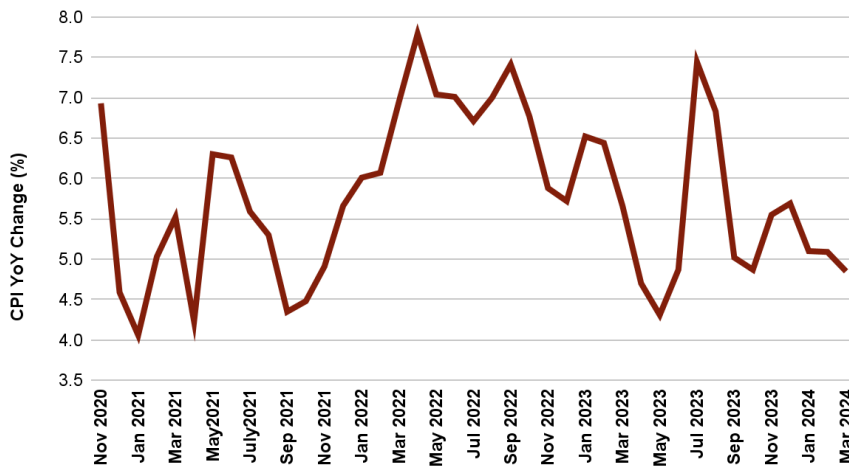


## CPI eases to 10-month low



### OVERVIEW

India's consumer price inflation eased to a ten-month low of 4.85% in the previous month. The CPI in February was 5.09%. Core inflation remained steady at 3.5%.

### MOVEMENT IN MAJOR COMPONENTS OF CPI

- Food inflation softened marginally with the index coming in at 8.52%, as compared to 8.66% in the previous month.
- Cereals at 8.37% versus 7.60% a month ago.
- Meat and fish at 6.36% compared to 5.21% in February.
- Vegetables and pulses exhibited a marginal declining trend.
- Food and beverages inflation stood at 7.68% in March, lower than 7.76% in February.
- Fuel and light inflation fell further from -0.77% in February to -3.24 in March.
- Housing inflation dropped to 2.77% from 2.88% sequentially.

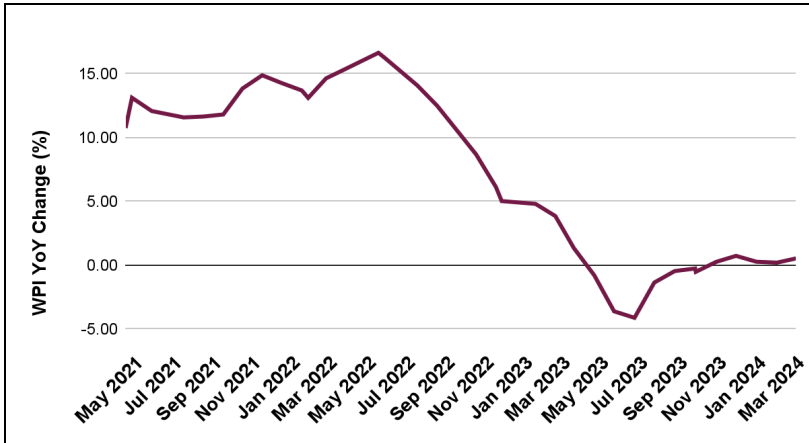
## OUTLOOK

Food prices in India have been elevated for most parts of 2023, due to erratic weather conditions that have disrupted production of key essential food items such as cereals, pulses, sugar and even vegetables. Prices may cool off further in coming months.

