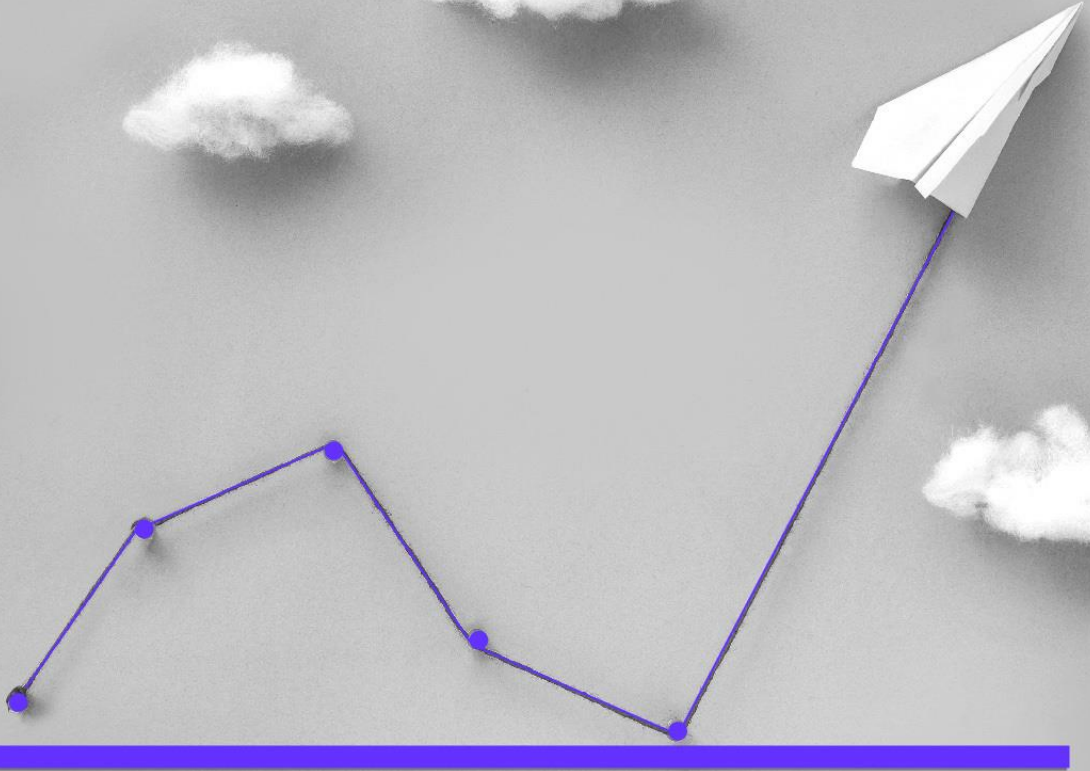


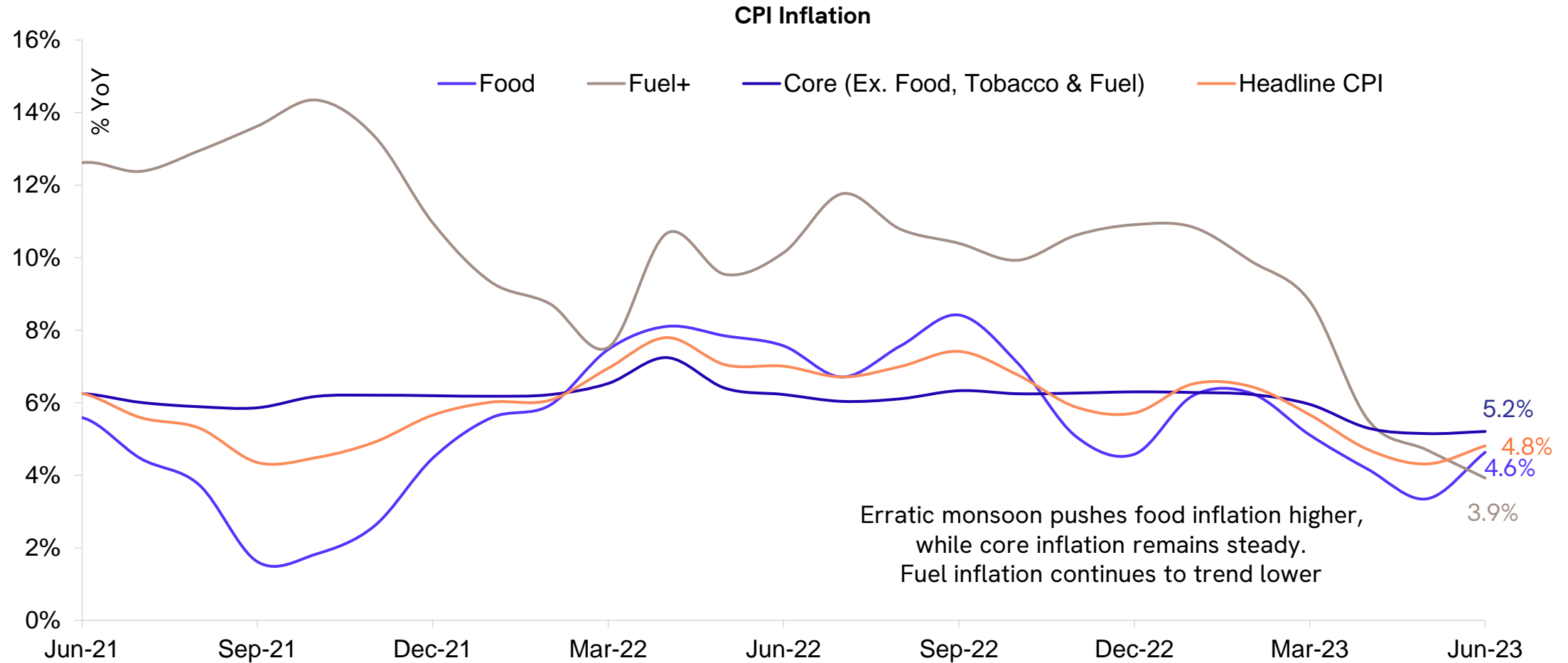
TRENDS & TIDES

**India retail inflation picks up
to 4.8% YoY in
June 2023**



Headline inflation picks up on broad based rise in food prices

