

Macro Insights

12th September, 2024

CPI increased to 3.65 per cent

Retail inflation measured by CPI increases to 3.65% in August 2024, compared to 3.60% in the previous month

Highlights:

- ☞ India's retail inflation increased in Aug'24 to 3.65 per cent.
 - ☞ CPI is between RBI's tolerance band of 2 to 6 per cent.
 - ☞ The core inflation moderated to 3.40 per cent in August.
 - ☞ Urban inflation increased to 3.14 per cent from 3.03 per cent in the previous month and rural inflation increased from 4.10 per cent to 4.16 per cent.
- Food Price index stood at 5.66 per cent as against 5.42 per cent in July 2024.

Chart: Consumer Price Index – August'24

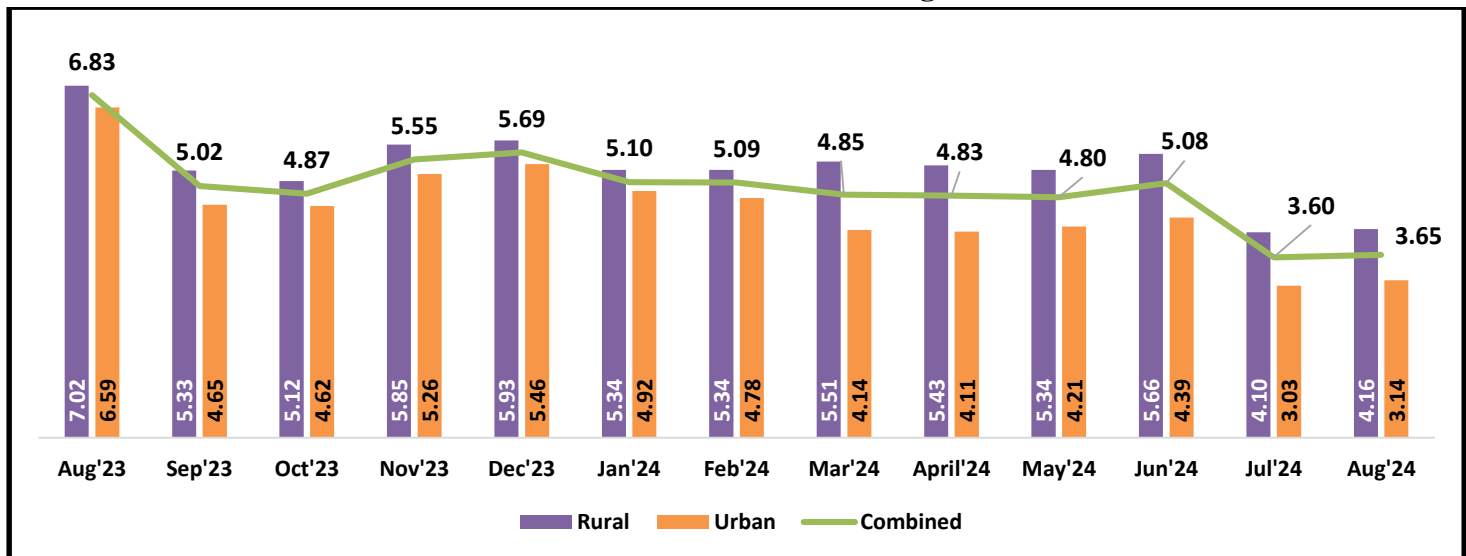


Table: Components of CPI

	Food and beverages		Pan, tobacco and intoxicants		Clothing and footwear		Housing		Fuel & Light		Miscellaneous		General	
Weight	45.86%		2.38%		6.53%		10.07%		6.84%		28.32%		100%	
	Prev. Year	Current Year	Prev. Year	Current Year	Prev. Year	Current Year	Prev. Year	Current Year	Prev. Year	Current Year	Prev. Year	Current Year	Prev. Year	Current Year
Jun'24	4.69	8.36	3.71	3.08	6.14	2.73	4.56	2.69	3.92	-3.66	5.19	3.41	4.87	5.08
Jul'24	10.57	5.06	3.85	3.02	5.64	2.67	4.47	2.68	3.67	-5.48	5.05	3.79	7.44	3.54
Aug'24	9.19	5.30	4.10	2.71	5.15	2.72	4.38	2.66	4.31	-5.31	4.91	3.89	6.83	3.65

Views:

- **Consumer Price Index (CPI) based inflation** for August 2024 stood at 3.65% YoY, marginally higher than the previous month's print of 3.60 % YoY.
- **Food inflation**, as depicted by the Consumer Food Price Index (CFPI), slowed down to 5.66 % YoY in August 2024 as compared to 9.94% YoY in August 2023. The growth in vegetables prices plunged to 10.71% YoY in August 2024 as compared to the other items. Decline in inflation is observed in the subgroups of 'Spices', 'Meat and Fish' and 'Pulses and products' etc.
- India's retail inflation in August 2024 falls below the RBI's 4% target for the second time in about five years.

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