

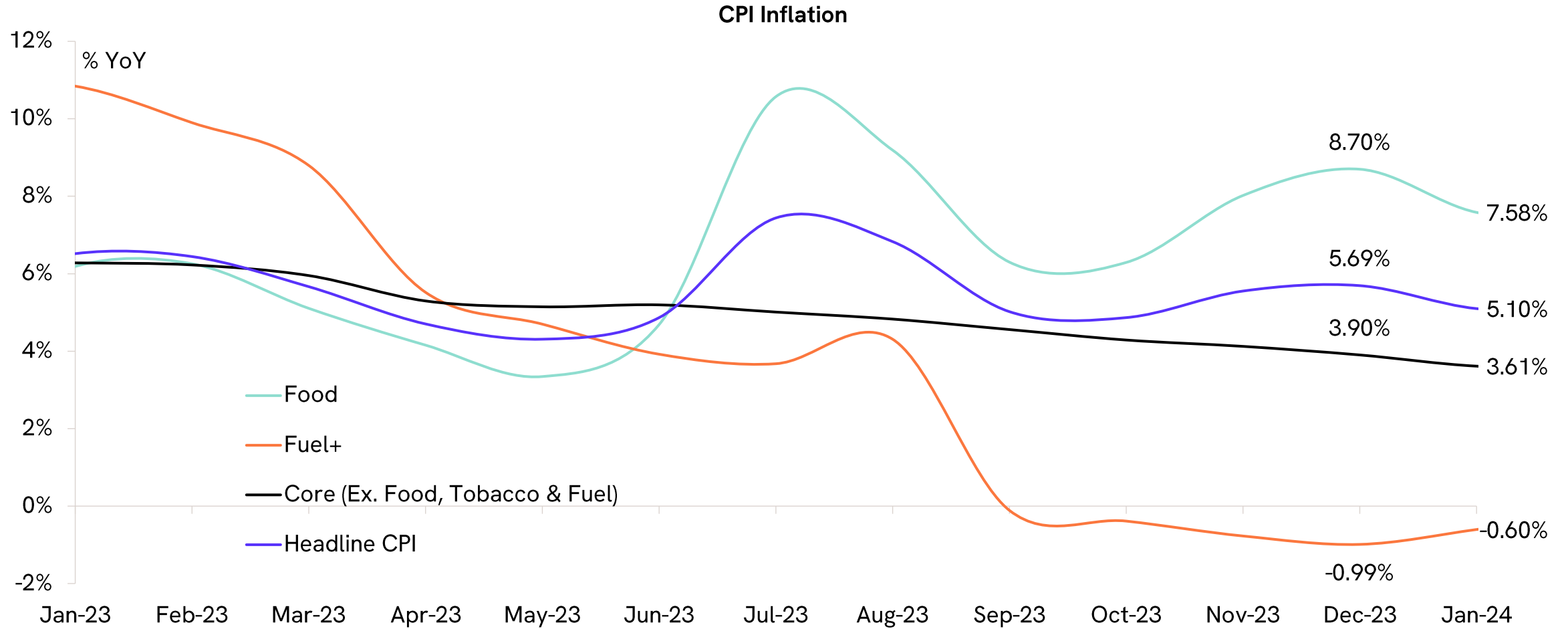
# TRENDS & TIDES

**India's retail inflation eases  
to 5.10% YoY in January 2024**



# Headline CPI falls to 5.10% YoY in Jan'24 from 