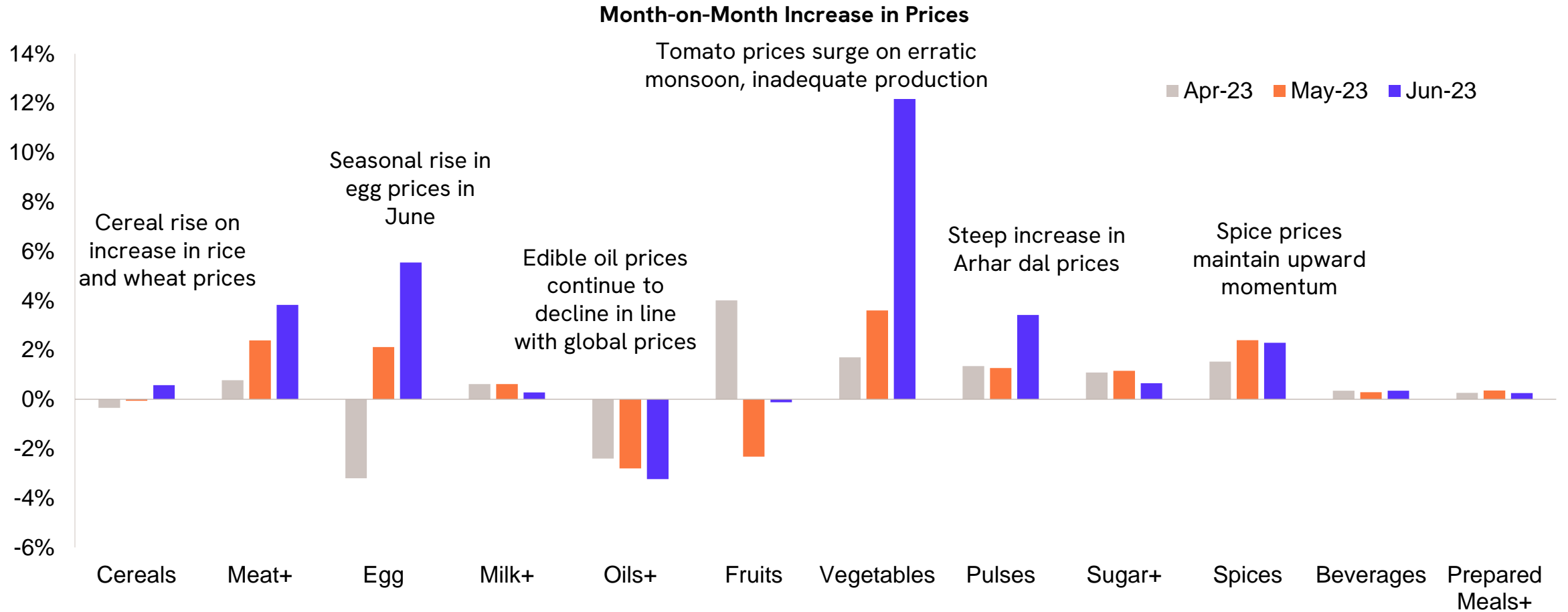
Erratic weather conditions including delayed and uneven monsoon leads to rise in food inflation



Source: MOSPI, 360 ONE Asset Research

