

TRENDS & TIDES

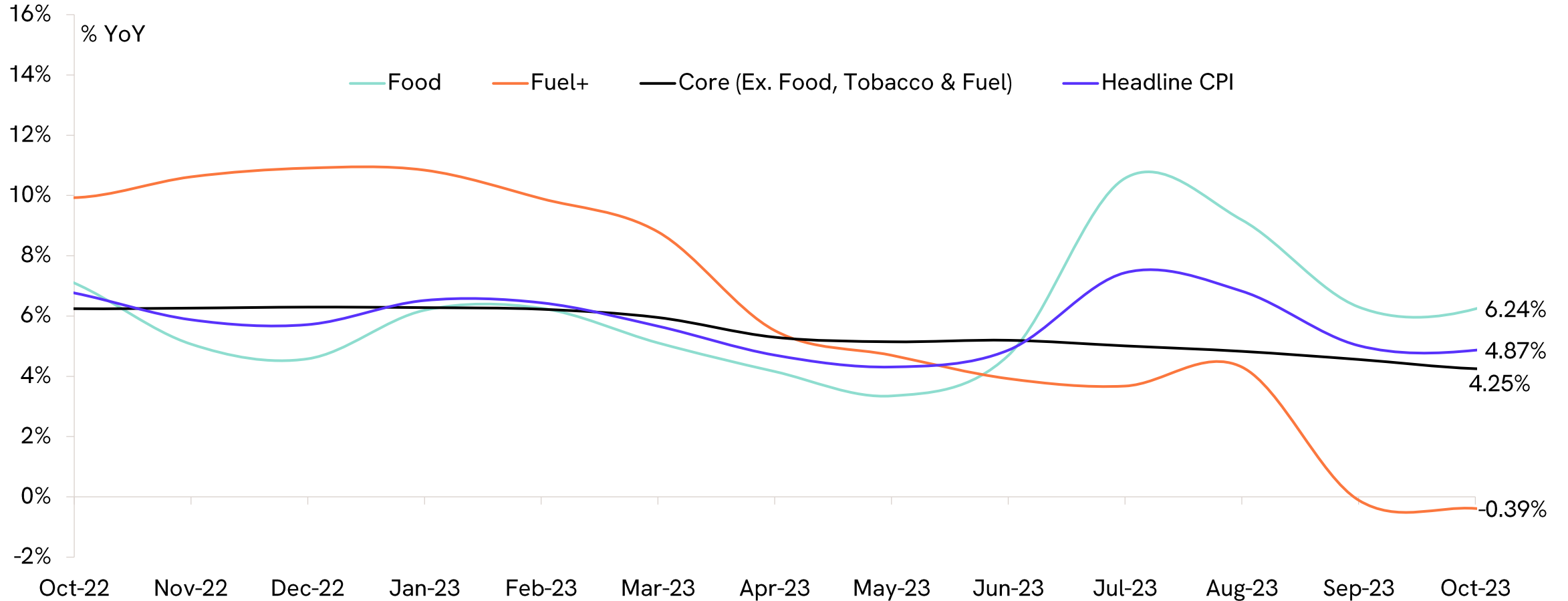
**India retail inflation eases to
4.87% YoY in October 2023**



CPI inflation falls below 5% due to a steady decline in core inflation

Fuel remains in deflation at -0.4% YoY on account of a cut in LPG prices in September 2023

