

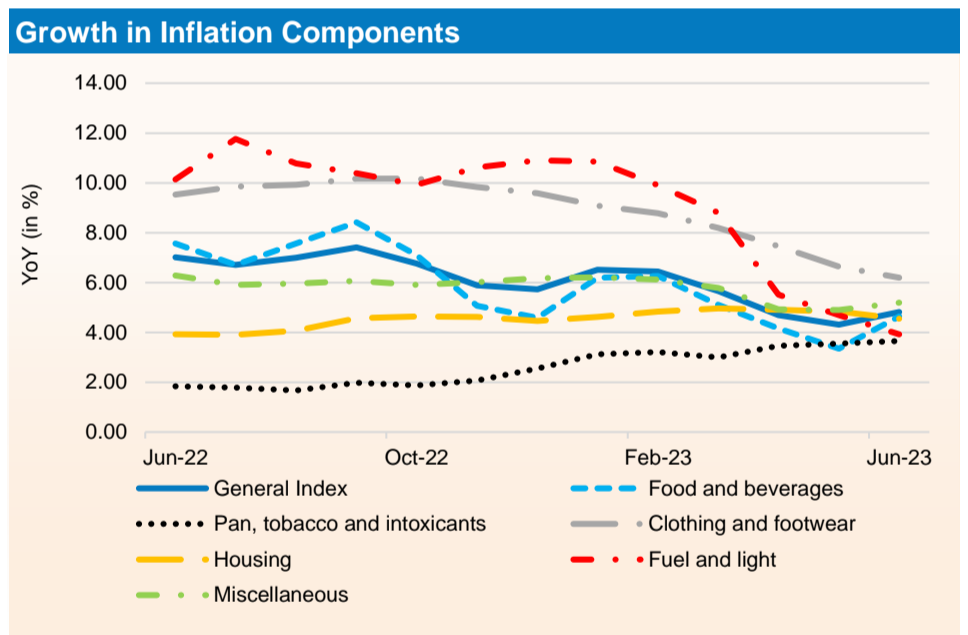
Inflation Update

Consumer inflation rose after touching its lowest level in more than two years

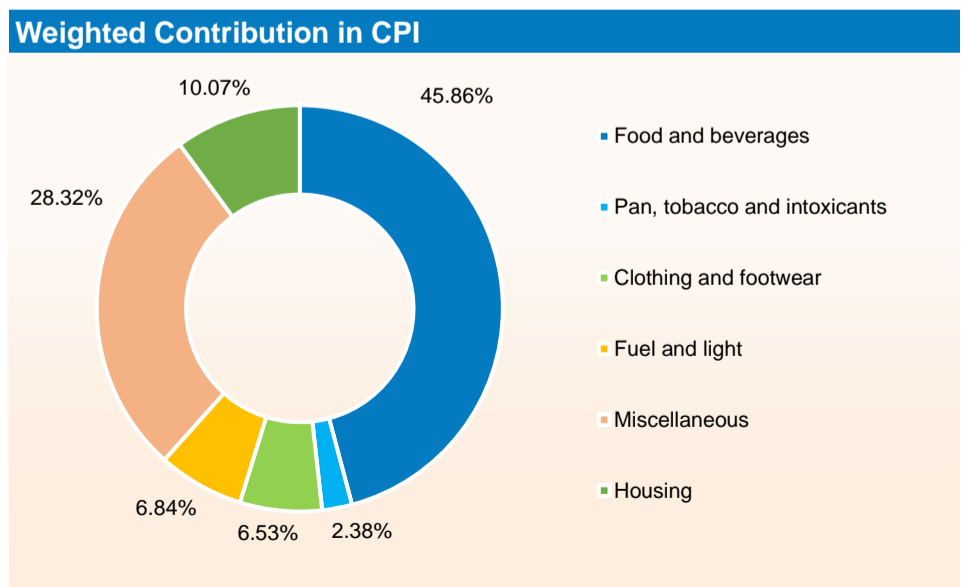
- Consumer Price Index based inflation (CPI) rose to 4.81% during June 2023 after touching its lowest level in more than two years in the previous month due to faster rise food inflation. In June 2023, CPI accelerated from 4.31% in May 2023 but remained much lower than 7.01% in June 2022.
- Despite rising sequentially, retail inflation still remained below the upper tolerance level of the Reserve Bank of India's retail inflation target of 6% for the fourth consecutive month during the reported period.
- The Consumer Food Price Index increased at a faster pace to 4.49% in June 2023 as compared to 2.96% rise in May 2023 but much slower than 7.75% in the same month of the previous year.
- Inflation for food and beverages also accelerated to 4.63% during the reported period from 3.35% in May 2023 although still lower than 7.56% in the same month of the previous year.
- Under food and beverages, retail inflation slowed on yearly basis majorly due to oils and fats, and vegetables, which contracted 18.12% and 0.93% compared with a rise of 9.36% and 17.31%, respectively, during the corresponding period of last year. However, inflation for cereals & products, Milk and products, and spices surged to 12.71%, 8.56% and 19.19% in June 2023 from 5.66% and 6.15% and 11.04%, respectively in June 2022.
- Inflation for clothing and footwear eased to 6.19% in June 2023 from 9.52% in the same month of the previous year. Inflation for fuel and light also eased considerably to 3.92% in June 2023 from 10.14% 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 5.19% in June 2023 from 4.90% in the previous month and 6.28% in June 2022.
- Among states, the highest inflation rate of 6.41% was recorded by Tamil Nadu, followed by Uttarakhand and Bihar for which inflation stood at 6.32% and 6.16%, respectively. On the other hand, the lowest inflation rate of 1.24% was seen in Chhattisgarh followed by Delhi at 2.04%.



