

# Wholesale inflation at four-month high

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India's wholesale price index (WPI)-based inflation rose to a four-month high of 2.36% in October due to rising food prices, showed the ministry of commerce and industry's provisional data on Thursday.

A Reuters poll of economists expected wholesale inflation to be around 2.2% in the month, up from 1.84% reported in September.

The WPI, a proxy for producers' prices, has been positive since November 2023. A year ago, it stood at -0.26%.

"Food inflation alone pushed up the headline WPI print by as much as 63 basis points between September and October 2024. The core (non-food manufacturing) WPI inched up mildly by 0.1% on a sequential basis, similar to the uptick seen in the previous month. On a year-on-year basis, the core WPI print rose to 0.3% in October," said Rahul

Agrawal, senior economist, Ica Ltd.

Food price inflation rose by 11.59% annually, compared with a 9.47% gain in September and 3.21% in August.

The rise was led by vegetables and fruits, whose prices rose by 63.04% and 13.55% year-on-year, respectively.

In comparison, cereal prices rose 7.9% in the month over last year. In September, they saw a rise of 8.1%.

Prices of non-food articles declined 1.71% annually in the month, compared to a 1.64% decline in September.

Fuel and power prices fell 5.79% annually in October, compared with a 4.05% annual decline in September.

Crude petroleum and natural gas prices fell by 12.16% annually in October, against the 13.04% annual contraction reported last month.

Manufactured products' prices rose 1.5% annually in October, compared to a 1% rise in the previous month.

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