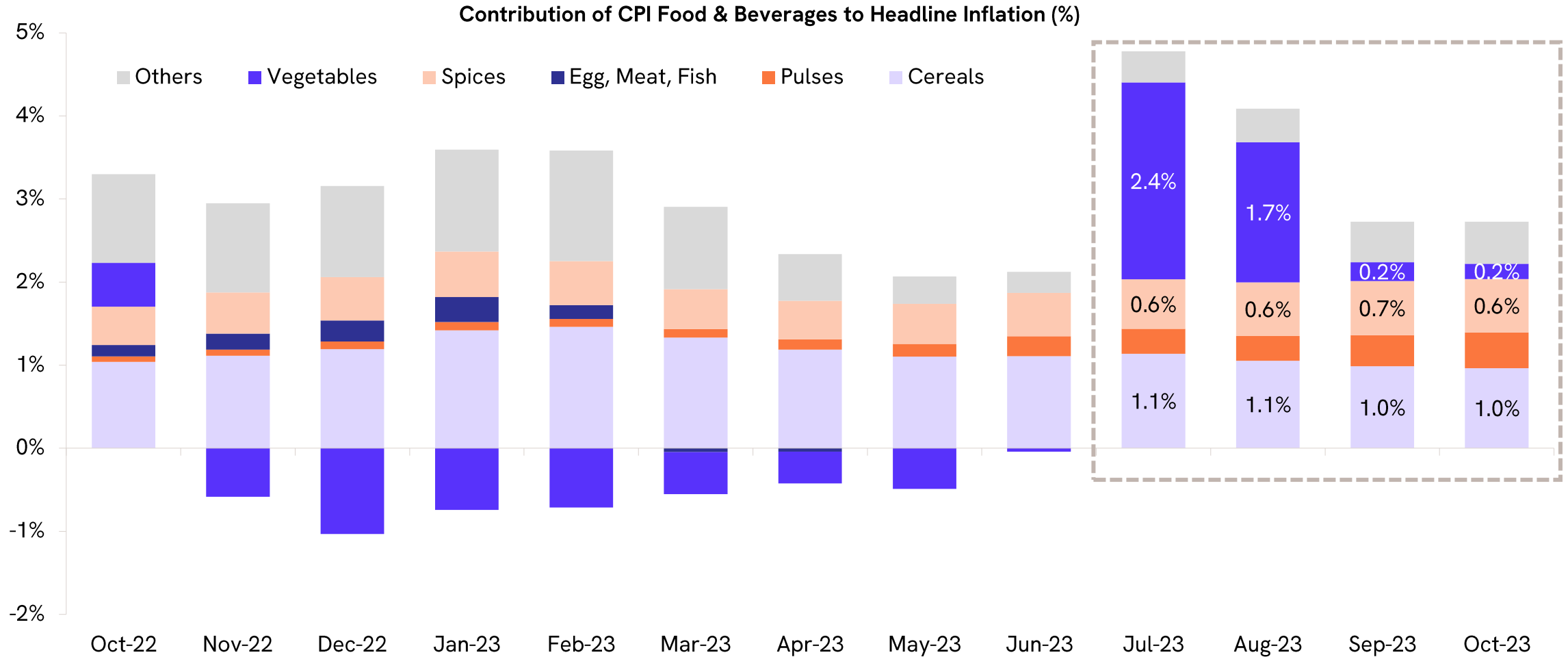
CPI Inflation



Source: MOSPI, 360 ONE Asset Research

Cereals are the largest contributor to headline inflation

Cereals and spices together contribute one-third to the headline inflation

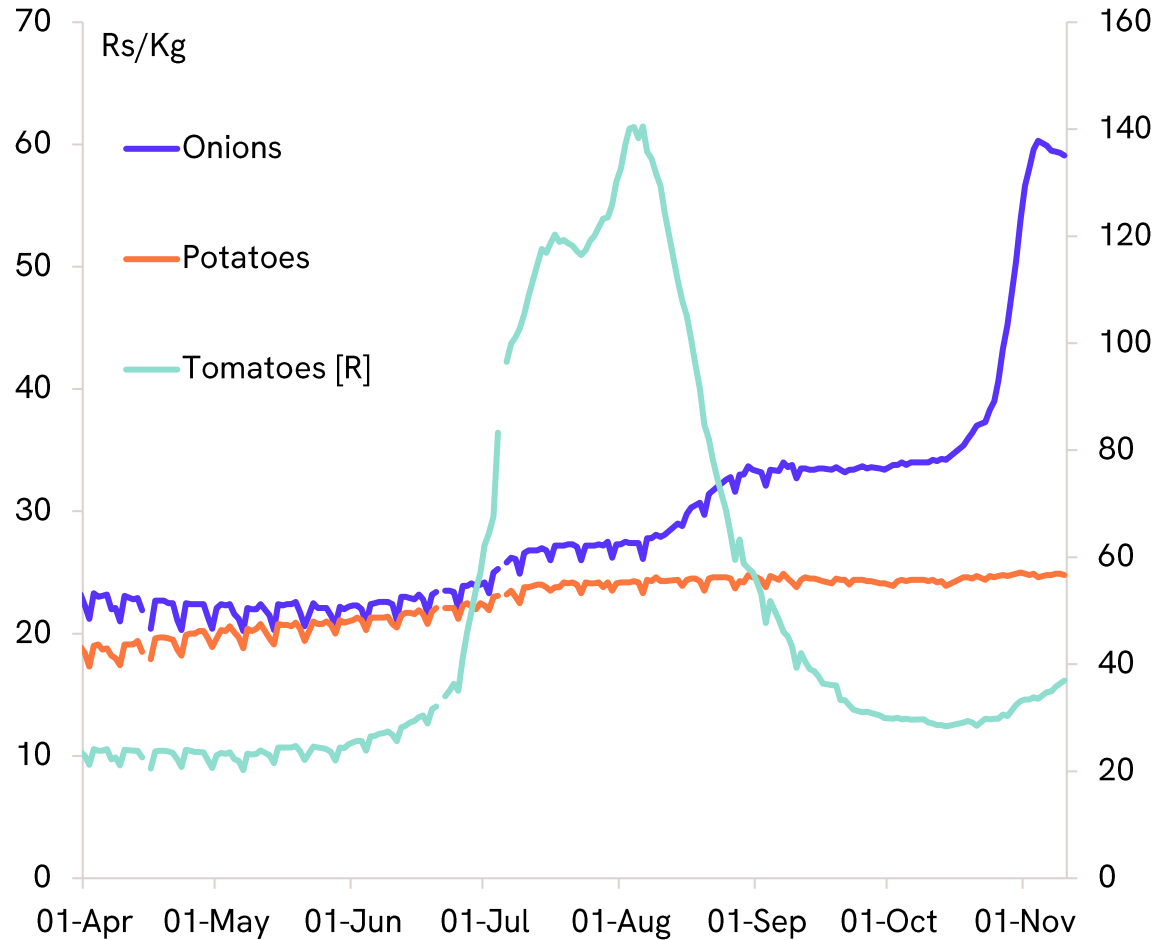