5.69% YoY in Dec'23

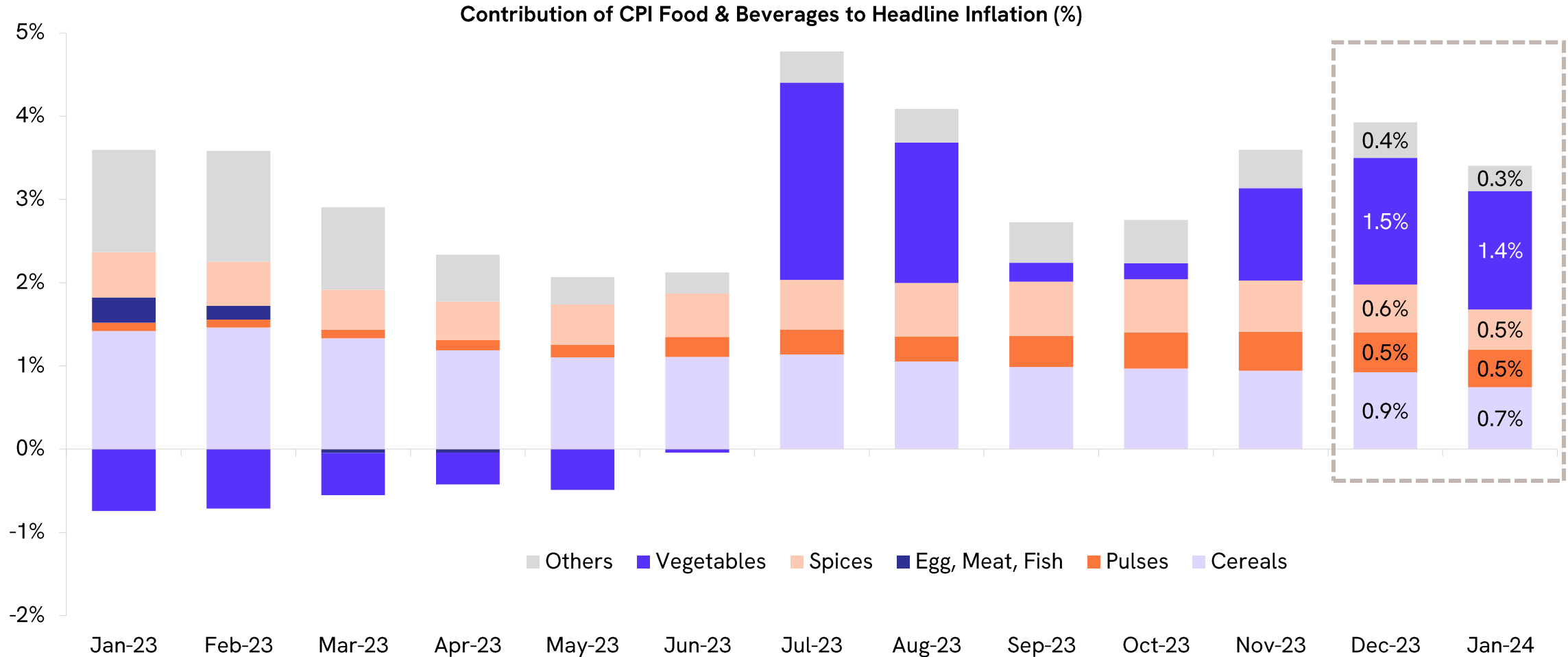
The decrease in food inflation drives retail inflation lower, supported by continuous moderation in the core segment



