

Wholesale Inflation Touches 10-month High of 1.8% in Jan

GOING AHEAD Monsoon outlook crucial as El Nino poses risk to food inflation

Our Bureau

New Delhi: India's wholesale inflation hit a 10-month high of 1.81% in January, increasing from 0.8% in the preceding month, driven by higher prices of food, non-food articles and manufactured items, showed official data released on Monday. The Wholesale Price Index (WPI)-based inflation stood at 2.5% a year ago.

On the other hand, retail inflation came in at 2.75% in January, marking the first reading under the revised Consumer Price Index (CPI) series with 2024 as the base year.

"WPI inflation for January remains benign at 1.8%," said Madan Sabnavis, chief economist at Bank of Baroda. He added that since October 2025 there has been a tendency for inflation to increase gradually, reflecting more of the base effects as supplies in general have been normal.

Rahul Agrawal, senior economist at ICRA, said the increase was mainly led by the core WPI segment (non-food manufactured items), which rose to a 38-month

Whole Picture

Wholesale price rise led by food, non-food articles, manufactured items

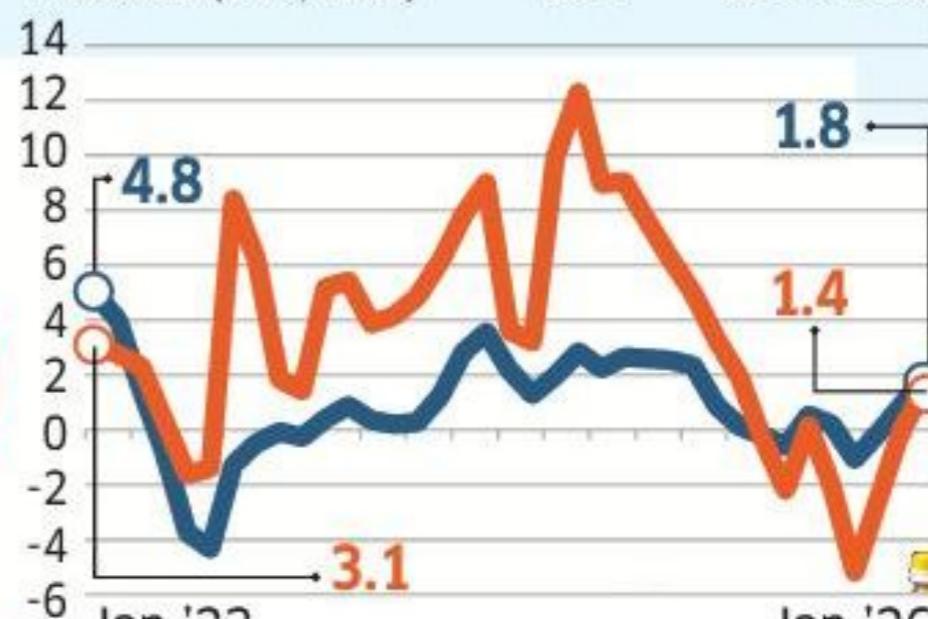
Cereals and pulses remained in deflation, at **1.4% & 11.1%**

Food inflation at an 8-month high

ECONOMISTS EXPECT WPI TO RISE FURTHER



Inflation (YoY, in %) — WPI — WPI Food



Note: Fig for last 2 mths are provisional;
Source: Ministry of Commerce & Industry

high of 3.2% in January from 2% in December 2025.

Food inflation, which accounts for about a quarter of the WPI basket, increased to an eight-month high of 1.4% in January after remaining flat year-on-year in the previous month.

"Looking ahead, the monsoon outlook will be crucial, as elevated probability of an El Nino weather event could pose risks to food inflation," said Rajani Sinha, chief economist at CareEdge Ratings.

Agrawal cautioned that food inflation is set to harden further as

the effect of an unfavourable base intensifies. ICRA expects WPI inflation to rise to 2-2.2% in February.

Among key food categories, cereals and pulses remained in deflation, at 1.4% and 11.1%, respectively. Vegetable prices returned to inflation territory after 11 months, increasing 6.8% in January. However, prices of staples such as potato and onion fell 38.8% and 33.4%, respectively.

Manufacturing products, which account for 64.23% of the WPI basket, recorded inflation of 2.9% in January compared with 1.8% in December last year.