

# Retail inflation rises to 0.71% in Nov

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The consumer price index (CPI)-based retail inflation inched up to 0.71 per cent in November from a record low of 0.25 per cent in October, thanks to the fading of favourable base effect and the narrowing deflation in food basket on account of seasonal rise in prices of certain food items.

Data released by the National Statistics Office (NSO) on Friday showed that the deflation in food items tapered to -3.91 per cent in November from -5.02 per cent in October, led by a sequential increase in the prices of vegetables, eggs, pulses, fruits and meat & fish.

In rural India, retail prices slipped back into the inflationary zone with the NSO reporting a 0.10 per cent rise in the CPI (Rural) in November, compared to -0.25 per cent in the preceding month. Urban inflation, on the other hand, rose to 1.4 per cent from 0.88 per cent during the same time period. Food prices, though, remained in deflation in both the rural (-4.05 per cent) and urban (-3.6 per cent) areas.

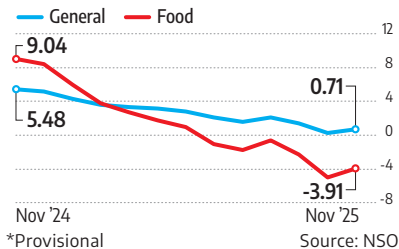


Inflation in cereals decelerated to a 50-month low of 0.1 per cent, while edible oil prices also moderated (7.87 per cent), though remained elevated.

Rajani Sinha, chief economist, Care Ratings says that edible oil prices remain a key monitorable given weak kharif oilseed sowing and elevated global prices. "Overall, food inflation is expected to remain at moderate levels, supported by healthy agricultural activity and a favourable base. Adequate reservoir levels should also aid rabi sowing this year," she added.

Aditi Nayar, chief economist, Icra Rat-

## Mild uptick



ings said that as many as 8 of the 12 sub-segments in the food and beverages category witnessed a hardening in their November prints. "Vegetables, pulses and spices have a weightage of 24 per cent in the food and beverages category and they have largely remained in deflation in the current year, and trends in these segments have weighed on food inflation prints," she added.

Inflation for clothing & footwear remained moderate at 1.5 per cent and housing at 3 per cent, while for fuel & lighting category, it stayed low at 2.3 per cent.

While overall inflation cooled sharply,

core inflation, which excludes volatile items in the consumer basket such as food and energy, remained elevated at 4.4 per cent in November, driven primarily by a surge in precious metals. Gold inflation soared to 58.5 per cent while silver witnessed a spike of 65.5 per cent. Inflation in personal care and effects surged to 24.04 per cent in November.

Barring precious metals, core inflation stood at 2.4 per cent. Overall, items having 40.4 per cent weight in the 299-commodity consumer index recorded inflation levels below 2 per cent (lower tolerance band of the RBI) - the highest in over 6 years.

11 of the 22 states and UTs for which NSO has computed the inflation registered deflation while the others had positive inflation.

Kerala recorded the highest inflation at 8.3 per cent, followed by Karnataka (2.64 per cent) and the erstwhile state of Jammu & Kashmir (2.31 per cent). On the other hand, Bihar recorded the sharpest deflation (-1.67 per cent) followed by Odisha (-1.29 per cent) and Uttar Pradesh & Madhya Pradesh (-1.06 per cent).