



## CONSUMER PRICE INDEX - SEPTEMBER 2021

CPI Base Year 2012

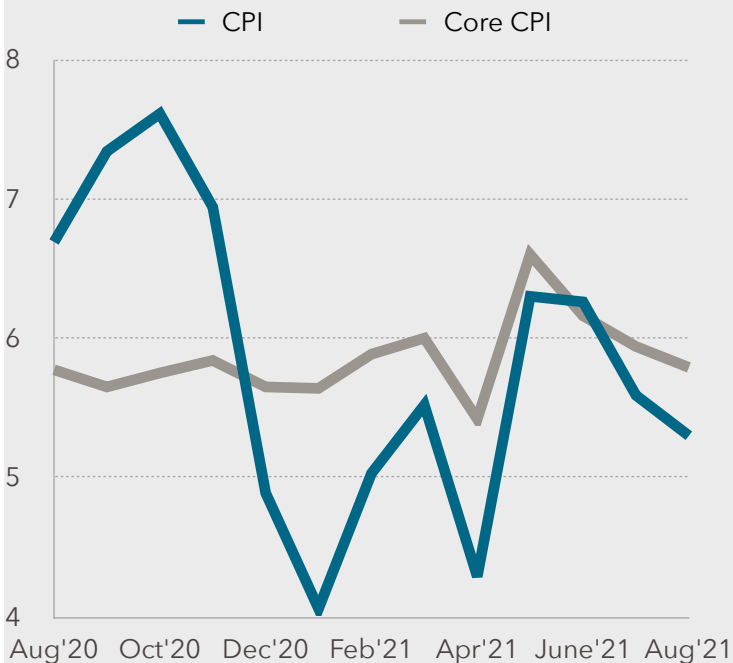
Particulars (%)	Sep'21	Aug'21	Sep'20
<b>Food and beverages</b>	164	164	161.4
Cereals & products	146.6	146.3	147.5
Meat and fish	204	206.8	188.9
Milk & ,milk products	158.4	157.5	153.6
Fruits	156.8	163.8	151.2
Vegetables	162.2	164.3	209.2
Pulses & products	164.1	164	150.9
<b>Pan, tobacco, intoxicants</b>	119.7	114.5	116.2
<b>Clothing and footwear</b>	168.8	168.3	161
<b>Housing</b>	162.1	161.5	156.5
<b>Fuel and light</b>	162.6	160.7	143.1
<b>Miscellaneous</b>	160	159	150.4
<b>GENERAL INDEX</b>	<b>163.2</b>	<b>162.5</b>	<b>156.4</b>
<b>CPI</b>	<b>4.35%</b>	<b>5.3%</b>	

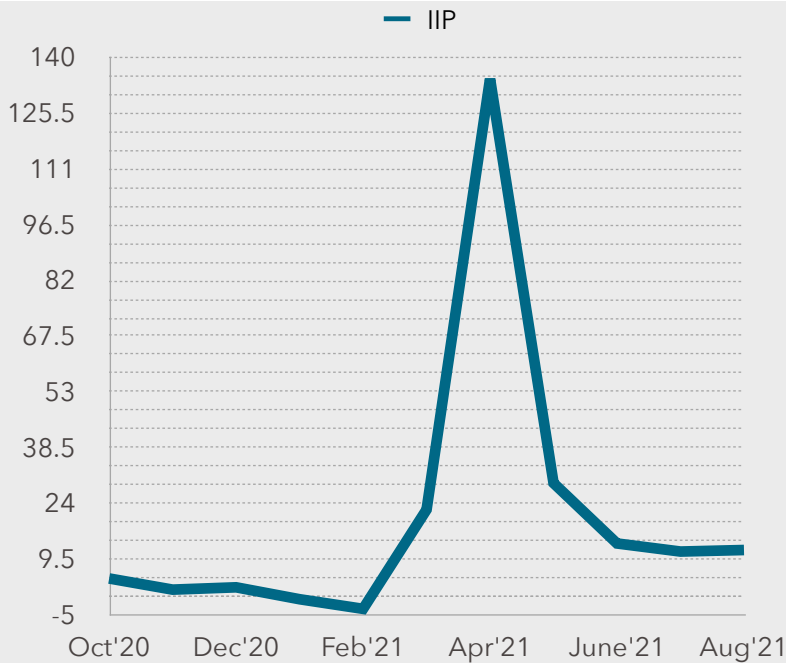
### Highlights

- Retail inflation decreased to 4.35% in Sep'21 vs 5.30% in Aug'21 - led by a moderation in food inflation and a low base. Core inflation remains sticky at 5.8%.
- Food and beverages increased by 1.61% YoY. Within which Oils and fats saw a 33% rise from a year ago period. Prices of vegetables plummeted by 1.6% MoM and 22.5% on a yearly basis. Prices of fruits saw a 2.6% decline MoM vs an increase of 3.7% YoY. The price rise in pulses was 8.75% YoY.
- Clothing and footwear rose 7.16% on year. Housing saw a 3.58% increase YoY. The Fuel and light component rose by 0.74% MoM and 13.63% from a year ago period driven by global crude prices and a base effect.
- The miscellaneous segment increased by 6.38% YoY. This rise was led by a 9.53% YoY growth in the transport and communication segment and 7.74% rise in Health.

### Outlook

- We expect inflation to range between 4.50 - 5% in the next 2 releases and then to revert to normal levels as the base effect wanes.
- Increasing commodity prices across the globe led by supply side disruptions may pose as risk concerns.
- RBI, in the wake of policy normalisation is expected to narrow the policy rate corridor through a reverse repo hike in the next few months in the December/February policy meet.





Industrial production increased by 11.9% in August vs a 11.5% expansion in June led by sharp expansion in the mining sector and growth recorded by the electricity and manufacturing sectors.

As per the data released by the government, the manufacturing sector's output surged 9.7% in August 2021. The mining output climbed 23.6% while power generation increased by 16%.

Sources: Reserve Bank of India, Reuters.

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