Source: MOSPI, 360 ONE Asset Research

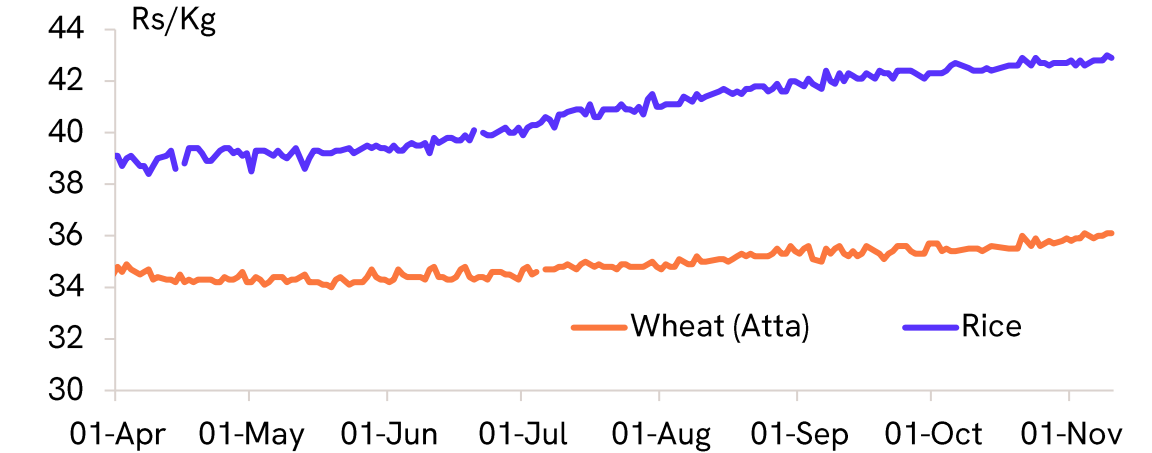
Onion prices have witnessed a sharp increase since mid-October

Cereals and pulses prices continue to trend upwards in October, although at a slower pace