Steep increase in vegetable prices driven by surge in tomato prices

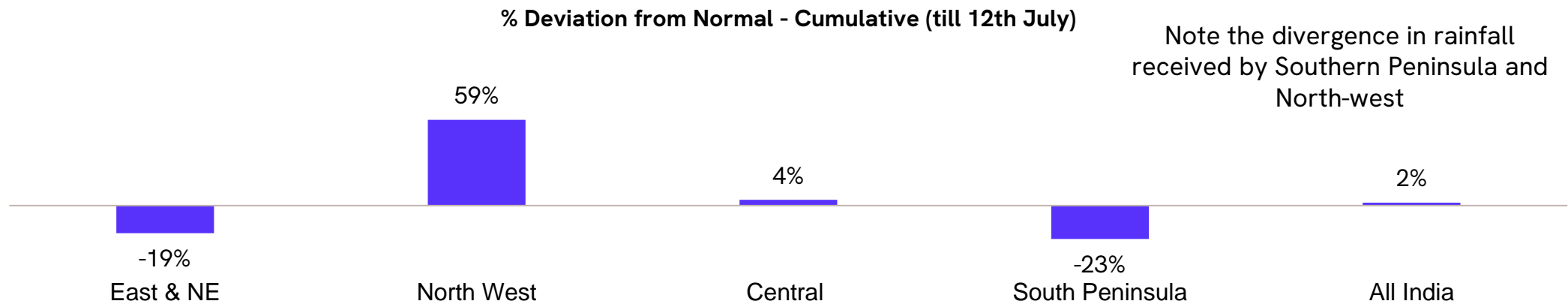
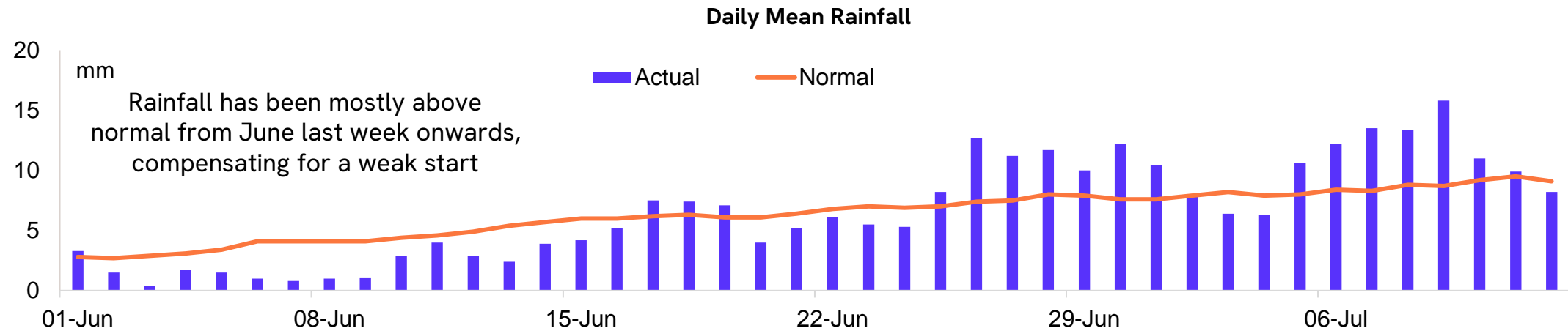
Cereals, pulses, meat and spices prices also increase in June 2023



