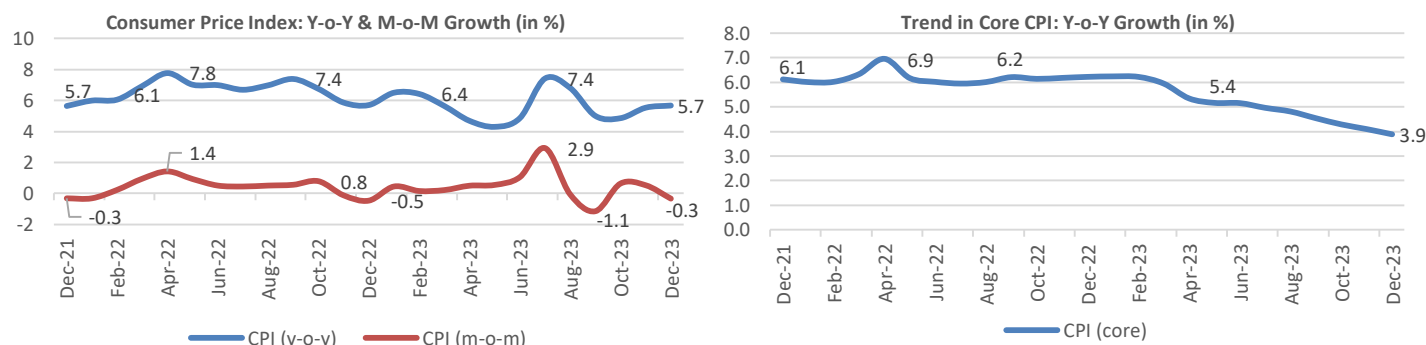


### CPI inflation expands to 5.7% in December 2023



Month	Weight	Dec-22	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
<b>General Index</b>	<b>100</b>	<b>5.7</b>	<b>6.8</b>	<b>5.0</b>	<b>4.9</b>	<b>5.6</b>	<b>5.7</b>
<b>Food &amp; beverages</b>	<b>45.9</b>	<b>4.6</b>	<b>9.2</b>	<b>6.3</b>	<b>6.3</b>	<b>8.0</b>	<b>8.7</b>
<b>Pan, tobacco &amp; intoxicants</b>	<b>2.4</b>	<b>2.6</b>	<b>4.1</b>	<b>3.9</b>	<b>3.9</b>	<b>3.8</b>	<b>3.7</b>
<b>Clothing &amp; footwear</b>	<b>6.5</b>	<b>9.6</b>	<b>5.2</b>	<b>4.6</b>	<b>4.3</b>	<b>3.9</b>	<b>3.6</b>
<b>Housing</b>	<b>10.1</b>	<b>4.5</b>	<b>4.4</b>	<b>4.0</b>	<b>3.8</b>	<b>3.6</b>	<b>3.6</b>
<b>Fuel &amp; light</b>	<b>6.8</b>	<b>10.9</b>	<b>4.3</b>	<b>-0.1</b>	<b>-0.4</b>	<b>-0.8</b>	<b>-0.9</b>
<b>Miscellaneous</b>	<b>28.3</b>	<b>6.2</b>	<b>4.9</b>	<b>4.8</b>	<b>4.5</b>	<b>4.4</b>	<b>4.1</b>

Source: MoSPI, CMIE

❖ The inflation print for the month of December 2023 rose marginally to reach a four-month high of 5.7 percent on y-o-y basis vis-à-vis 5.6 percent mark in the previous month. The increase in price level during the month was driven by food and beverage segment. Nonetheless, on a sequential basis, CPI contracted by 0.3 percent in Dec 2023 vis-à-vis 0.5 percent growth registered in the Nov 2023. Core inflation continued a downward trend to touch a 48-month low of 3.9 percent in Dec.

❖ The inflation rate of food & beverage sub-segment, which accounts for over 40% of the CPI's basket, rose from 8.0 percent in Nov 2023 to 8.7 percent in Dec 2023. The other constituents of CPI index - pan, tobacco, clothing & footwear, fuel & light and miscellaneous - all witnessed marginal moderation in the price levels. The housing segment, however, witnessed no change in price level during the month - with inflation rate remaining at 3.6 percent in December 2023.

