

WPI inflation at 10-month high of 1.8% in January

Rise driven by higher core inflation and rebound in food prices

HIMANSHI BHARDWAJ

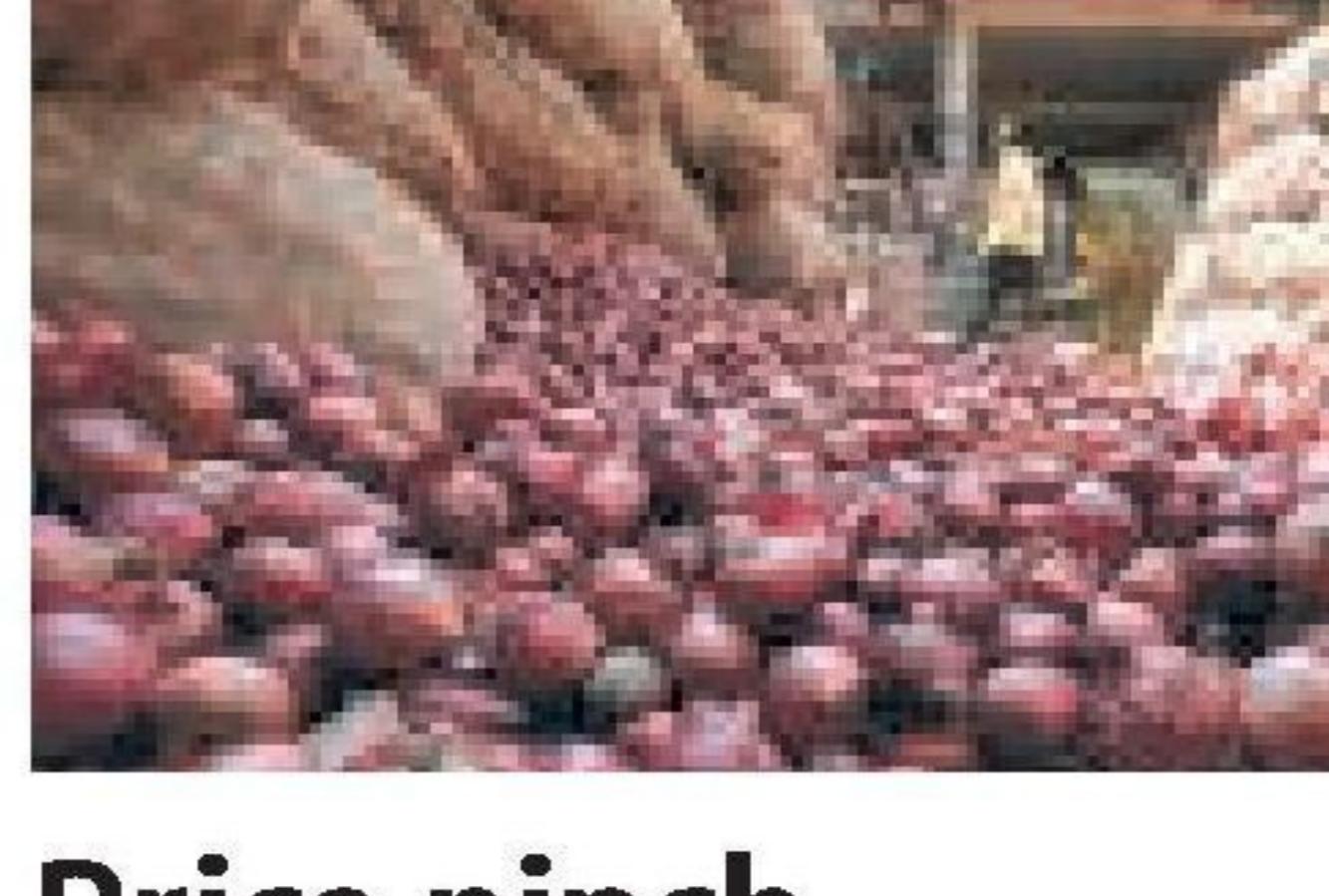
New Delhi, 16 February

India's factory-gate inflation, measured by the wholesale price index (WPI), rose to a 10-month high of 1.81 per cent in January, driven by a pickup in food prices and higher core inflation, data released by the Ministry of Commerce and Industry showed on Monday.

After remaining flat year-on-year in December 2025, food inflation climbed to an eight-month high of 1.4 per cent in January. The rise was accompanied by a sharp increase in core inflation (excluding volatile food and fuel), which surged to a 38-month high of 3.2 per cent from 2 per cent in the previous month.

"The hardening in global commodity prices and depreciation in the dollar/rupee pair over the past few months is likely to have put upward pressure on the core index, which rose 1.4 per cent sequentially in January 2026 – the sharpest uptick in 45 months," said Rahul Agrawal, senior economist at Icra. This comes after retail inflation, under the new 2024 base year series, stood at 2.75 per cent in January, while the consumer food price index was pegged at 2.13 per cent.

