

Inflation rose to 3.8% in April on costlier food items: *Mint* poll

India's retail inflation likely rose to 3.8% in April from 3.4% in March, moving closer to the RBI's medium-term 4% target as food prices firmed up and favourable base effects continued to fade, per the median estimate of 20 economists polled by *Mint*. **>P2**

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India's retail inflation likely rose to 3.8% in April from 3.4% in March, moving closer to the Reserve Bank of India's (RBI) medium-term target of 4%, as food prices firmed up across key categories and favourable base effects continued to fade, according to the median estimate of 20 economists polled by *Mint*. Official data is due on 12 May.

Economists expect consumer price index (CPI) inflation for April to print between 3.5% and 4.2%, with all respon-

dents anticipating further firming under the revised CPI series with 2024 as the base year.

India's retail inflation had risen to 3.4% in March from 3.21% in February, driven by higher food and energy prices amid tensions in West Asia.

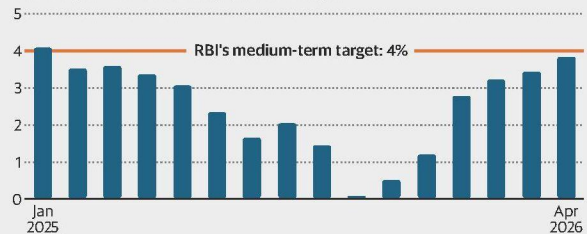
"CPI inflation is expected to rise in April 2026 from March, largely on account of hardening food and beverages inflation led by edible oils, vegetables, and readymade food segments," said Aditi Nayar, chief economist at ratings agency Icra Ltd.

Economists at Societe Generale said simultaneous increases in vegetable and edi-

Cost climb

Inflation is also exposed to crude prices, weather and geopolitics.

Year-on-year retail inflation (%), 2024 base year



April 2026 inflation is based on the median of forecasts by 20 economists in a *Mint* poll.

Source: Statistics ministry, *Mint* poll

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ble oil prices tend to broaden food inflation pressures, raising the risk of spillovers into headline inflation. Food inflation,

which accounts for nearly 35% of the CPI basket, has steadily accelerated from 2.1% in January to 3.9% in March.

Food inflation is also being amplified by rising global commodity prices amid supply-chain disruptions linked to the ongoing West Asia war and elevated freight costs. The global food price index in April hit its highest in over years, according to the UN's Food and Agriculture Organization.

Economists said core inflation, which strips out volatile food and fuel prices, is likely to have remained broadly stable in April, aided by softer gold prices. However, it may have inched up on higher restaurant and transport costs linked to commercial liquefied petroleum gas (LPG) and aviation

turbine fuel (ATF) prices.

Economists also warned that the inflation outlook is exposed to upside risks from high crude prices, adverse weather and geopolitical tensions.

Brent crude has traded above \$100 a barrel for much of the past two months, although the government has refrained from raising domestic retail petrol and diesel prices. Anubhuti Sahay, head of India economics research at Standard Chartered Bank, said the scope for retail fuel price increases may widen now that key state elections are over, potentially pushing headline inflation above the RBI's 4% target.

Weather-related risks from a potentially deficient southwest monsoon and emerging El Niño conditions are also clouding the inflation outlook for the coming months—factors the RBI has flagged as upside risks. According to minutes of RBI latest monetary policy meeting released on 22 April, CPI inflation average is seen at 4% in the first quarter of FY27 before rising to 4.4% in Q2.

Even so, economists do not expect an immediate change in policy rates. "While a rate hike solely to contain inflation looks unlikely, it could materialize if the rupee experiences sharper depreciation," added Sahay.