## RETAIL INFLATION FOR MAJOR ITEMS IN THE PAST 6 MONTHS

Group	MAR'24	FEB'24	JAN'24	DEC'23	NOV'23	OCT'23
<b>CPI</b>	<b>4.85</b>	5.09	5.10	5.69	5.55	4.87
<b>FOOD &amp; BEVERAGES</b>	<b>7.68</b>	7.76	7.58	8.70	8.02	6.24
<b>PAN TOBACCO &amp; INTOXICANTS</b>	<b>3.06</b>	3.12	3.28	3.65	3.81	3.87
<b>CLOTHING &amp; FOOTWEAR</b>	<b>2.97</b>	3.14	3.37	3.61	3.90	4.31
<b>HOUSING</b>	<b>2.77</b>	2.88	3.20	3.63	3.55	3.80
<b>FUEL &amp; LIGHTING</b>	<b>-3.24</b>	-0.77	-0.60	-0.99	-0.77	-0.39
<b>MISCELLANEOUS</b>	<b>3.50</b>	3.57	3.82	4.07	4.38	4.40

## WPI rises to 0.5% in March



### OVERVIEW

India's wholesale inflation quickened to three-month high of 0.53% in February. WPI stood at 0.2% in February and 1.34% in March 2023. Food prices rose 4.65% as compared with an increase of 4.09% in February. For the fiscal year ended March 31 the wholesale inflation index fell 0.7% versus a 9.41% rise a year ago.

### KEY HIGHLIGHTS

- The annual rate of inflation for Primary Articles of WPI increased slightly to 4.51% in March 2024 from 4.49% in February 2024.
- The annual rate of inflation for Fuel & Power of WPI increased to (-) 0.77% in March 2024 as compared to (-) 1.59% in February 2024.
- The annual rate of inflation of the manufactured Products group of WPI increased to (-) 0.85% in March 2024 as compared to (-) 1.27% in February 2024.

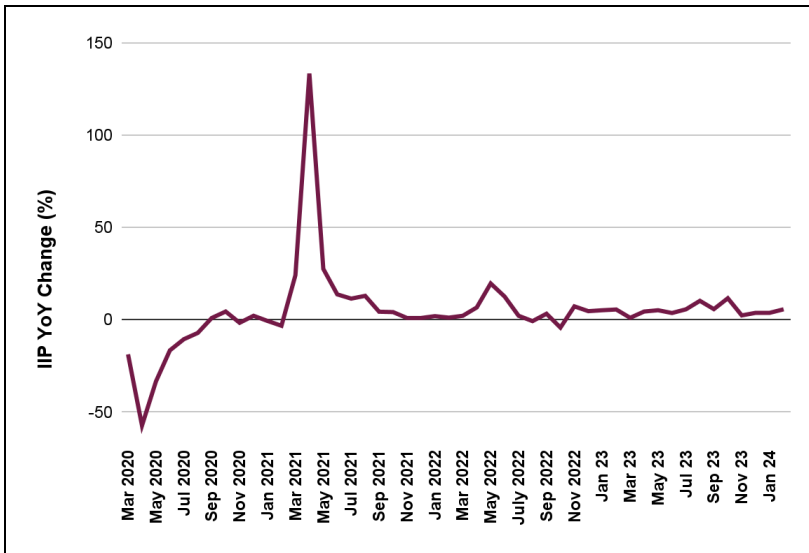
## OUTLOOK

Food prices in India have been elevated for most parts of 2023, due to erratic weather conditions that have disrupted production of key essential food items such as cereals, pulses, sugar and even vegetables. The increase in inflation was largely led by a sharp surge in food article inflation which is likely to cool off in the coming months.

## WPI INFLATION FOR MAJOR ITEMS IN THE PAST 6 MONTHS

Group	MAR'24	FEB'24	JAN'24	DEC'23	NOV'23	OCT'23
<b>ALL COMMODITIES</b>	<b>0.53</b>	0.20	0.27	0.86	0.39	-0.52
<b>PRIMARY ARTICLES</b>	<b>4.51</b>	4.49	3.84	5.73	5.16	2.26
<b>FOOD ARTICLES</b>	<b>6.88</b>	6.95	6.85	9.38	8.18	3.17
<b>NON FOOD ARTICLES</b>	<b>-4.13</b>	-6.29	-6.56	-4.73	-3.20	-1.14
<b>FUEL &amp; POWER</b>	<b>-0.77</b>	-1.59	-0.51	-1.39	-4.05	-1.58
<b>MANUFACTURED PRODUCTS</b>	<b>-0.85</b>	-1.27	-1.13	-0.78	-0.78	-1.06

# IIP grows 5.7% in February



## OVERVIEW

India's industrial output for February 2024 has witnessed an increase of 5.7% year-over-year (YoY). For January 2024, the index climbed by 3.8%.

