

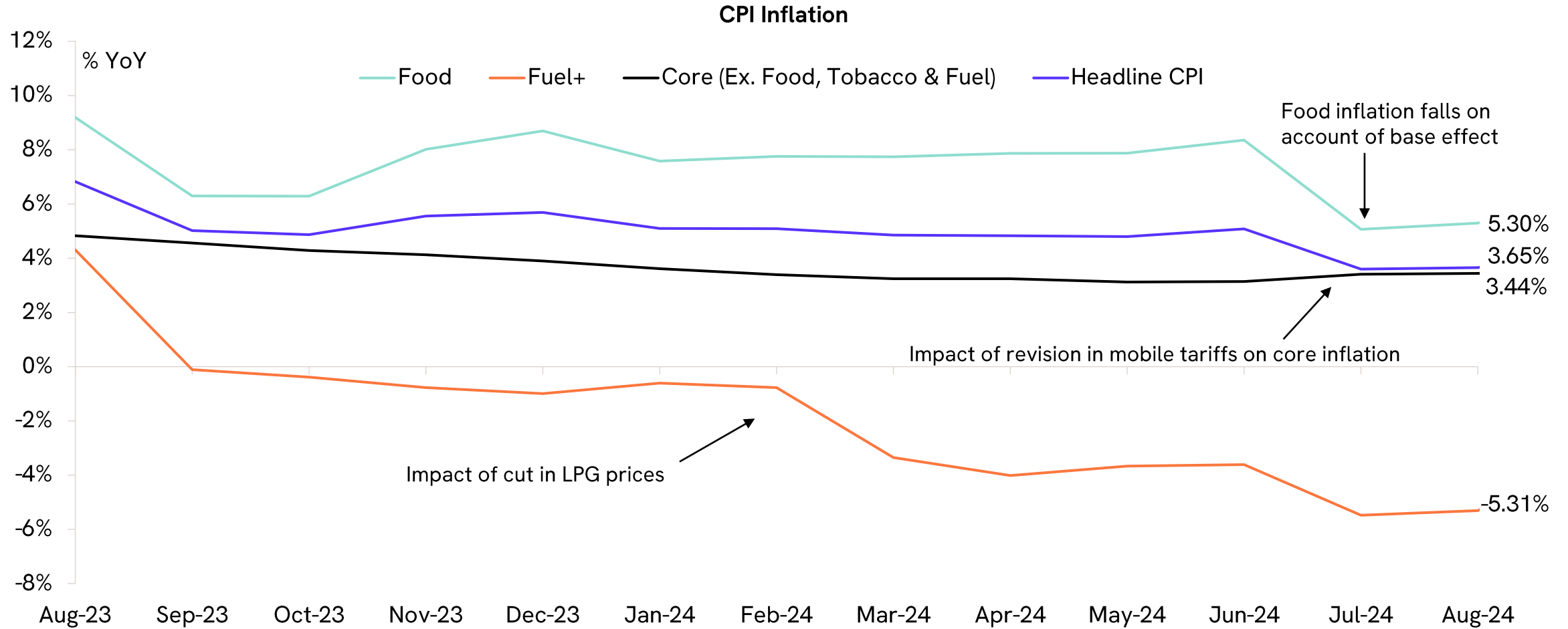
# TRENDS & TIDES

**India's retail inflation rises marginally to 3.65% YoY in August 2024**



# Inflation prints below 4% for the 2<sup>nd</sup> straight month due to a favourable base

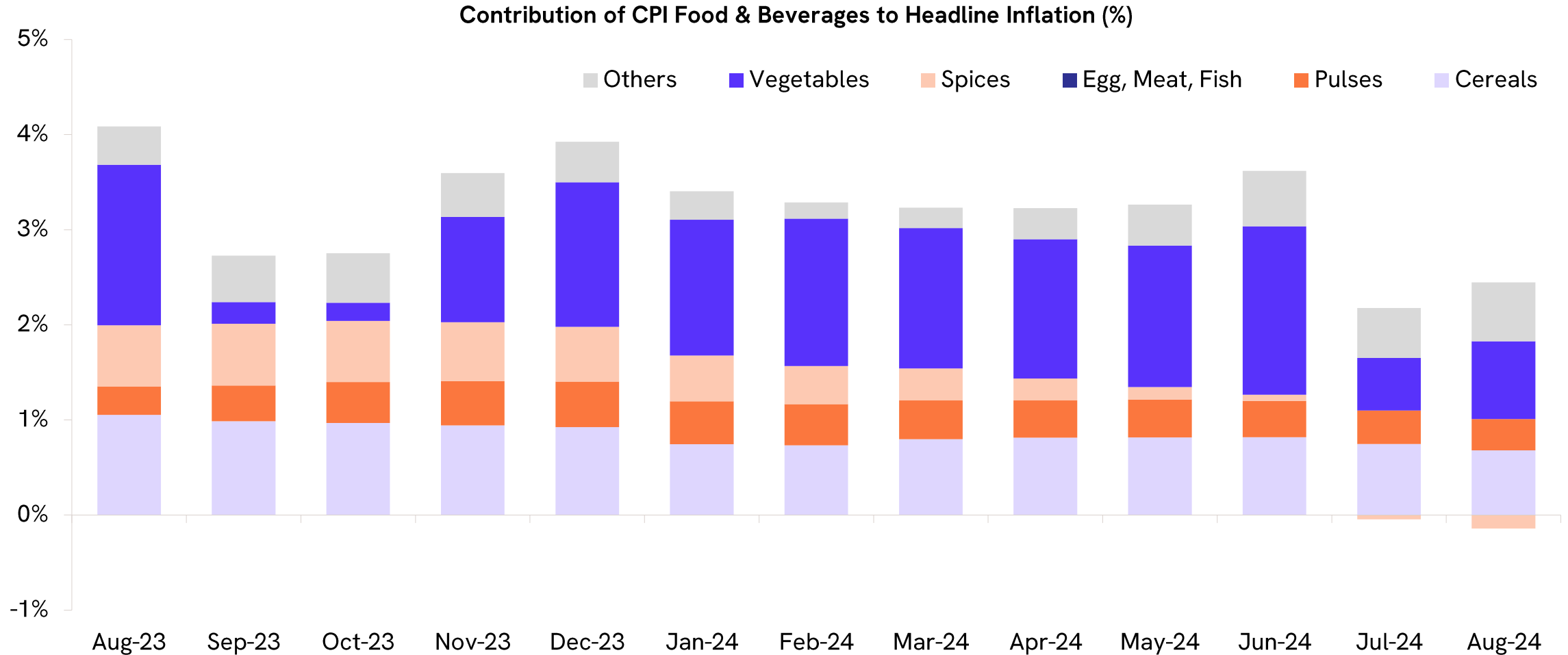