Source: MOSPI, 360 ONE Asset Research

Distribution of rainfall so far has been highly uneven

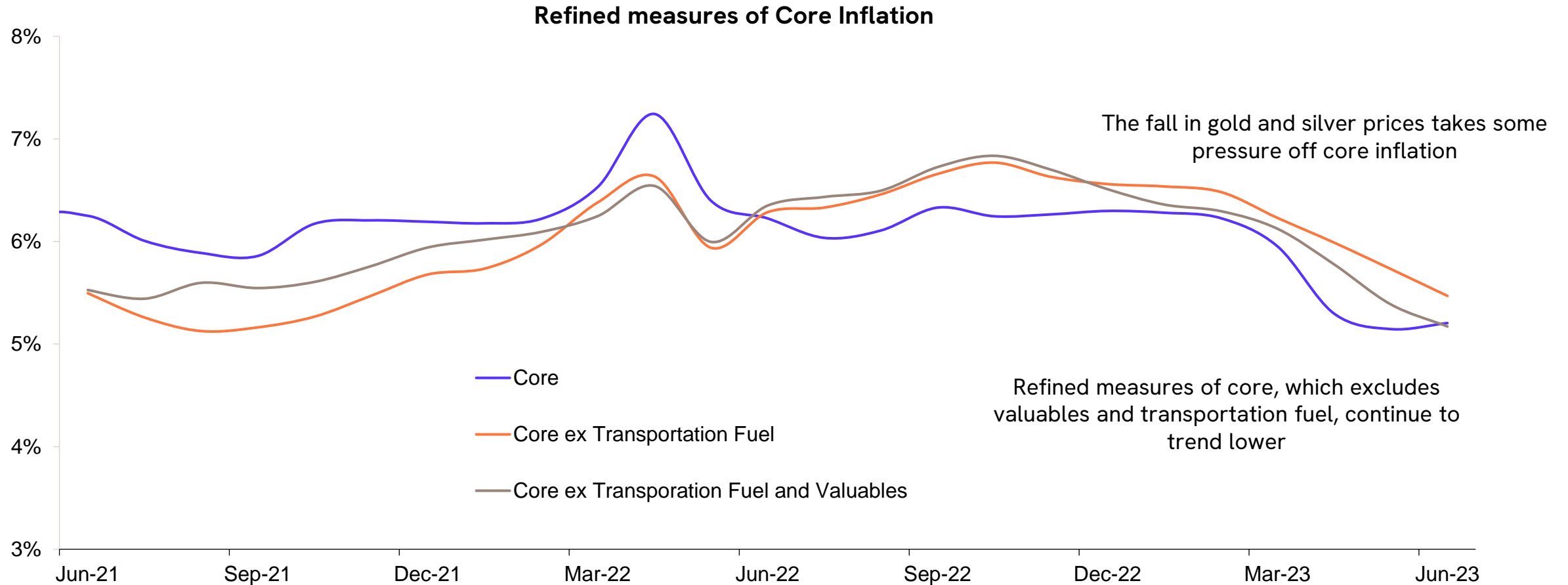
North-west India experiencing excess rainfall while Southern Peninsula remains in deficit