Source: MOSPI, 360 ONE Asset Research

# Vegetables are the primary contributor to inflation, followed by cereals **360**

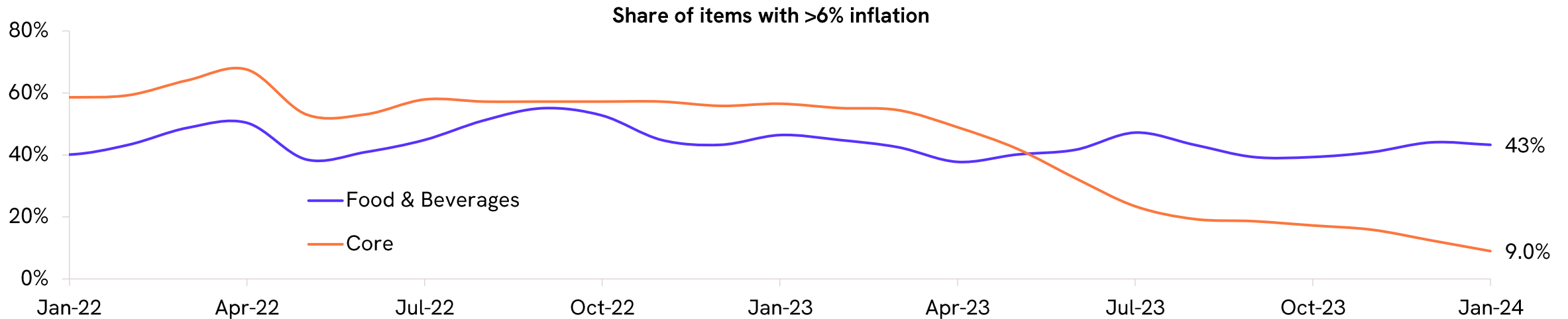
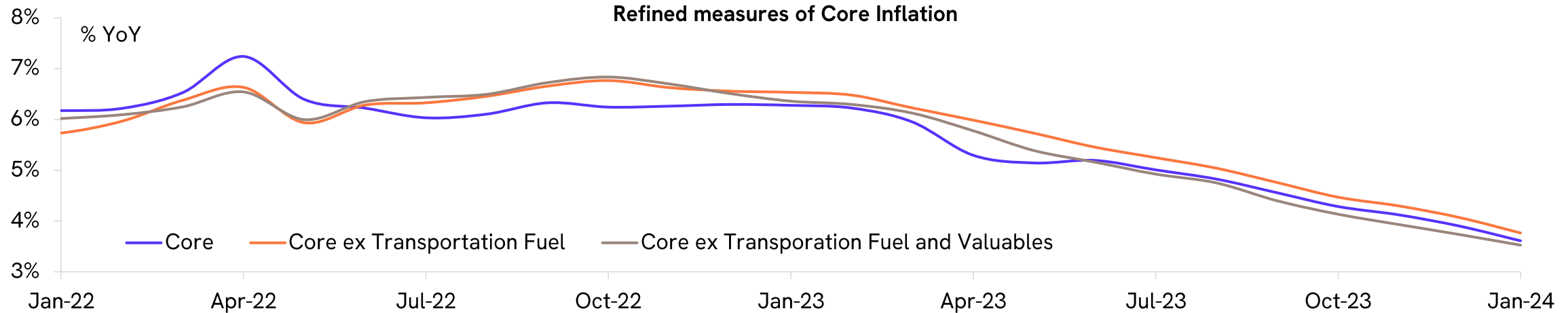
Vegetable inflation falls marginally to 27.0% YoY in Jan from 27.6% in Dec, while cereal corrects to 7.8% YoY from 9.9%



Source: MOSPI, 360 ONE Asset Research

# Core inflation and its refined measures continue to trend downwards

Food inflation remains broad-based, with 43% of food items witnessing greater than 6% inflation

