

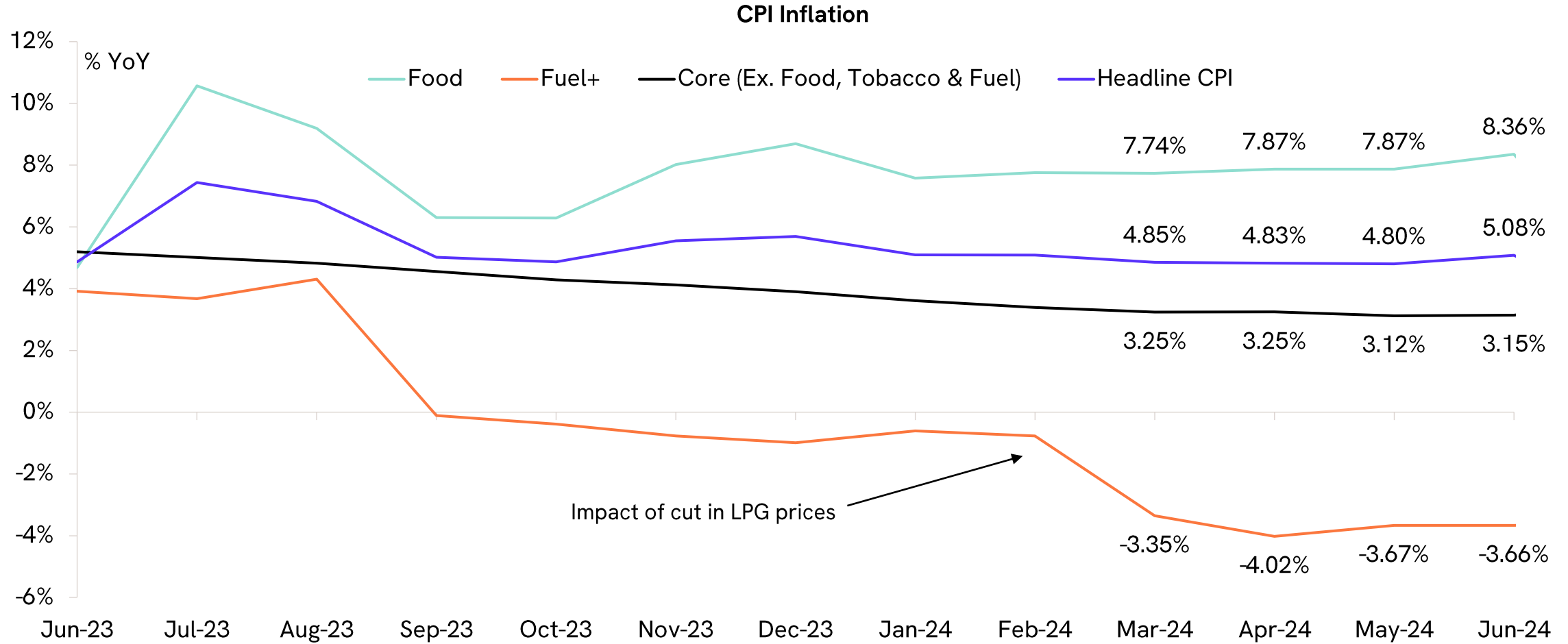
TRENDS & TIDES

**India's retail inflation picks
up to 5.08% YoY in June 2024**



Headline inflation rises on account of increase in food inflation

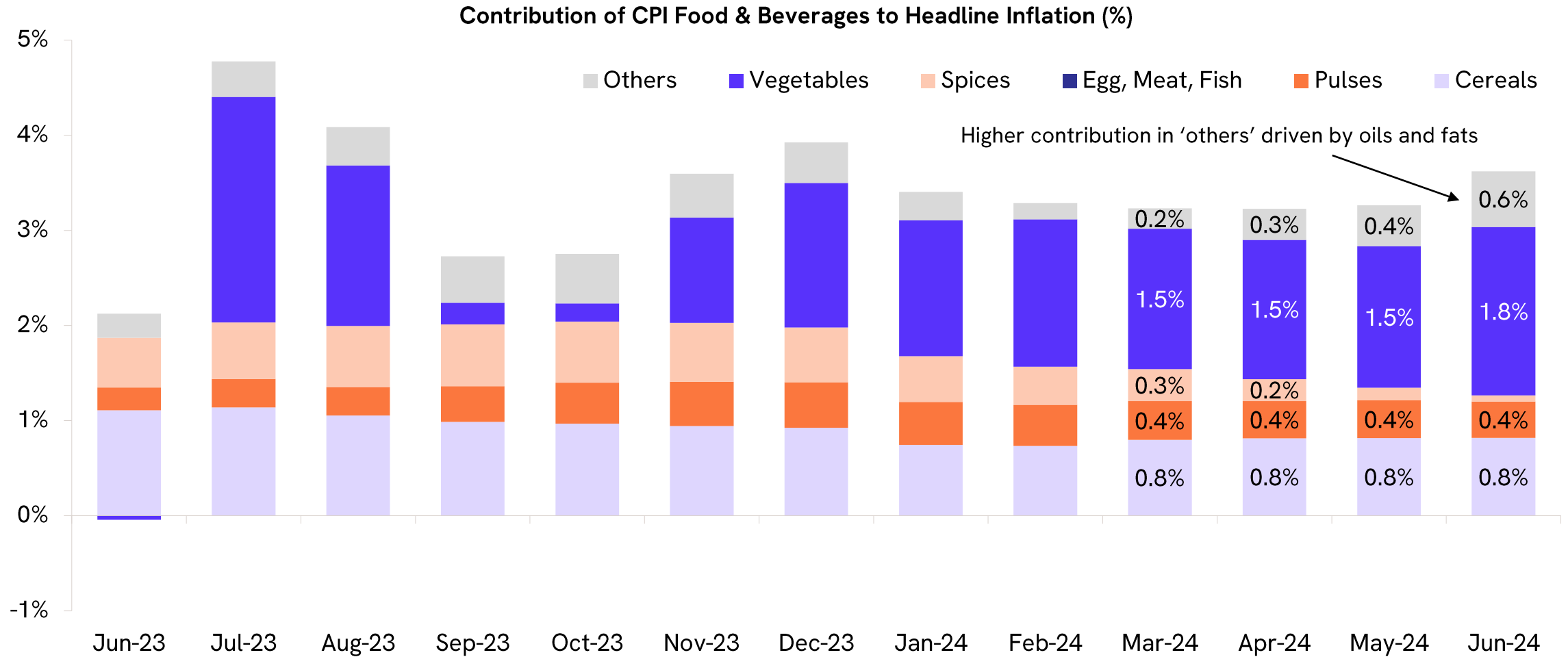
Core inflation flat at 3.15% YoY, while fuel remains in steep deflation at -3.66% YoY



Source: MOSPI, 360 ONE Asset Research

Vegetables remain the primary driver of inflation, followed by cereals

Vegetables, cereals, and pulses inflation remains elevated at 29.3% YoY, 8.8% YoY, and 16.1% YoY, respectively, in June 2024