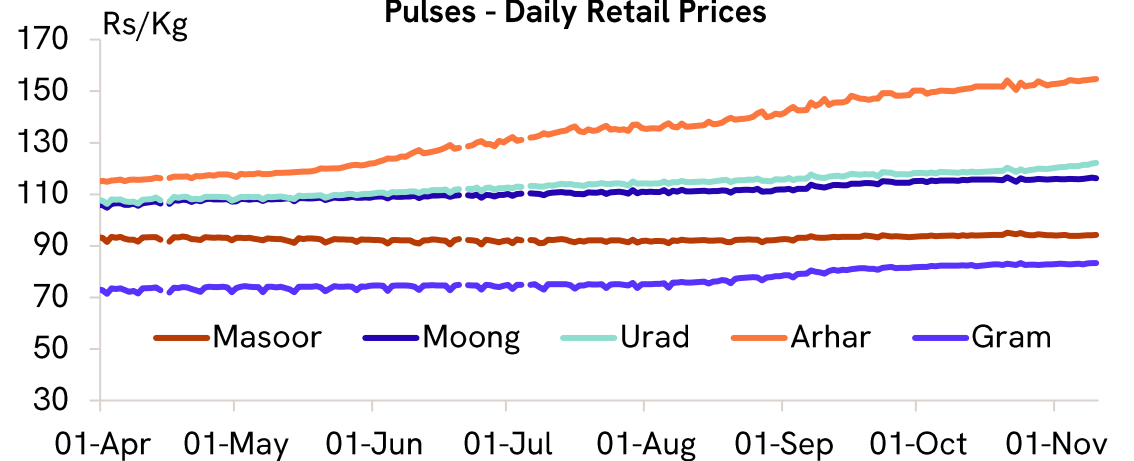
Vegetables - Daily Retail Prices



Cereals - Daily Retail Prices



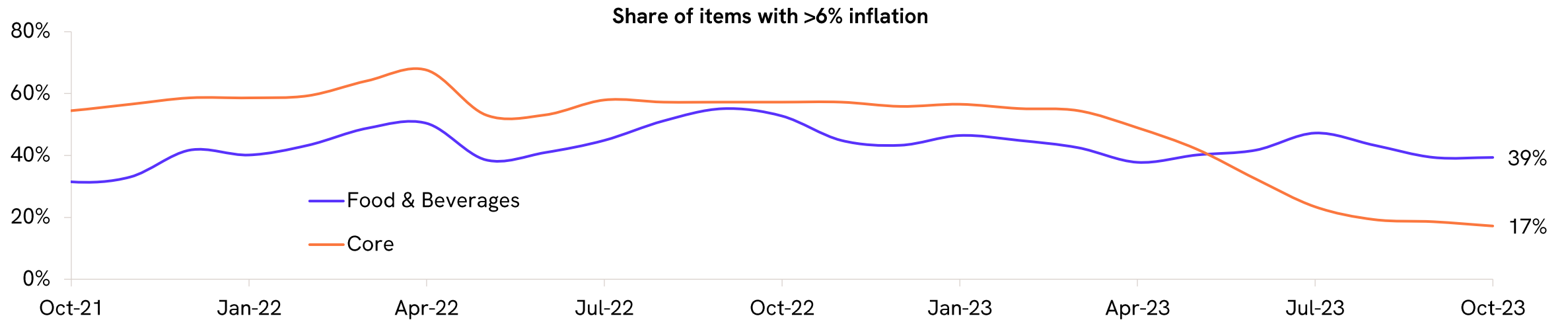
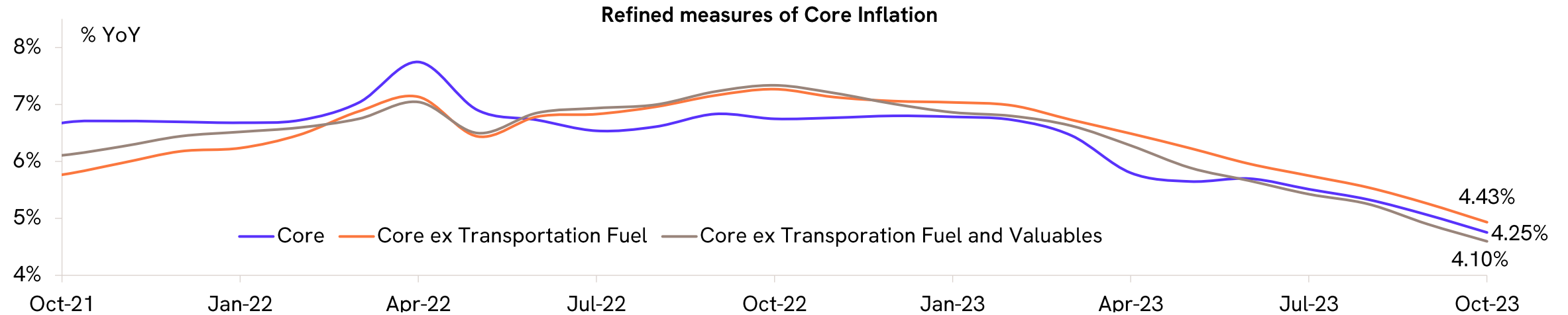
Pulses - Daily Retail Prices



