



CONSUMER PRICE INDEX - MARCH 2021

CPI Base Year 2012

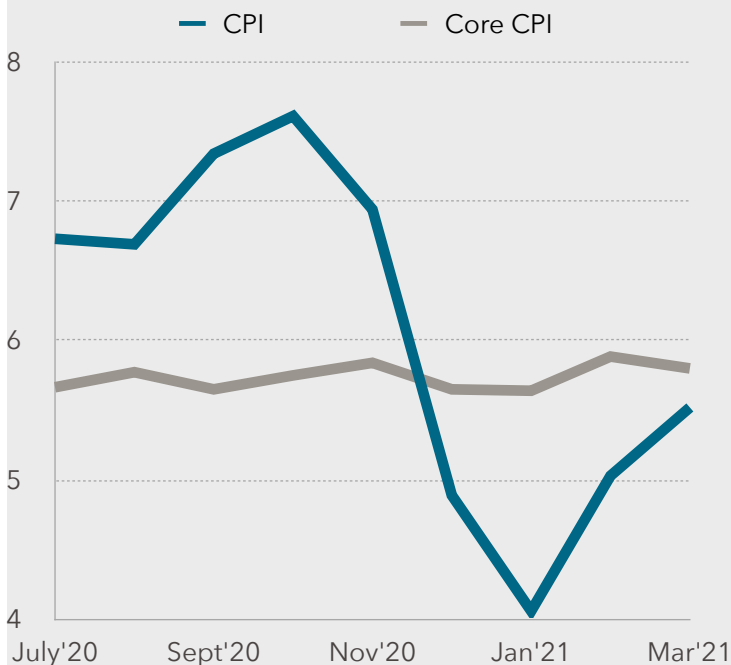
Highlights

Particulars (%)	Mar'21	Feb'21	Mar'20
Food and beverages	156.7	156.9	148.9
Cereals & products	144.1	144.3	145.1
Meat and fish	192.2	186.5	167.0
Milk & ,milk products	154.9	154.7	151.5
Fruits	153.7	150.7	142.5
Vegetables	149.7	160.0	157.3
Pulses & products	159.8	158.8	141.1
Pan, tobacco, intoxicants	188.0	188.3	171.2
Clothing and footwear	156.4	155.8	149.8
Housing	159.9	159.9	154.5
Fuel and light	155.6	152.4	148.9
CPI	5.52	5.03	5.91

Source: MOSPI, Trading Economics

- Retail inflation increased to 5.52% in March'21 as against 5.03% in Feb'21. The rise in inflation could be attributed to a rise in prices of fruits, meat and fuel. Vegetables have seen a sharp contraction of 4.83% YoY .
- Pulses and product prices have risen by 13.25% YoY. There have been supply shortages and the political tension in Myanmar resulted in higher prices of pulses globally.
- Cereals and meat & fish witnessed a rapid MoM increase of 3.06% and a YoY increase of 15%. This can be mainly attributed to the decline in bird flu cases.
- Fuel and light rose by 4.5% YoY. This could be mainly attributed to crude oil price volatility in global markets.
- Core inflation has been sticky at 5.80% due to rising input costs.

Outlook



We expect CPI to range between 5.40% to 5.70% in the current quarter. Recent lockdown restrictions along with volatile global commodity prices causing a rise logistic and transportation costs are expected to stay elevated in this quarter. However, there could be gains arising out of a favourable base effect going forward.

Cereal prices are expected to soften due to bumper foodgrain production in 2020-21. Expectations of good southwest monsoon season will help drive down inflation. However, pent up demand on the back of normalisation of economic activity as the vaccination drive gains traction may moderate inflation.