



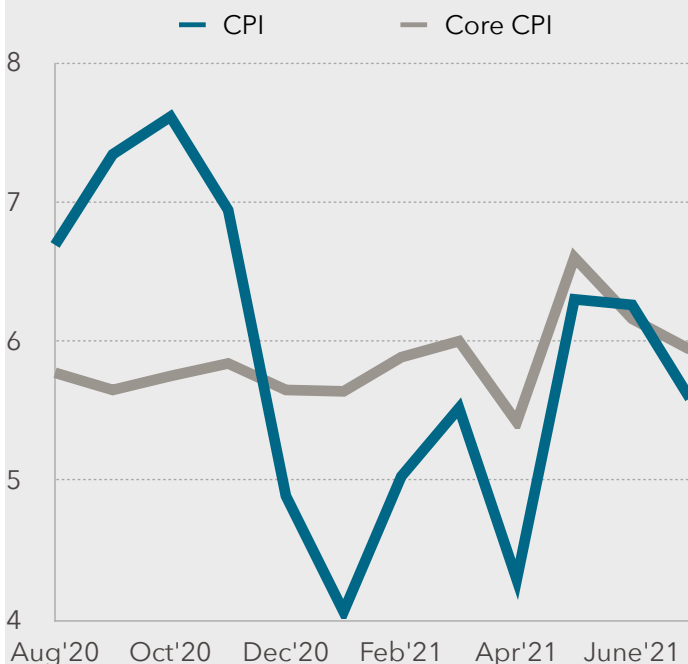
CONSUMER PRICE INDEX - JULY 2021

CPI Base Year 2012

| Particulars (%) | July'21 | June'21 | July'20 |
|----------------------------------|--------------|--------------|---------|
| Food and beverages | 164 | 162.6 | 157 |
| Cereals & products | 146.3 | 146.7 | 148.9 |
| Meat and fish | 206.8 | 202 | 190.9 |
| Milk & ,milk products | 157.5 | 156.2 | 153.3 |
| Fruits | 163.8 | 164.6 | 150.4 |
| Vegetables | 164.3 | 155.4 | 178.1 |
| Pulses & products | 164 | 166 | 150.4 |
| Pan, tobacco, intoxicants | 114.5 | 115.1 | 115.1 |
| Clothing and footwear | 168.3 | 168.5 | 160 |
| Housing | 161.5 | 160.5 | 155.5 |
| Fuel and light | 160.7 | 159.8 | 143 |
| Miscellaneous | 159 | 157.6 | 149 |
| GENERAL INDEX | 162.5 | 161.3 | 153.9 |
| CPI | 5.59% | 6.26% | |

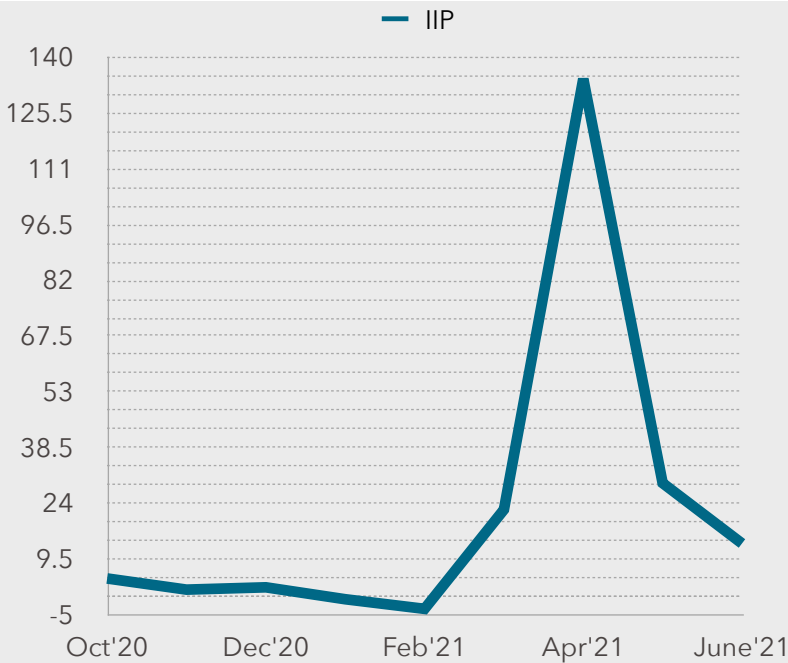
Highlights

- Retail inflation decreased to 5.59% in July'21 vs 26% in June'21.
- Food and beverages increased by 0.86% MoM and 4.46% YoY. Meat and fish saw a 2.38% rise MoM and 8.33% YoY. Egg prices increased 20.82% YoY. Oils and fats increased 32.53% YoY. Prices of vegetables increase 5.73% MoM but lower by 7.73% YoY. The price rise in pulses by 9.04% is driven by supply shortages in the producing regions due to drought, rising demand. And supply bottlenecks.
- Fuel and light component rose by 0.56% MoM and 12.38% from a year ago period due to a rise in global oil prices topped with domestic taxes.
- The miscellaneous segment increased by 0.89% MoM and rose 6.71% YoY. This rise was led by a 1.5% MoM growth in the transport and communication segment and 10.54% rise YoY.



Outlook

The July inflation print comes as a positive and we expect CPI to be in moderation. Going forward, we expect easing of covid restrictions thereby moderating inflation. However, global commodity prices remain a concern and can drive inflation higher. The service sector will also witness some upward pressure as the hospitality segment will see more demand given a faster vaccination rate and easing of restrictions. Inflation is well within RBI's target range and gives RBI room to delay policy normalisation.



Industrial output as measured by the IIP index registered growth of 13.6% in June 2021. This rise is attributed to the low base in 2020. The economy has seen quite a pickup in industrial sector - GST collections, E-way bills registered positive growth.

Manufacturing output - which contributes 78% of IIP jumped 13% in June 2021. Mining and electricity output rose 23% from a year earlier. Capital Goods jumped 25.7% while intermediate goods grew 22% on year.

Sources: Reserve Bank of India, Reuters.

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