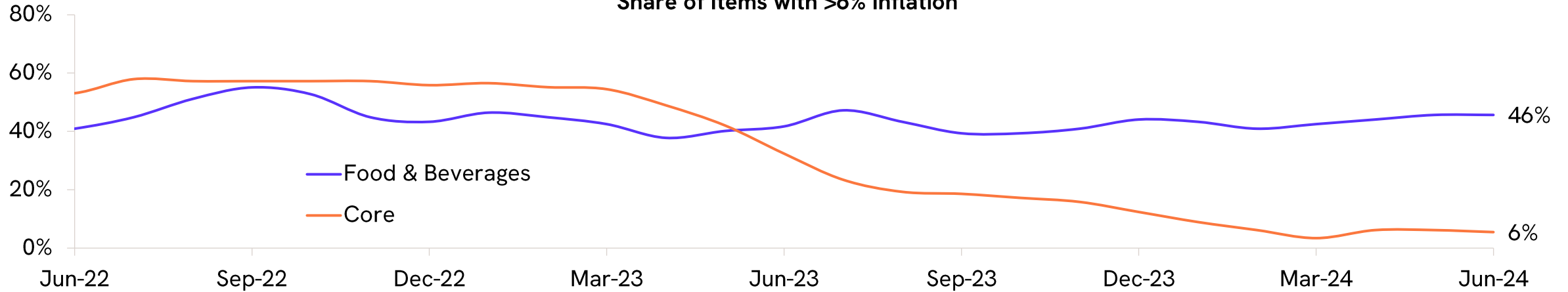


Source: MOSPI, 360 ONE Asset Research

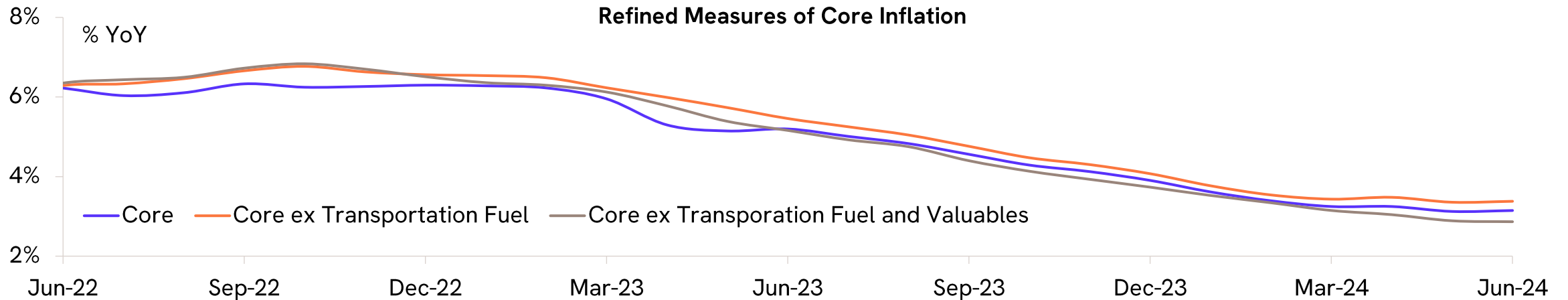
Food inflation remains broad-based, 46% items witnessing >6% inflation

Core inflation, along with its refined measures, remain close to the series low in June 2024

Share of Items with >6% Inflation



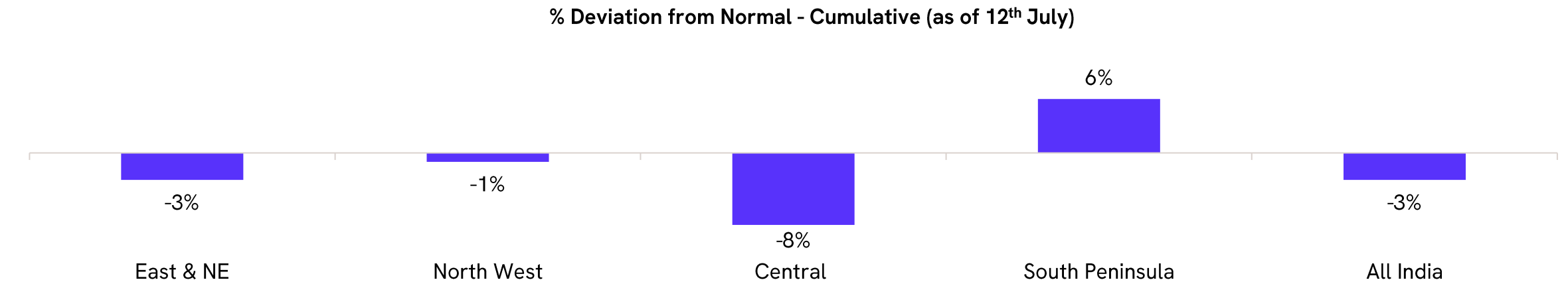
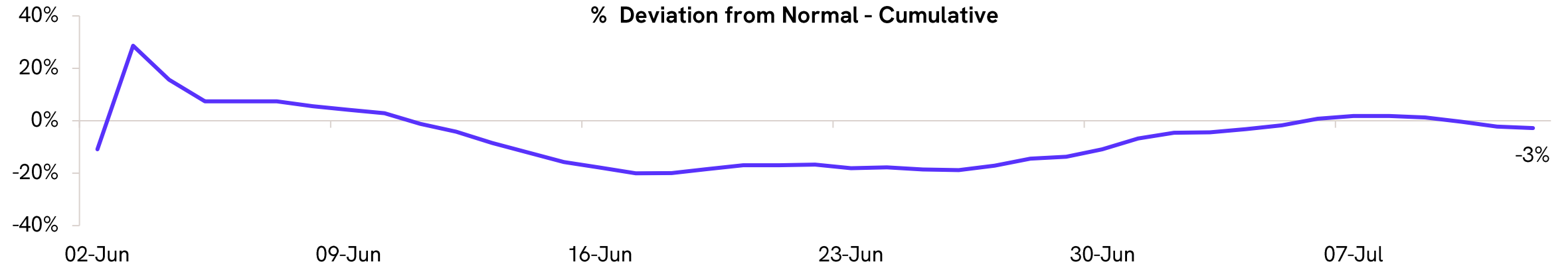
Refined Measures of Core Inflation