Source: IMD, CMIE, 360 ONE Asset Research

Core inflation steady at 5.2% YoY in June 2023

Fall in refined measures of core inflation indicate easing of underlying inflationary pressures



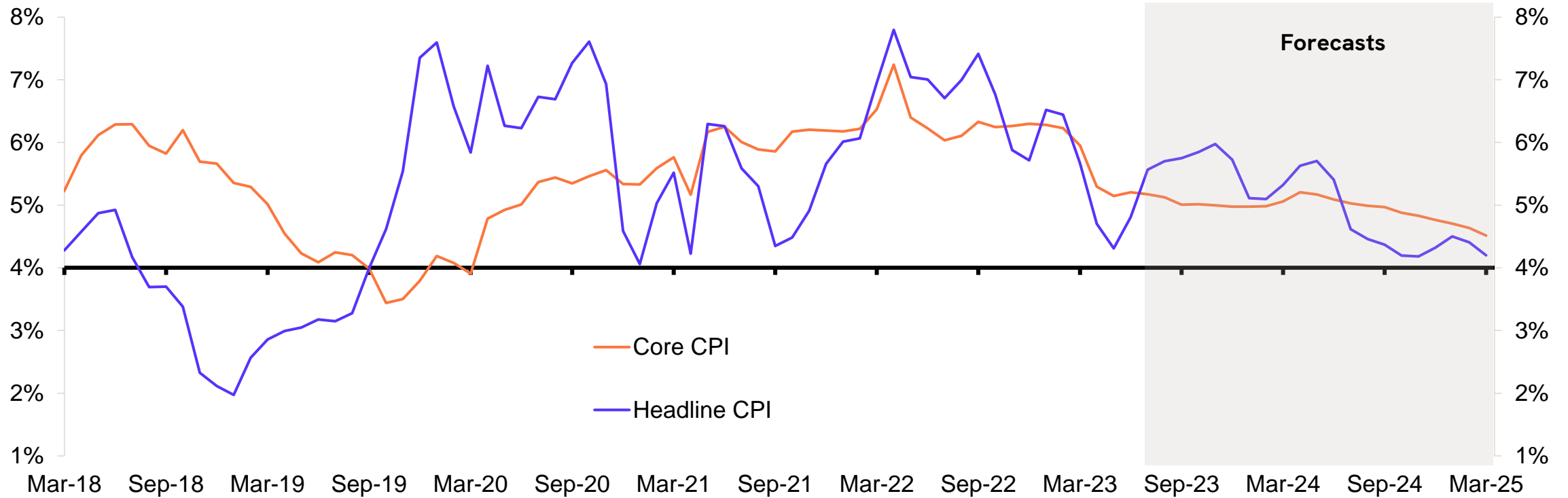
Source: MOSPI, 360 ONE Asset Research

Outlook: Inflation expected to average 5.0-5.5% in FY24

Step increase in vegetable prices (particularly tomatoes) has pushed the inflation trajectory upwards

RBI MPC expected to adopt a 'wait and watch' approach to assess the complete impact of the monsoon season on food inflation

