

Inflation Update

Consumer inflation remained above RBI's upper tolerance level in Feb 2023

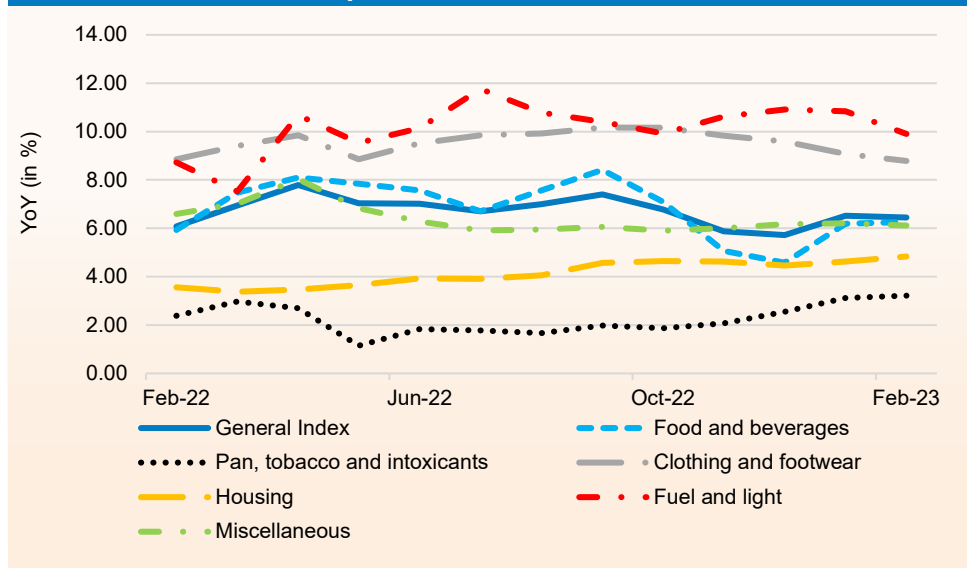
- Consumer Price Index based inflation (CPI) slowed marginally to 6.44% in Feb 2023 from 6.52% in the previous month but accelerated from 6.07% in Feb 2022.
- Retail inflation has remained above the upper tolerance level of the Reserve Bank of India's retail inflation target of 6% since Jan 2022, barring Nov and Dec of 2022.
- The Consumer Food Price Index increased at a slower pace to 5.95% in Feb 2023 as compared to 6.00% rise in Jan 2023 but faster than 5.85% in the same month of the previous year.
- Inflation for food and beverages accelerated to 6.26% during the reported period from 6.19% in Jan 2023 and 5.93% in the same month of the previous year.
- Under food and beverages, retail inflation pushed up on yearly basis majorly due to cereals and products and, milk and products, which grew 16.73% and 9.65% compared with 3.95% and 3.88%, respectively, during the corresponding period of last year. However, inflation for vegetables contracted 11.61% in Feb 2023 compared with 6.06% rise in Feb 2022.
- Inflation for clothing and footwear eased marginally to 8.79% in Feb 2023 from 8.86% in the same month of the previous year. Inflation for fuel and light accelerated to 9.90% in Feb 2023 from 8.73% in the same month of the previous year.
- Inflation for the 'miscellaneous' group, which accounts for 28.32% of the CPI and includes services, slowed to 6.12% in Feb 2023 from 6.21% in the previous month and 6.58% in Feb 2022.
- Among states, the highest inflation rate of 8.56% was recorded by Telangana, followed by Andhra Pradesh and Madhya Pradesh for which inflation stood at 8.01% and 7.65%, respectively. On the other hand, the lowest inflation rate of 2.38% was seen in Chhattisgarh.

