

Wholesale inflation rises to 3-month high in March

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The headline wholesale price index (WPI)-based inflation inched up to a three-month high of 0.53 per cent in March from 0.2 per cent in February. It thus remained in positive terrain for the fifth consecutive month, after it was in deflationary territory for the major part of financial year 2023-24 (FY24).

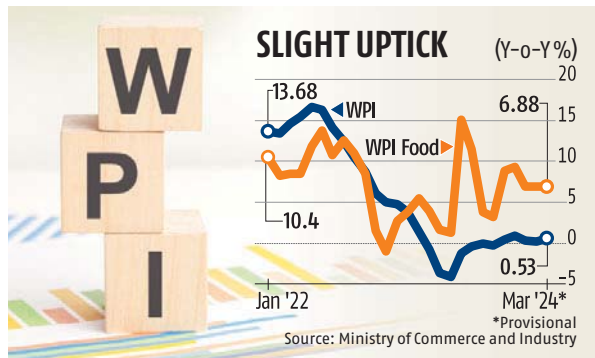
Data released by the Ministry of Commerce and Industry on Monday showed that the uptick in factory gate inflation during March was

driven by increase in prices of food articles, electricity, crude petroleum and natural gas, among others.

The overall FY24 wholesale headline inflation stood at -0.7 per cent compared to 9.6 per cent in FY23. Within this, the food inflation was at 3.2 per cent in FY24, down from 6.4 per cent in the previous financial year.

Whereas, the prices of fuel (-4.4 per cent) and manufactured products (-1.7 per cent) contracted during FY24 compared to 29.4 per cent and 5.7 per cent, respectively, in FY23.

Within food articles, pres-



sure on factory gate prices mainly built up on account of rise in the prices of onion (56.9 per cent) and potato (52.9 per

cent), followed by paddy (11.7 per cent), cereals (9.04 per cent) and wheat (7.43 per cent).

On the other hand, the

prices of pulses (17.2 per cent), vegetables (19.52 per cent) and milk (4.73 per cent) decelerated during the month.

Meanwhile, the prices of fruits (-2.95 per cent) and protein-rich items like egg, meat and fish (-1.86 per cent) provided some relief as they contracted during March as compared to the preceding month.

The prices of manufactured products, which have a weighting of 64.2 per cent in the index, remained in deflation (-0.85 per cent) for the 13th consecutive month in March. This was led by a continuing contraction in the

prices of textiles (-1.68 per cent), paper (-5.71 per cent), chemicals (-4.64 per cent), metals (-5.34 per cent) and furnished steel (-7.22 per cent), among others.

Moreover, the contraction in fuel prices (-0.77 per cent) continued for the 11th consecutive month in March. It was led by contraction in prices of high-speed diesel (-3.51 per cent), cooking gas (-10.19 per cent) and petrol (-0.94 per cent).

Rajani Sinha, chief economist at CARE Ratings, said that an uptick in WPI inflation led the overall print higher.