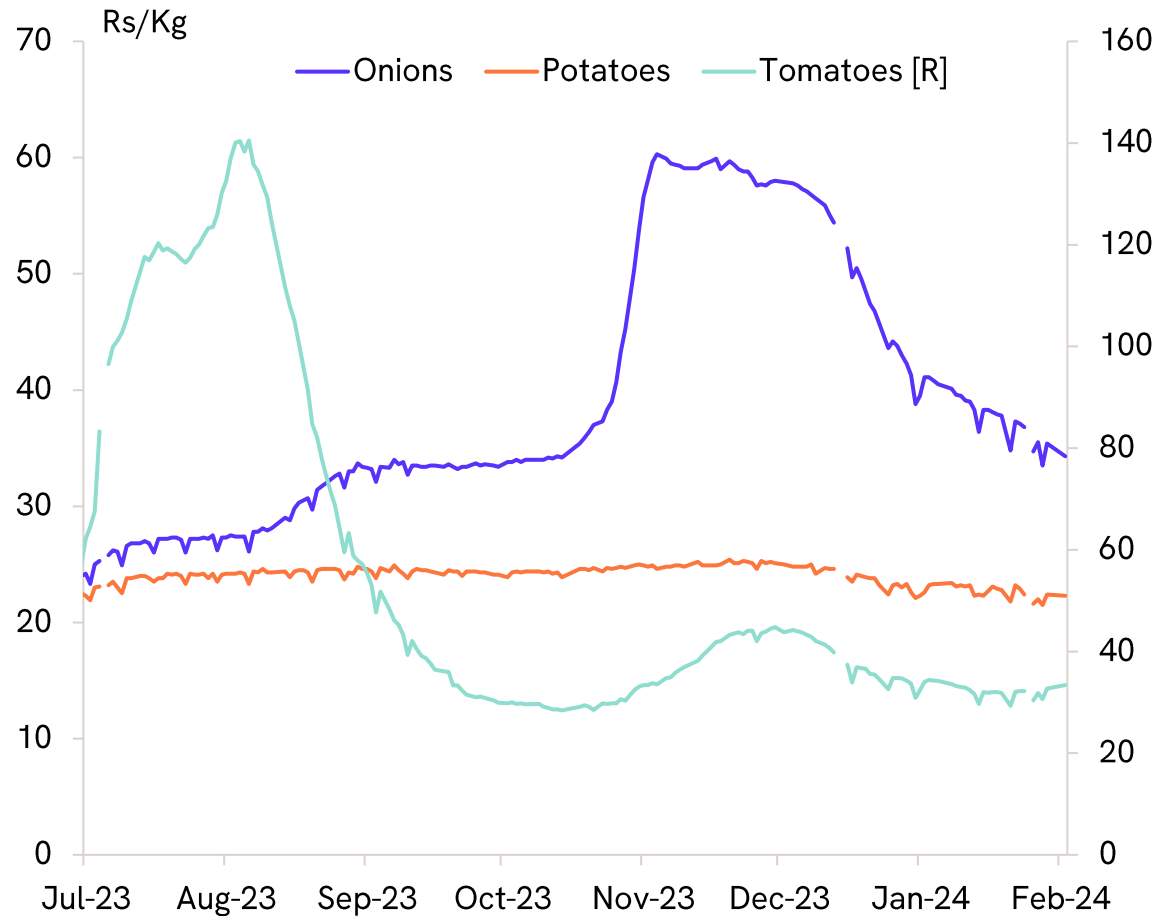


Source: MOSPI, 360 ONE Asset Research

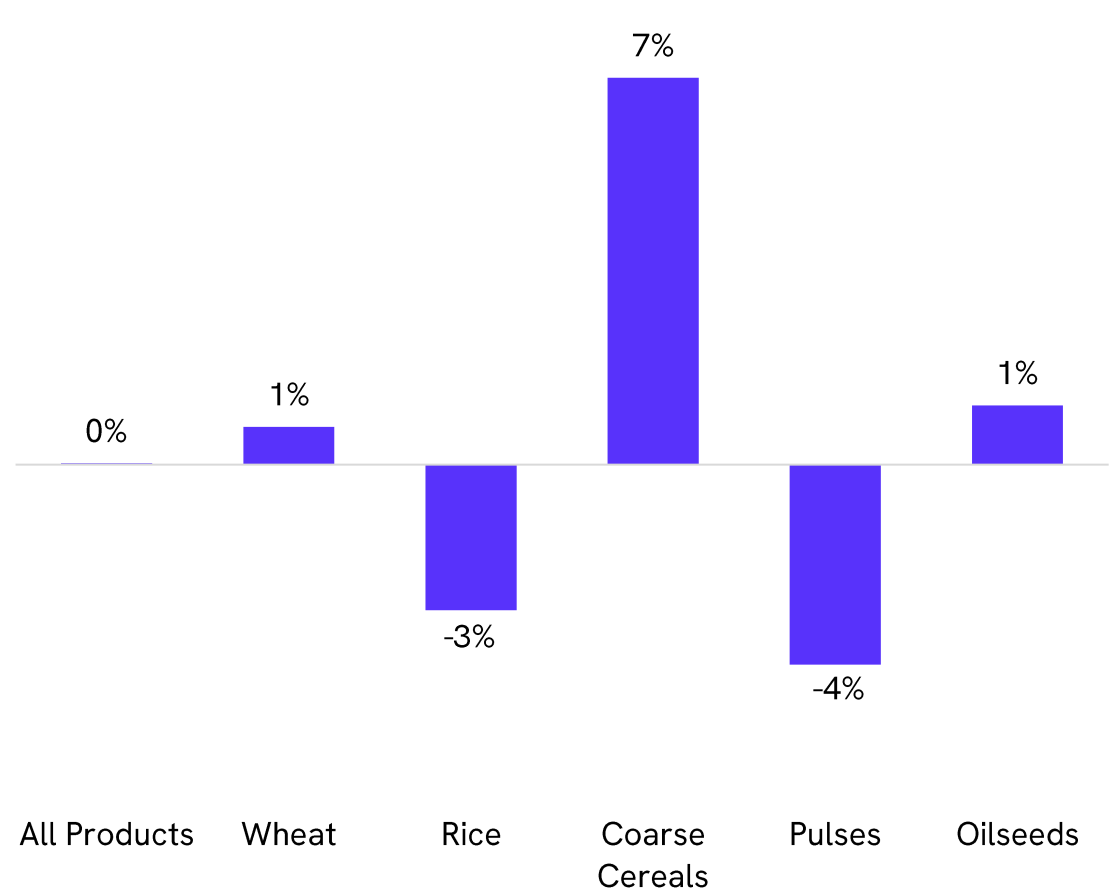
# Vegetable prices witness correction with the arrival of kharif crops

