

### CPI inflation increases to 7.0% in August 2022

Month	Weight	Aug-21	Apr-22	May-22	Jun-22	Jul-22	Aug-22
General Index	100.0	5.3	7.8	7.0	7.0	6.7	7.0
Food & beverages	45.9	3.7	8.1	7.8	7.6	6.7	7.6
Pan, tobacco & intoxicants	2.4	4.0	2.7	1.2	1.8	1.8	1.7
Clothing & footwear	6.5	6.8	9.9	8.9	9.5	9.9	9.9
Housing	10.1	3.9	3.5	3.7	3.9	3.9	4.1
Fuel & light	6.8	13.0	10.7	9.5	10.1	11.8	10.8
Miscellaneous	28.3	6.4	8.0	6.8	6.3	5.9	6.0

#### CPI – Key Sub-segment of Food (% Y-o-Y Growth)

Month	Food	Cereals and products	Egg, fish and meat	Milk and products	Oils and fats	Fruits	Vegetables	Pulses and products	Sugar and condiments	Spices
Weight	39.1	9.7	4.0	6.6	3.6	2.9	6.0	2.4	1.4	2.5
Aug-21	3.1	-1.4	9.9	2.9	33.1	6.7	-11.7	8.8	-0.6	5.1
Apr-22	8.3	6.0	6.3	5.5	17.3	5.0	15.3	1.9	5.2	10.6
May-22	8.0	5.3	7.1	5.6	13.3	2.3	18.3	-0.4	4.3	9.9
Jun-22	7.8	5.7	7.3	6.2	9.4	3.1	17.3	-1.0	4.2	11.0
Jul-22	6.7	6.9	2.4	5.8	7.5	6.3	10.9	0.2	4.8	12.9
Aug-22	7.6	9.6	0.5	6.4	4.6	7.4	13.2	2.5	4.5	14.9

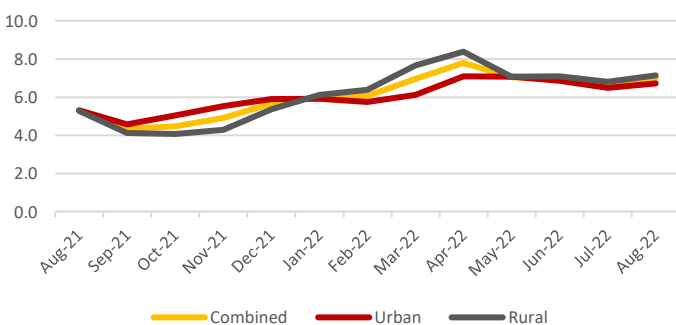
■ Retail inflation witnessed an increase by 30 basis points in August 2022 after witnessing moderation in the past three months. The CPI based inflation rate moved up to 7.0 percent on a y-o-y basis, from a five-month low of 6.7 percent inflation rate reported in July 2022. Compared with the year-ago period, CPI for the month of August 2021 was at 5.30 percent.

■ Inflation was driven mainly by the food & beverages segment; while the prices of fuel & light and clothing & footwear also remained elevated. The food and beverages sub-segment reported a y-o-y growth of 7.6 percent in prices during August 2022, compared to 6.7 percent inflation reported in July 2022, and 3.7 percent in August 2021. Inflation in the food segment was driven by broad basing of price increase across segments – including cereals, milk & products, fruits, vegetables, pulses and spices. Among these, cereals/& products witnessed the largest change in prices by almost 2.7 percent in August 2022, vis-à-vis the previous month; followed by vegetables and pulses segment.

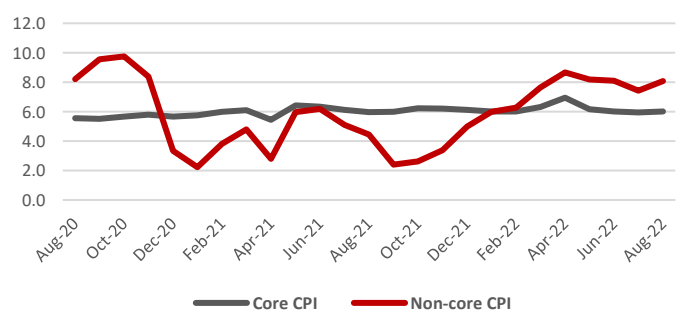
■ Inflation in the fuel & light sub-segment, although remained high, reported a decline by 1.0 percentage point in August 2022 over the previous month, growing at 10.8 percent in August 2022, compared to 11.8 percent in July 2022. Inflation in the clothing & footwear sub-segment remained unchanged in August at 9.9 percent, while that in the miscellaneous segment reported a marginal increase of 0.1 percent in August 2022 compared to July 2022. In the miscellaneous sub-segment, prices of education, personal care, and household goods & services remained elevated in August 2022.

■ The trend in core and non-core CPI also corroborates with the fact that the pressure on prices continues to come from the food and fuel segments. The non-core CPI rose one again in the month of August 2022, after moderating somewhat since April 2022. While inflation in the core CPI remained unchanged in August from the previous month at 6.0 percent, inflation in the non-core CPI has risen from 7.4 percent in July 2022 to 8.1 percent in August 2022.

Consumer Price Index - in %



Trend in Core & Non-core CPI (Y-o-Y growth in %)



Source: MoSPI, CMIE

# Fact Sheet – Consumer Price Index September 2022

In August, 2022 about 54% of items had an inflation rate over 6.0%

	August 2022	July 2022	August 2021
Over 6.0%	54.0%	51.6%	46.7%
Between 4%-6%	15.6%	15.2%	16.3%
Between 2%-4%	12.1%	13.5%	13.5%
Below 2%	18.3%	19.7%	23.5%

### Comments

Upward pressure on prices remains on fore with food and fuel segment prices staying over the comfort zone. The fall in kharif acreage due to uneven rainfall distribution has impacted rice and pulses sowing. Parts of Bihar, Jharkhand, Uttar Pradesh, West Bengal have witnessed deficient rainfalls and are likely to witness lower production levels. Also, there have been reports of rice dwarfing virus impacting crop in Punjab and lumpy skin disease affecting cattle in Gujarat, Rajasthan, Haryana, Punjab, Uttar Pradesh & Madhya Pradesh. These developments add an additional burden. However, moderation in edible oil prices will have salutary impact. Also, global commodity prices are cooling on a sequential basis and should bode well for domestic inflation.