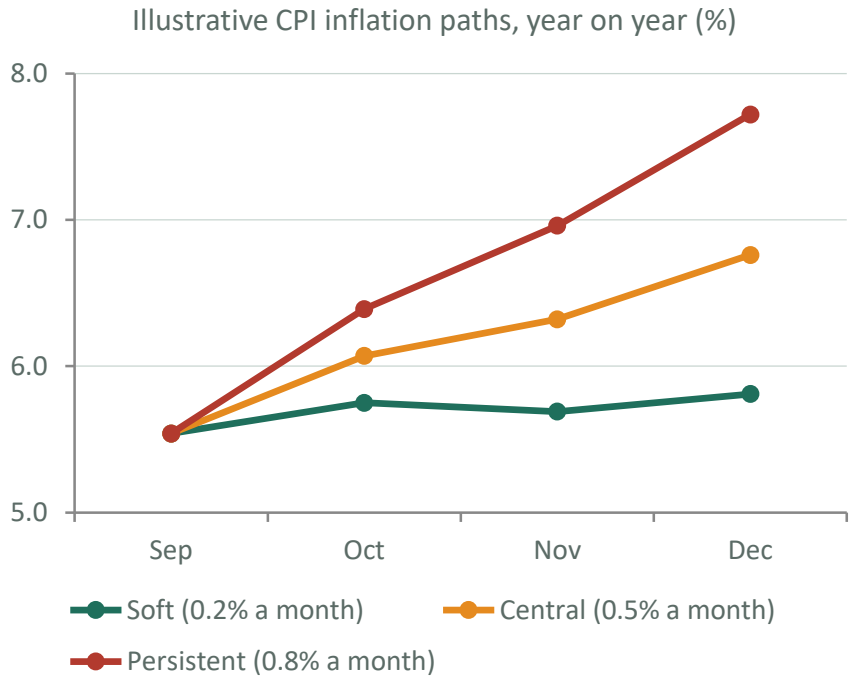
Month-on-month change in the base months

Oct 2025	**0.00%**
Nov 2025	**+0.26%**
Dec 2025	**+0.09%**

Any monthly rise in Oct to Dec 2026 above these figures lifts year-on-year inflation.

Source: NSO, MoSPI, CPI press release (base 2024=100), 12 October 2026

Q4 outlook: headline inflation of 5.7% to 7.7%



Scenario	m/m	Oct	Nov	Dec
Soft	0.2%	5.75	5.69	**5.81**
Central	0.5%	6.07	6.32	**6.76**
Persistent	0.8%	6.39	6.96	**7.72**

- Soft is close to the Jan to Apr average rise (0.24% a month); Central to the Jan to Sep average (0.56%); Persistent to the Jul to Sep average (0.77%).
- Illustrative arithmetic on the all-India index (Sep 2026: 109.49), not an official forecast.

Source: NSO, MoSPI, CPI press release (base 2024=100), 12 October 2026

Staying under 6% needs prices to slow sharply

0.43%

Largest October monthly rise that keeps headline inflation at or below 6.0%

0.26%

Average monthly rise through December that keeps headline at or below 6.0%

0.77%

Actual average monthly rise, July to September 2026

- Repeating last year's Oct to Dec pattern (+0.35% in total) would hold year-on-year inflation at 5.54%.
- Food is the swing factor: onion, ginger and garlic are rising sharply, while potato and tomato are still falling year on year.

Source: NSO, MoSPI, CPI press release (base 2024=100), 12 October 2026

Implications for policy and industry

1 Food supply management

Onion (+108%), ginger and garlic drive 7.74% food inflation; supply-side measures merit attention.

2 Logistics and input costs

Goods transport services are up 14.73%, adding cost pressure for trade-exposed industry.

3 Rural purchasing power

Rural inflation of 6.08% is 1.2 pp above urban, squeezing rural household budgets.

4 What to watch

October CPI (12 Nov 2026), vegetable prices, precious metals and freight costs.

Source: NSO, MoSPI, CPI press release (base 2024=100), 12 October 2026

Data notes and scenario assumptions

Data notes

- Source: NSO, MoSPI press release, 12 October 2026.
- September 2026 is provisional; August 2026 is final.
- Month-on-month changes are computed from published two-decimal indices.
- Next release: CPI for October 2026 on 12 November 2026.

Scenario assumptions

- Constant monthly rise in the all-India combined index from 109.49 (Sep 2026).
- Base indices: Oct 2025 103.74, Nov 104.01, Dec 104.10.
- Illustrative arithmetic, not an official forecast.

Source: NSO, MoSPI, CPI press release (base 2024=100), 12 October 2026

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