## KEY HIGHLIGHTS

### Sectoral classification

- Mining increased by 8% YoY, while this index jumped by 5.9% in January.
- Manufacturing grew by 5% YoY and 3.2% in January 2024.
- Electricity sector grew by 7.5% YoY and 5.6% in January 2024.
- Primary goods output rose 5.9%.
- Capital goods output increased 1.2%.
- Intermediate goods output rose 9.5%.
- Infrastructure and construction goods output gained 8.5%.
- Consumer durables output rose 12.3% while non-durable output fell 3.8%.

## OUTLOOK

In the upcoming months, the industrial output may pick up pace with the likelihood of improvement in the demand owing to improvement in the rural spending ahead of the general election.

## IIP GROWTH IN THE PAST 6 MONTHS AT BASE 2011-12

SECTOR	FEB'24	JAN'24	DEC'23	NOV'23	OCT'23	SEP'23
<b>ALL INDUSTRIES</b>	<b>5.7</b>	3.8	3.8	2.4	11.7	5.8
<b>MINING &amp; QUARRYING</b>	<b>8.0</b>	5.9	5.1	6.8	13.1	11.5
<b>MANUFACTURING</b>	<b>5.0</b>	3.2	3.9	1.2	10.4	4.5
<b>ELECTRICITY</b>	<b>7.5</b>	5.6	1.2	5.8	20.4	9.9

# Trade gap near 11-month low

## OVERVIEW

India's merchandise trade deficit narrowed to a 11-month low of \$15.60 billion on an annual basis in March.

## KEY HIGHLIGHTS

- Exports fell 0.7% annually to \$41.68 billion.
- Imports declined 6% annually to \$57.28 billion.
- Exports rose 0.7% month-on-month from February.
- Imports fell 4.7% month-on-month from February.
- Gold imports fell by 53.6% in March from a year ago.

## EXPORTS

- Exports of engineering goods stood at \$11.28 billion, 10.7% higher year-on-year.
- Petroleum product exports were at \$5.4 billion, 35.4% lower than a year earlier.
- Gems and jewellery exports were at \$2.6 billion, 4.6% lower on an annual basis.
- Organic and inorganic chemical exports were at \$3.8 billion, 39.7% lower on an annual basis.
- Drugs and pharmaceutical exports were at \$2.8 billion, 12.7% higher from over a year earlier.
- Electronic exports were at \$3.5 billion, 23.1% higher from over a year earlier.

## **IMPORTS**

- Petroleum, crude, and product imports were down 4.4% from a year ago at \$17.2 billion.
- Organic and inorganic chemical imports were at \$2.1 billion, 19.3% lower on an annual basis.
- Imports of coal, coke, and briquettes were down 4.8% than a year ago at \$3.5 billion.
- Imports of electronic goods were at \$7.5 billion, 5% higher over a year earlier.
- Machinery, electrical and non-electrical goods were at \$4.2 billion, up 1% over the previous year.

## **OUTLOOK**

Slowing Imports outstripped exports in value terms against the backdrop of the Red Sea conflict. The marginal growth in exports is mainly due to the armed conflict in the Red Sea. Indian exports have been impacted by a slowdown in global growth. The tightening of interest rates due to nagging inflation, especially in advanced Western economies, has led to a slowdown in business, investment and trade. Growth in exports may continue to remain subdued owing largely to Red-Sea conflict.



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