Trend of Retail Inflation



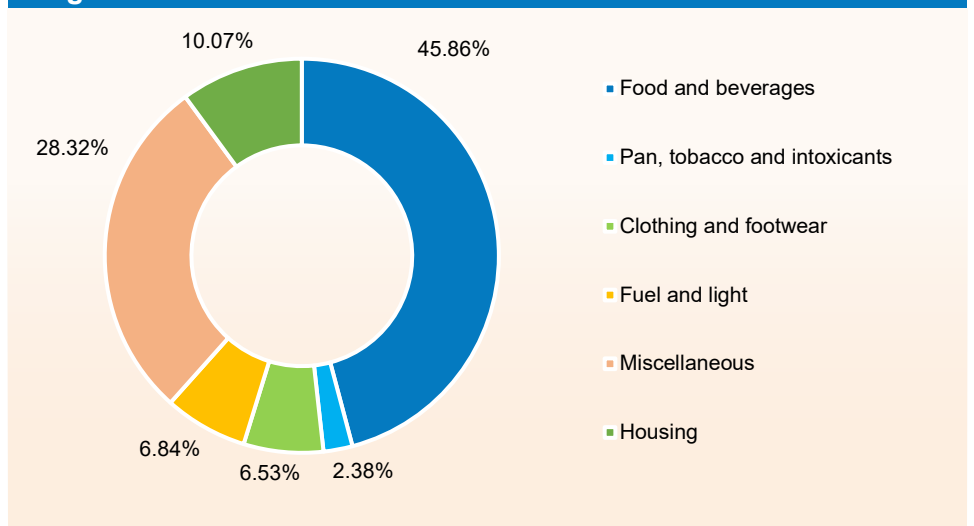
Source: Refinitiv

Growth in Inflation Components



Source: Refinitiv

Weighted Contribution in CPI



Source: Refinitiv

Sectoral Breakdown of CPI

Group Code	Sub-group Code	Inflation	Weights	Yearly Statistics				Monthly Statistics			
				Y-O-Y Growth		WC to Acceleration (%)		M-O-M % Change		WC to Acceleration (%)	
				Feb-23	Feb-22	Feb-23	Feb-22	Feb-23	Feb-22	Feb-23	Feb-22
1		General Index (All Groups)	100	6.44%	6.07%	6.44	6.07	0.17%	0.24%	0.17	0.24
		Food and beverages	45.86	6.26%	5.93%	2.87	2.72	-0.06%	-0.12%	-0.03	-0.06
	1.1.01	Cereals and products	9.67	16.73%	3.95%	1.62	0.38	0.75%	0.33%	0.07	0.03
	1.1.02	Meat and fish	3.61	3.39%	7.45%	0.12	0.27	-1.57%	0.96%	-0.06	0.03
	1.1.03	Egg	0.43	4.32%	4.15%	0.02	0.02	-5.71%	-1.68%	-0.02	-0.01
	1.1.04	Milk and products	6.61	9.65%	3.88%	0.64	0.26	0.92%	0.12%	0.06	0.01
	1.1.05	Oils and fats	3.56	-0.49%	16.44%	-0.02	0.59	-1.71%	0.11%	-0.06	0.00
	1.1.06	Fruits	2.89	6.38%	2.26%	0.18	0.07	3.28%	0.00%	0.09	0.00
	1.1.07	Vegetables	6.04	-11.61%	6.06%	-0.70	0.37	-2.53%	-2.64%	-0.15	-0.16
	1.1.08	Pulses and products	2.38	4.09%	3.02%	0.10	0.07	-0.29%	-0.12%	-0.01	0.00
	1.1.09	Sugar and Confectionery	1.36	1.26%	5.41%	0.02	0.07	-0.58%	-0.92%	-0.01	-0.01
	1.1.10	Spices	2.50	20.20%	6.15%	0.50	0.15	0.53%	1.28%	0.01	0.03
	1.2.11	Non-alcoholic beverages	1.26	4.37%	5.85%	0.06	0.07	0.29%	0.24%	0.00	0.00
	1.1.12	Prepared meals, snacks, sweets etc.	5.55	7.98%	6.27%	0.44	0.35	0.52%	0.39%	0.03	0.02
2		Pan, tobacco and intoxicants	2.38	3.22%	2.39%	0.08	0.06	0.40%	0.31%	0.01	0.01
3		Clothing and footwear	6.53	8.79%	8.86%	0.57	0.58	0.38%	0.65%	0.02	0.04
	3.1.01	Clothing	5.58	8.67%	8.58%	0.48	0.48	0.38%	0.53%	0.02	0.03
	3.1.02	Footwear	0.95	9.79%	10.10%	0.09	0.10	0.39%	1.06%	0.00	0.01
4		Housing	10.07	4.83%	3.57%	0.49	0.36	0.81%	0.61%	0.08	0.06
5		Fuel and light	6.84	9.90%	8.73%	0.68	0.60	0.05%	0.91%	0.00	0.06
6		Miscellaneous	28.32	6.12%	6.58%	1.73	1.86	0.41%	0.49%	0.11	0.14
	6.1.01	Household goods and services	3.8	7.35%	7.22%	0.28	0.27	0.46%	0.43%	0.02	0.02
	6.1.02	Health	5.89	6.50%	6.82%	0.38	0.40	0.60%	0.47%	0.04	0.03
	6.1.03	Transport and communication	8.59	4.46%	8.13%	0.38	0.70	0.18%	0.26%	0.02	0.02
	6.1.04	Recreation and amusement	1.68	4.81%	6.93%	0.08	0.12	0.24%	0.56%	0.00	0.01
	6.1.05	Education	4.46	5.62%	3.63%	0.25	0.16	0.23%	0.43%	0.01	0.02
	6.1.06	Personal care and effects	3.89	9.43%	5.45%	0.37	0.21	0.73%	0.86%	0.03	0.03

Source: Refinitiv