Source: CMIE, 360 ONE Asset Research

Core inflation and its refined measures continue to trend downwards

Food inflation remains broad-based, with 39% of food items witnessing greater than 6% inflation



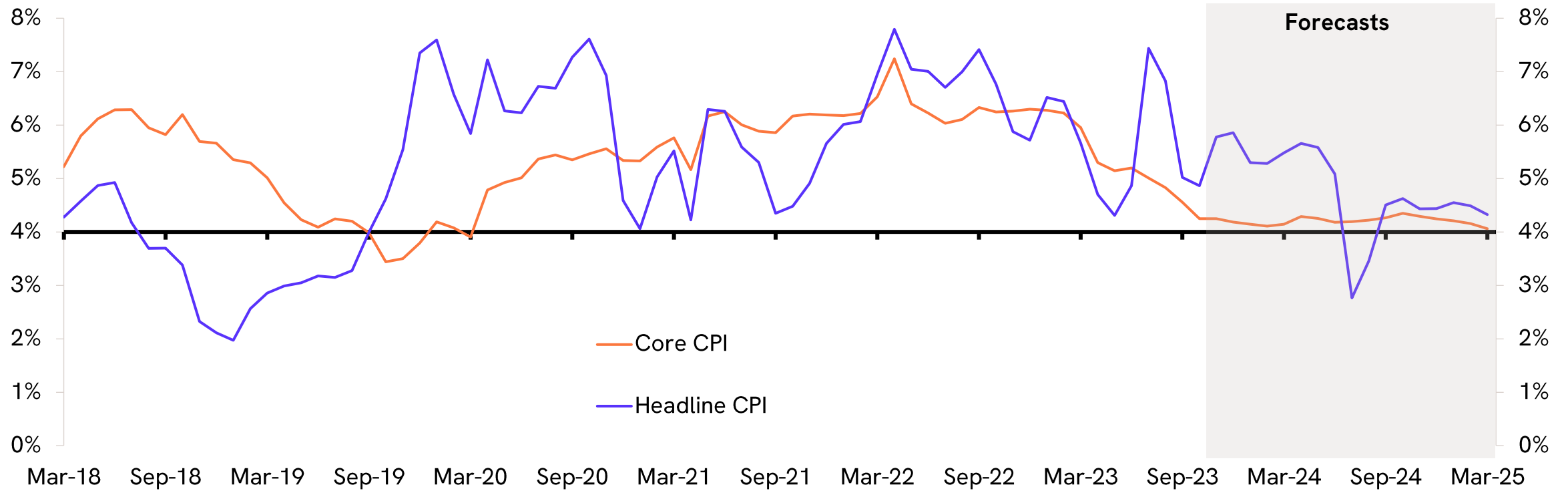
Source: MOSPI, 360 ONE Asset Research

Outlook: Inflation expected to average around 5.5% in FY24

RBI MPC is expected to maintain a prolonged pause until there is visibility of inflation sustainably reaching the 4% target

Volatile vegetable prices, geopolitical conflicts, and the rise in crude oil prices pose risks to the inflation outlook

The monetary policy continues to be 'actively disinflationary' to prevent recurrent incidents of overlapping price shocks from causing a generalized and persistent increase in headline inflation



Source: MOSPI, 360 ONE Asset Research

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