Rabi sowing progress is weaker for pulses compared to last year, unchanged for wheat, and robust for coarse cereals

Vegetables - Daily Retail Prices



Rabi Season - % Change in Area Sown till 2<sup>nd</sup> February 2024



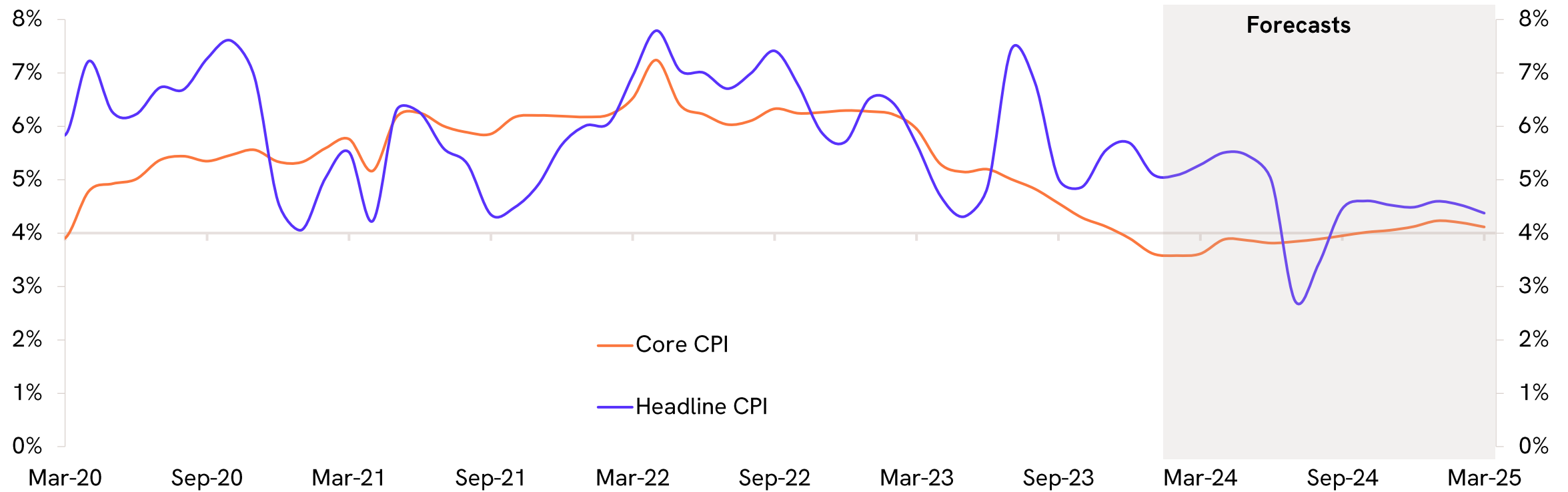
Source: CMIE, 360 ONE Asset Research

# Outlook: Inflation expected to average 5.4% in FY24 & 4.5% in FY25

RBI MPC is expected to maintain a pause until there is visibility of inflation durably aligning with 4% target

The Rabi season production and IMD monsoon forecasts for 2024 are key events to watch for assessing the trajectory of food inflation

The monetary policy would continue to be 'actively disinflationary' in the near term 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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