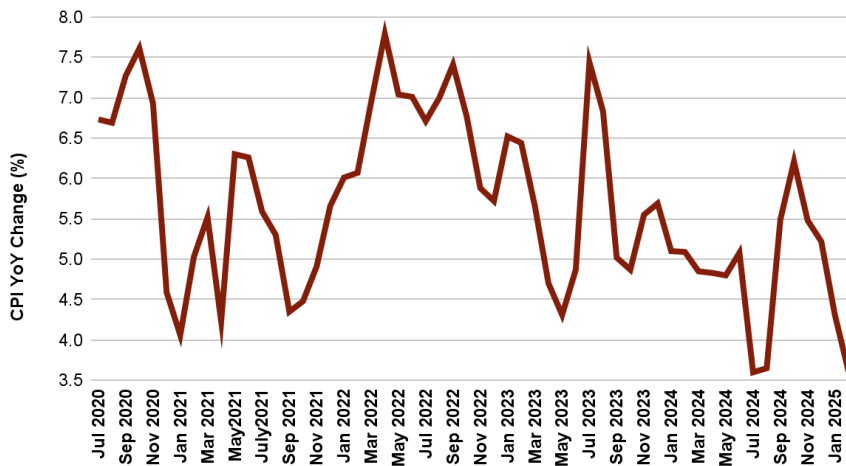


CPI eases to 3.61%



OVERVIEW

India's India's retail inflation eased to a seven-month low of 3.61% in February, down from 4.31% in January.

The decline was largely driven by lower food prices, with food inflation-comprising nearly half of the Consumer Price Index (CPI) basket-falling to 3.75% in February from 5.97% in January.

MOVEMENT IN MAJOR COMPONENTS OF CPI

- Vegetable inflation contracted to stand at 1.07% year-on-year, compared with a growth of 11.35% in January.
- Prices of cereals rose 6.10% against a 6.24% gain in January.
- Pulses contracted 0.35% compared to a growth of 2.59% in the previous month.
- Rural inflation cooled to 3.79% compared to 4.59% in January.
- Urban inflation stood at 3.32% as against 3.87 the previous month.
- Housing inflation rate for the month of February, 2025 is 2.91% on YoY basis. Corresponding inflation rate for the month of January, 2025 was 2.82%.
- Fuel & light inflation rate for the month of February, 2025 is -1.33 % on YoY basis. Corresponding inflation rate for the month of January, 2025 was -1.49 %

- Education Inflation rate for the month of February, 2025 is 3.83% on YoY basis.
- Health Inflation rate for the month of February, 2025 is 4.12% on YoY basis. Corresponding inflation rate for the month of January, 2025 was 3.97%
- Transport & Communication communication inflation rate for the month of February, 2025 is 2.87% on YoY basis. Corresponding inflation rate for the month of January, 2025 was 2.76%.
- Top five items with highest inflation: coconut oil (54.48%), coconut (41.61%), gold (35.56%), silver (30.89%) and onion (30.42%).
- Top five items with lowest inflation: ginger (-35.81%), jeera (-28.77%), tomato (-28.51%), cauliflower (-21.19%), garlic (-20.32%).

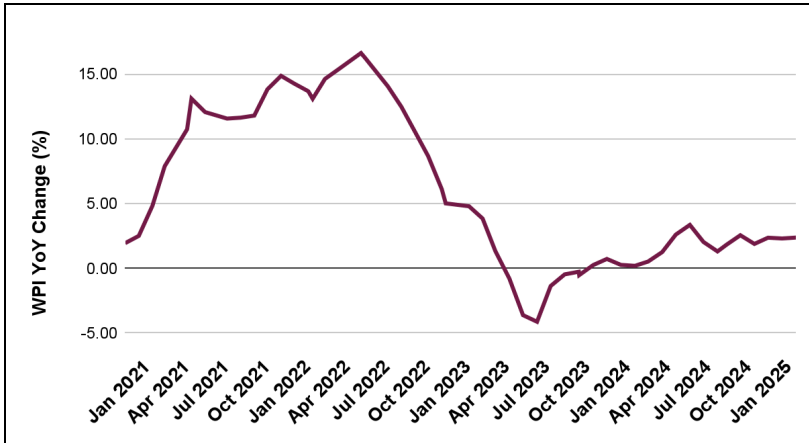
OUTLOOK

The spike in inflation data last few months cooled off and was expected to subsidize going forward. High prices of vegetables are attributable to the seasonality, causing supply-side constraints. Demand - Supply mismatch may ease further going ahead.