Source: Refinitiv



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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 (%)	
				Jun-23	Jun-22	Jun-23	Jun-22	Jun-23	Jun-22	Jun-23	Jun-22
1		General Index (All Groups)	100	4.81%	7.01%	4.81	7.01	1.01%	0.52%	1.01	0.52
		Food and beverages	45.86	4.63%	7.56%	2.12	3.47	2.18%	0.92%	1.00	0.42
	1.1.01	Cereals and products	9.67	12.71%	5.66%	1.23	0.55	0.58%	0.58%	0.06	0.06
	1.1.02	Meat and fish	3.61	1.41%	8.61%	0.05	0.31	3.83%	1.11%	0.14	0.04
	1.1.03	Egg	0.43	7.03%	-5.48%	0.03	-0.02	5.54%	5.17%	0.02	0.02
	1.1.04	Milk and products	6.61	8.56%	6.15%	0.57	0.41	0.28%	0.55%	0.02	0.04
	1.1.05	Oils and fats	3.56	-18.12%	9.36%	-0.65	0.33	-3.24%	-0.74%	-0.12	-0.03
	1.1.06	Fruits	2.89	1.36%	3.10%	0.04	0.09	-0.12%	-0.76%	0.00	-0.02
	1.1.07	Vegetables	6.04	-0.93%	17.31%	-0.06	1.05	12.17%	4.23%	0.74	0.26
	1.1.08	Pulses and products	2.38	10.53%	-1.02%	0.25	-0.02	3.42%	-0.24%	0.08	-0.01
	1.1.09	Sugar and Confectionery	1.36	3.00%	4.17%	0.04	0.06	0.65%	0.17%	0.01	0.00
	1.1.10	Spices	2.50	19.19%	11.04%	0.48	0.28	2.29%	1.19%	0.06	0.03
	1.2.11	Non-alcoholic beverages	1.26	3.63%	4.94%	0.05	0.06	0.35%	0.48%	0.00	0.01
	1.1.12	Prepared meals, snacks, sweets etc.	5.55	5.87%	6.67%	0.33	0.37	0.26%	0.77%	0.01	0.04
2		Pan, tobacco and intoxicants	2.38	3.65%	1.83%	0.09	0.04	0.20%	0.10%	0.00	0.00
3		Clothing and footwear	6.53	6.19%	9.52%	0.40	0.62	0.38%	0.80%	0.02	0.05
	3.1.01	Clothing	5.58	6.15%	9.19%	0.34	0.51	0.37%	0.85%	0.02	0.05
	3.1.02	Footwear	0.95	6.12%	11.92%	0.06	0.11	0.33%	0.89%	0.00	0.01
4		Housing	10.07	4.56%	3.93%	0.46	0.40	-0.68%	-0.42%	-0.07	-0.04
5		Fuel and light	6.84	3.92%	10.14%	0.27	0.69	0.05%	0.80%	0.00	0.05
6		Miscellaneous	28.32	5.19%	6.28%	1.47	1.78	0.28%	0.00%	0.08	0.00
	6.1.01	Household goods and services	3.8	5.53%	7.49%	0.21	0.28	0.23%	0.73%	0.01	0.03
	6.1.02	Health	5.89	6.21%	5.47%	0.37	0.32	0.32%	0.34%	0.02	0.02
	6.1.03	Transport and communication	8.59	2.48%	6.90%	0.21	0.59	0.18%	-1.17%	0.02	-0.10
	6.1.04	Recreation and amusement	1.68	3.56%	7.04%	0.06	0.12	0.29%	0.42%	0.00	0.01
	6.1.05	Education	4.46	5.92%	4.51%	0.26	0.20	1.07%	0.66%	0.05	0.03
	6.1.06	Personal care and effects	3.89	9.03%	6.68%	0.35	0.26	-0.27%	0.59%	-0.01	0.02

Source: Refinitiv