❖ Additionally, a closer look at the food sub-segments reveals that while prices of sub-segments like spices, pulses, fruits and vegetables remained sticky at double-digit levels; the inflation rate in items including cereals and products, egg, fish and meat, milk & products noted a moderation. In fact, inflation rate of cereals and products hit a single-digit figure of 9.9 percent for first time since Aug 2022. Vegetables inflation rate edged up further from 17.7 percent registered in Nov 2023 to 27.6 percent in Dec 2023. The increase in vegetable prices during the month can be attributed to unseasonal rains and an increased demand owing to the wedding season.

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

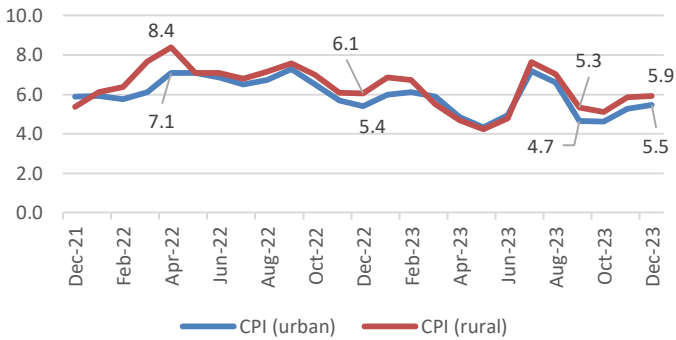
Month	Food	Cereals and products	Egg, fish and meat	Milk and products	Oils and fats	Fruits	Vegetables	Pulses and products	Sugar and condiments	Spices
<b>Weight</b>	<b>39.1</b>	<b>9.7</b>	<b>4</b>	<b>6.6</b>	<b>3.6</b>	<b>2.9</b>	<b>6</b>	<b>2.4</b>	<b>1.4</b>	<b>2.5</b>
<b>Dec-22</b>	<b>4.2</b>	<b>13.8</b>	<b>5.3</b>	<b>8.6</b>	<b>0.5</b>	<b>2.0</b>	<b>-15.1</b>	<b>3.9</b>	<b>0.7</b>	<b>20.4</b>
Aug-23	9.9	11.9	3.7	7.7	-15.3	4.0	26.1	13.0	3.8	23.2
Sep-23	6.6	11.0	4.3	6.9	-14.0	7.3	3.4	16.4	4.5	23.1
Oct-23	6.6	10.7	3.8	6.4	-13.7	9.3	2.8	18.8	5.5	22.7
Nov-23	8.7	10.3	2.5	5.8	-15.0	11.0	17.7	20.2	6.6	21.5
<b>Dec-23</b>	<b>9.5</b>	<b>9.9</b>	<b>1.5</b>	<b>5.1</b>	<b>-14.9</b>	<b>11.1</b>	<b>27.6</b>	<b>20.7</b>	<b>7.1</b>	<b>19.7</b>

Source: MoSPI, CMIE

# Fact Sheet – Consumer Price Index

## January 2024

CPI: Urban & Rural



CPI – Year-on-year inflation rates (%) of major States –Dec 2023  
Top five highest and lowest inflation rates

Sr no.	Name of the State/UT	Inflation Rate (%)
1	Odisha	8.7
2	Gujarat	7.1
3	Rajasthan	7.0
4	Haryana	6.7
5	Karnataka	6.7

Sr no.	Name of the State/UT	Inflation Rate (%)
1	Uttarakhand	4.7
2	Chhattisgarh	4.5
3	Kerala	4.3
4	Jammu & Kashmir	4.2
5	Delhi	3.0

Following the trail of overall CPI index, urban and rural inflation too reported a marginal uptick. While urban inflation rose to 5.4 in Dec 2023 from 5.2 percent in the month of Nov 2023; rural inflation was reported at 5.9 percent in Dec 2023 vis-a-vis 5.8 in the previous month. While food prices at both rural and urban sector levels noted an increase during the month, a higher weightage of food component in rural inflation index has kept the same higher than its urban counterpart. Further, 9 of the 22 major states/UTs recorded an inflation rate above the All-India CPI of 5.69 per cent in December, with the highest rate in Odisha (8.7 per cent), followed by Gujarat (7.1 per cent), and Rajasthan (7.0 per cent).

### Comments

The uptick in retail inflation was in line with the broad expectations. Going forward, headline inflation is expected to ease with the arrival of fresh crops in the market during January-March 2024. Nonetheless, output of food items including rice, wheat and pulses will be affected by the expected fall in kharif production and the lag in sowing in the ongoing rabi season given the El Nino conditions.