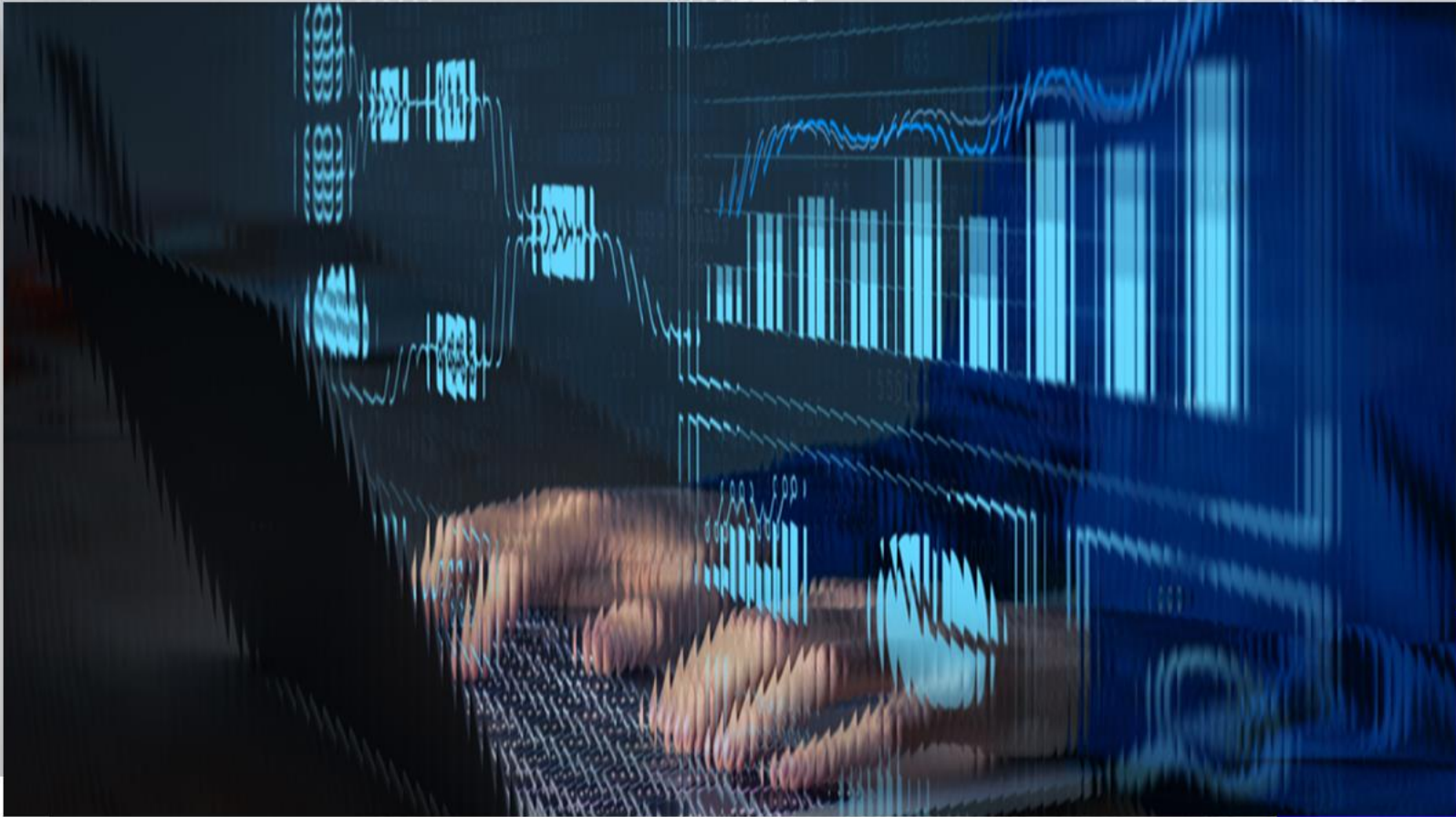
Weak monsoon or uneven spatial and temporal distribution of rainfall is the most significant near-term risk to the inflation trajectory



Source: MOSPI, 360 ONE Asset Research

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