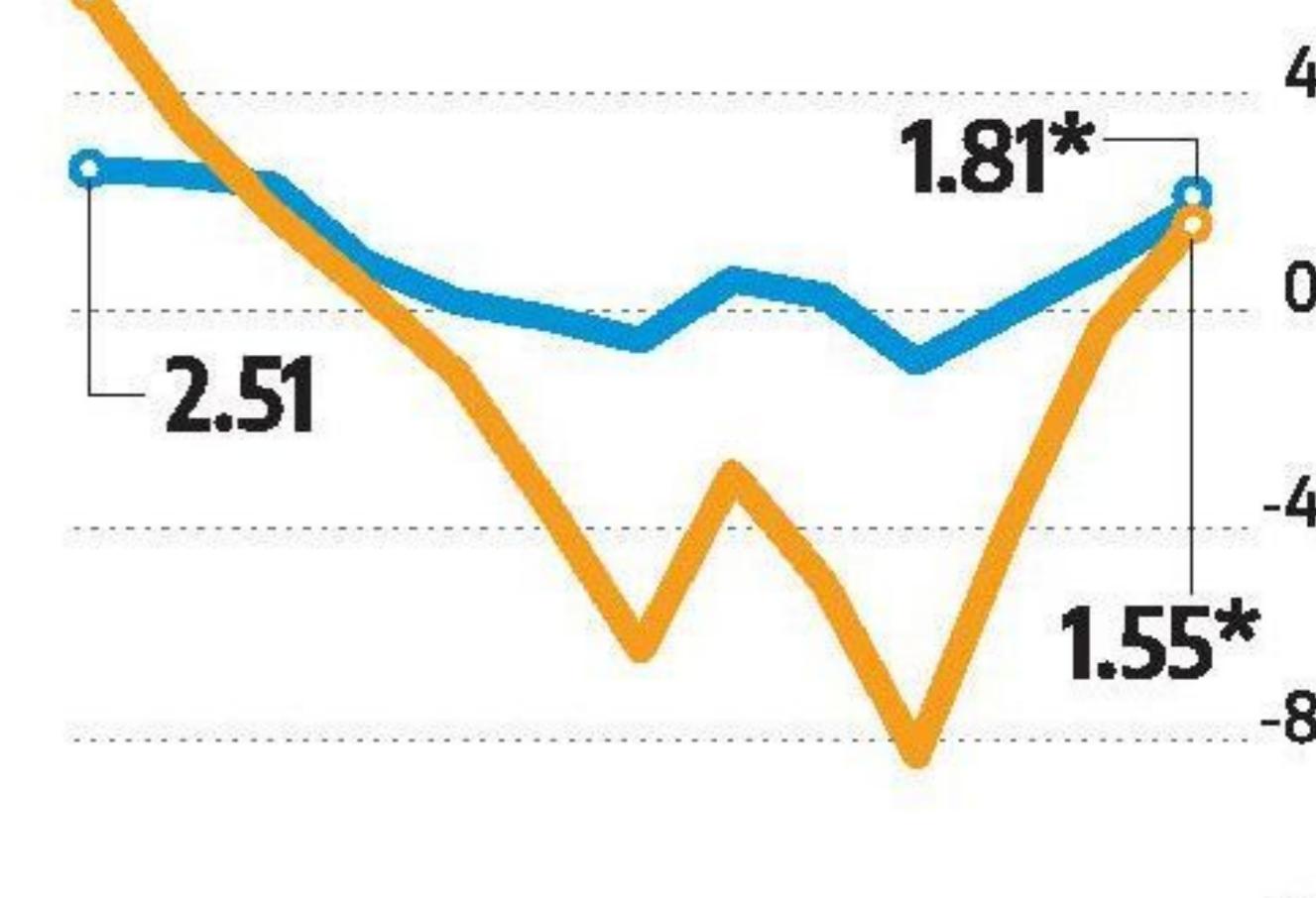
According to WPI data, primary food articles inflation stood at 1.55 per cent in December, ending an eight-month contractionary streak. This was led by



Price pinch

Inflation rate (in Y-o-Y %)

WPI
WPI Food



Jan '25

Jan '26

*Provisional

Source: DPIIT

price rises in vegetables (6.78 per cent) and widening inflation in paddy (0.89 per cent) and eggs, meat and fish (3.66 per cent) in January compared to the preceding month.

Vegetable inflation turned positive in January after nearly a year in deflation, with prices last recording an increase in January 2025 at 8.11 per cent. Madan Sabnavis, chief economist at Bank of Baroda, attributed the rise to supply shortfalls and base effects.