RETAIL INFLATION FOR MAJOR ITEMS IN THE PAST 6 MONTHS

Group	FEB'25	JAN'25	DEC'24	NOV'24	OCT'24	SEP'24
CPI	3.61	4.31	5.22	5.48	6.21	5.49
FOOD & BEVERAGES	3.84	5.68	7.69	8.20	9.69	8.36
PAN TOBACCO & INTOXICANTS	2.39	2.30	2.49	2.35	2.60	2.51
CLOTHING & FOOTWEAR	2.68	2.68	2.74	2.75	2.70	2.71
HOUSING	2.91	2.76	2.71	2.87	2.81	2.78
FUEL & LIGHTING	-1.33	-1.38	-1.39	-1.83	-1.61	-1.39
MISCELLANEOUS	4.78	4.35	4.19	4.26	4.32	4.05

WPI quickens to an 8-month high of 2.38% in February



OVERVIEW

India's wholesale inflation rose to 2.38% in February, up from 2.31% in January. Monthly, wholesale prices edged up 0.06%, the first increase in four months, after an upwardly revised 0.64% decline in January.

KEY HIGHLIGHTS

- Wholesale food inflation slowed to 5.94% last month from 7.47% in January.
- Primary articles inflation in February came down to 2.81% from 4.69% in January.
- Fuel and power wholesale prices contracted by 0.71% last month as against a contraction of 2.78% in January.
- Prices of manufactured products were up by 2.86% in February as compared to 2.51% in the previous month.

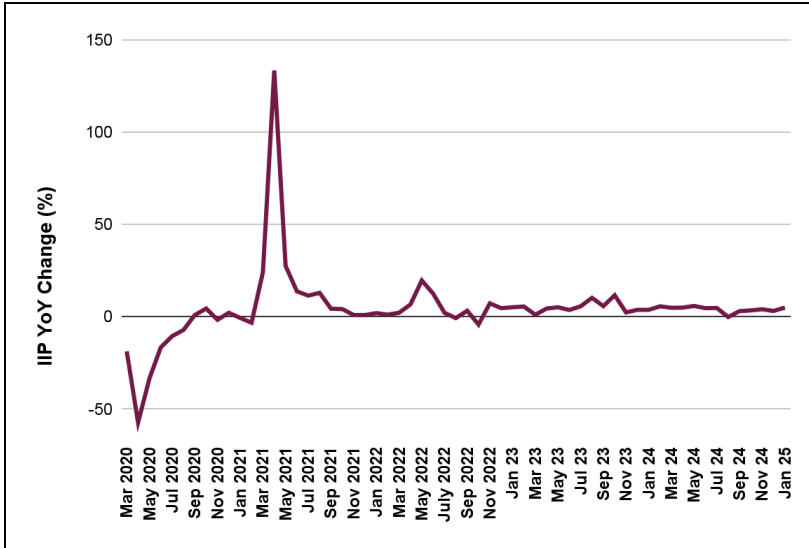
OUTLOOK

The WPI inflation cooled off owing to fall in fuel prices and expected to subsidize going forward. Lower vegetables prices also aided cool off in wholesale inflation data after sharp spike in last few months.

WPI INFLATION FOR MAJOR ITEMS IN THE PAST 6 MONTHS

Group	FEB'25	JAN'25	DEC'24	NOV'24	OCT'24	SEP'24
All COMMODITIES	2.38	2.31	2.57	2.16	2.75	1.91
PRIMARY ARTICLES	2.81	4.69	6.02	5.49	8.26	6.48
FOOD ARTICLES	3.38	5.88	8.47	8.63	13.54	11.48
NON FOOD ARTICLES	4.84	2.95	2.46	-0.98	-1.71	-1.46
FUEL & POWER	-0.71	-2.78	-2.57	-4.03	-4.31	-3.85
MANUFACTURED PRODUCTS	2.86	2.51	2.14	2.07	1.78	1.07

IIP picks up 5% in January



OVERVIEW

India's industrial output, measured by the Index of Industrial Production (IIP) grew by 5.0% in January, from 3.5% in December 2024. Industrial output increased by 4.2% in the April-January period, compared to 6% a year ago.