Source: MOSPI, 360 ONE Asset Research

Monsoon recovers in early July after being deficient in June 2024

The central region has received poor rainfall, while all other regions have received normal or close-to-normal rainfall



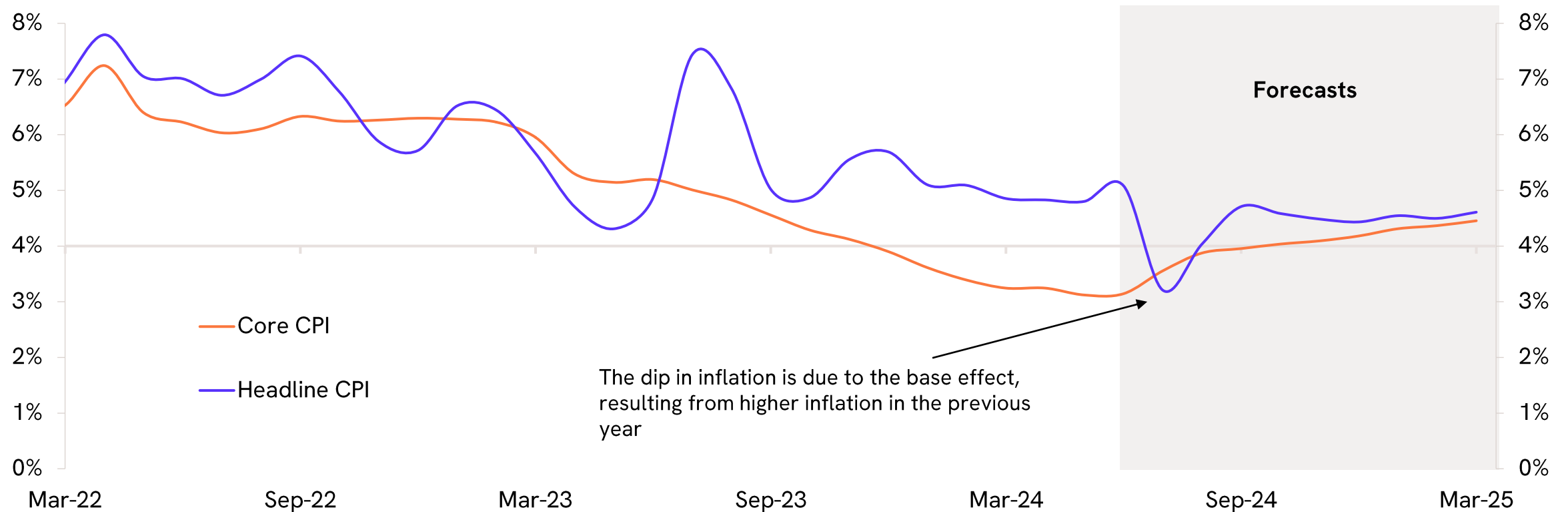
Source: CMIE, 360 ONE Asset Research

Outlook: Inflation expected to average around 4.3-4.5% YoY in FY25

Food prices may continue to impart volatility to headline inflation

The RBI might consider shifting the policy stance to 'neutral' in the August 2024 MPC meeting

However, owing to the uncertainty surrounding food inflation, the RBI is likely to maintain caution regarding rate cuts



Source: MOSPI, 360 ONE Asset Research

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