

Crude Storm Sets in: Wholesale Inflation at 11-Month High

Our Bureau

New Delhi: India's gauge for wholesale prices, the primary indicator of core inflation, climbed to an 11-month high of 2.13% year-on-year in February, driven by higher costs of primary goods including food and non-food articles, official data published Monday showed.

The Wholesale Price Index (WPI)-based inflation, which had quickened to 1.8% in January after a rare contraction toward mid-2025, is expected to accelerate further from March as higher oil prices due to the Gulf conflict begin feeding into manufactured costs and

across the logistics value chain, economists said.

"Looking ahead, elevated energy prices are likely to exert upward pressure on WPI inflation as input costs rise," said Rajani Sinha, chief economist, CareEdge Ratings.

Upward Trajectory

Rise in wholesale prices led by food, non-food articles, manufactured items

FOOD INFLATION AT 9-MONTH HIGH



NOTE: Figures for last two months are provisional
Source: Ministry of Commerce and Industry

India Ratings and Research expects WPI inflation to jump to 3.7% in March due to an increase in crude oil prices while ICRA estimates around 3.2%. According to CareEdge Ratings, WPI inflation is expected around 3.5% in FY27, assuming Brent crude prices average between \$60 and 70/bbl.

Goldman Sachs has predicted Brent crude to settle around 'low 70s' a barrel toward the latter half of the year from around \$85 a barrel in April should the West Asia crisis end soon, Reuters reported, citing the Wall Street powerhouse.

The WPI-based inflation index, which measures the prices of 697 items and is heavily tilted by weighting toward manufactured goods, stood at 2.5% in February 2025. The latest rise in the gauge mirrors a similar movement in retail inflation, which quickened to 3.2% in February from 2.7% in January, largely due to a low-base effect and rising food prices.

Manufacturing products, which account for 64.23% of the WPI basket, edged up to 2.92% in February from 2.86% in January. Of the 22 manufactured sub-groups, 16 registered price increases, including basic metals (4.4%), textiles (3.3%), food products (1.1%), and chemical products (0.7%).