KEY HIGHLIGHTS

Sectoral classification

- Manufacturing sector's output grew 5.5% in January as against 3.6% in the year-ago period.
- Mining production grew just 4.4% when compared to 6% in January 2024 and power output increased only 2.4% in the said month.
- Capital goods segment grew by 7.8% in January, while it expanded by 3.2% in the same month of last year.
- Consumer durables grew by 7.2% during January compared to a growth of 11.6% in 2024.
- Non-durable consumer goods decreased by 0.2% after rising by 0.3% in January 2024.
- Goods related to infrastructure and construction saw a marginal growth of 7.0% in January 2025, against a 5.5% expansion YoY.

OUTLOOK

India's industrial sector growth rebounded in January from growth rate of 3.5% in December 2024. Mining and Capital goods acted as main growth driver followed by revival in infra and construction activities. Momentum may continue in coming months owing to recovery in industrial activities on resumption of government expenditure.

IIP GROWTH IN THE PAST 6 MONTHS

SECTOR	JAN'25	DEC'24	NOV'24	OCT'24	SEP'24	AUG'24
ALL INDUSTRIES	5.0	3.2	5.2	3.5	3.1	-0.1
MINING & QUARRYING	4.4	2.6	1.9	0.9	0.2	-4.3
MANUFACTURING	5.5	3.0	5.8	4.1	3.9	1.1
ELECTRICITY	2.4	6.2	4.4	2.0	0.5	-3.7

Trade deficit @ 42-month low

OVERVIEW

India recorded a trade deficit of \$14.05 billion in February of 2025, narrowing from the \$18.7 billion deficit of the corresponding period of the previous year. Exports increased to 36.91 USD Billion in February from 36.43 USD Billion in January of 2025. Imports in India decreased to 50.96 USD Billion in February from 59.42 USD Billion in January of 2025.

KEY HIGHLIGHTS

- Services sector exports were recorded at \$35.03 billion, a 9.1% decrease from January, while imports similarly declined to \$16.55 billion.
- Gold imports for the fiscal stood at \$53.53 billion.
- Oil imports for the period remained \$166.73 billion. Non-oil exports were recorded at \$337.01 billion.

EXPORTS

- Exports of Tobacco (26.76%), Electronic Goods (26.46%), Mica, Coal & Other Ores, Minerals Including Processed Minerals (24.25%), Coffee (22.32%), Rice (13.21%), Jute Mfg. Including Floor Covering (12.41%), Other Cereals (11.65%), Meat, Dairy & Poultry Products (6.7%), Carpet (4.87%), Rmg Of All Textiles (3.97%), Marine Products (3.4%), Spices (0.98%) and Fruits & Vegetables (0.87%) record positive growth during February 2025 over the corresponding month of last year.

IMPORTS

- Imports of Silver (-75.04%), Gold (-61.98%), Pearls, Precious & Semi-Precious Stones (-41.61%), Coal, Coke & Briquettes, Etc. (-35.63%), Petroleum, Crude & Products (-29.59%), Iron & Steel (-23.37%), Transport Equipment (-16.93%), Newsprint (-12.43%), Artificial Resins, Plastic Materials, Etc. (-6.21%), Professional Instrument, Optical Goods, Etc. (-5.01%), Machine Tools (-3.68%), Fruits & Vegetables (-0.93%) record negative growth during February 2025 over the corresponding month of last year.

OUTLOOK

India's trade deficit squeezed to \$14.05 billion in February, lowest level in 3 years driven by fall in import of Precious Metals and Petroleum & Crude Products. Trade figures may fluctuate going forward owing trade reset across the globe after the US President Tariff tantrums .

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SHRIRAM INSIGHT SHARE BROKERS LTD. CK-5, Sector-II, Saltlake City, Kolkata - 700091 | Tel : 2359 4612, 2359 4614, 2359 4877 | Fax : (033) 2321-8429 | E-mail : research@shriraminsight.com | www.shriraminsight.com | *Through Insight Commodities & Futures Pvt. Ltd