

Retail inflation inches up to 2.75% in Jan

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India's retail inflation was recorded at 2.75% in January, marking a debut for a new series with the 2024 base year. The numbers can't be compared with the previous month's figures due to the much-awaited reset of the consumer price index (CPI) basket.

Inflation under the old CPI 2012 series was 1.33% in December and 0.71% in November. But the statistics ministry on Thursday released back-series data until 2024, so strictly comparable readings are not available for the two months.

The January print was below estimates. Economists had flagged that food prices had bottomed out and that there were early signs of inflationary pressures firming up. While CPI-based inflation has been at the lower band of the Reserve Bank of India's (RBI) 2-6% target range in six of the past seven months, the central bank's rate-setting panel kept key policy rates unchanged in its latest monetary policy move.

Food inflation under the new series stood at 2.13%. Inflationary pressure in January was

Household squeeze

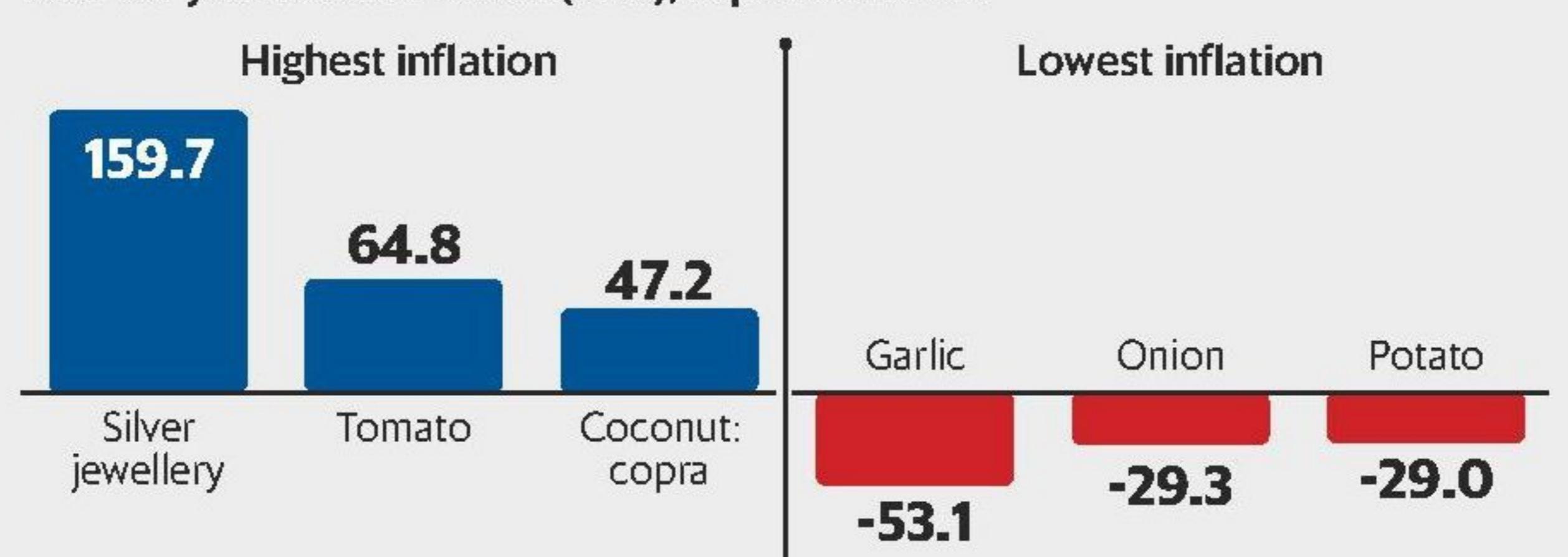
Personal care, education emerge as the key drivers of inflation in Jan 2026

Year-on-year retail inflation (in %) in Jan 2026, division-wise



Silver jewellery witnessed the highest inflation in Jan 2026; garlic lowest

Year-on-year retail inflation (in %), top three items



Source: Statistics ministry, Mint calculations

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largely due to price volatility in the metal segment, particularly silver, said Saurabh Garg, secretary at the ministry of statistics and programme implementation.

Silver jewellery remained the top item with all-India com-

bined inflation at 159.67%. Inflation of gold, diamond and platinum jewellery also remained high in January at 46.77%, while inflation in a large number of food items remained moderate.

Aditi Nayar, chief economist at Icra Ltd, said the new CPI

series is not comparable to the old series owing to changes in composition, weights, and calculation methodology. "Nevertheless, with a dip in the weight of the food and beverages segment, we had expected the headline print to be slightly higher than our estimate of 2.5% for January 2026 as per the old series, which has been the case," she said.

The headline CPI inflation under the new series is well below the mid-point of the monetary policy committee's target range of 2%-6%, she said. "The year-on-year (YoY) inflation rates across 11 of the 12 divisions of the CPI ranged between 0.1% and 3.4%, i.e. below the 4%-mark, with the personal care, social protection and miscellaneous goods and services being the outlier with a 19.0% inflation, largely reflecting the boom in gold and silver prices."

The sharp uptick in consumer inflation in January also reflects the base-year revisions for the very first time. Starting with the January 2026 inflation print, the country has shifted to an updated CPI that better reflects how Indians spend their money today.

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