Core inflation remains steady at 3.44% YoY, as the impact of the mobile tariff revision largely played out last month



Source: MOSPI, 360 ONE Asset Research

# Vegetables are the primary driver of inflation, followed by cereals

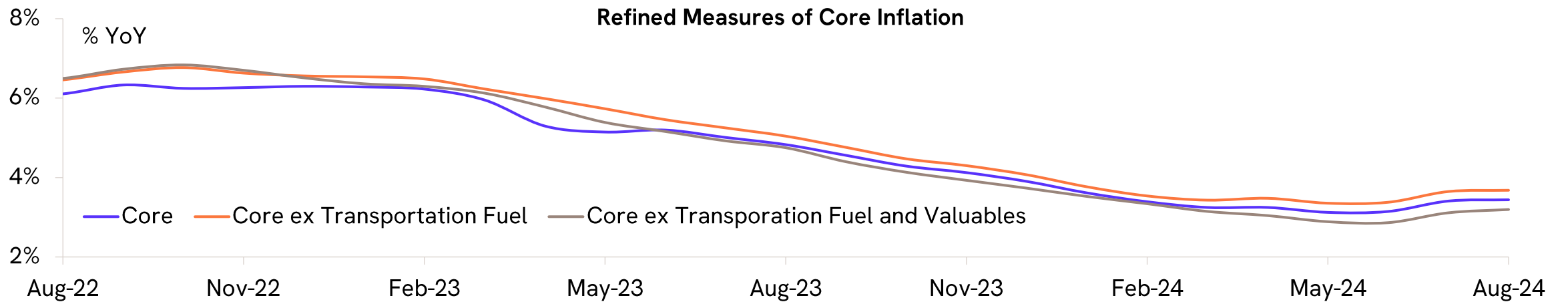
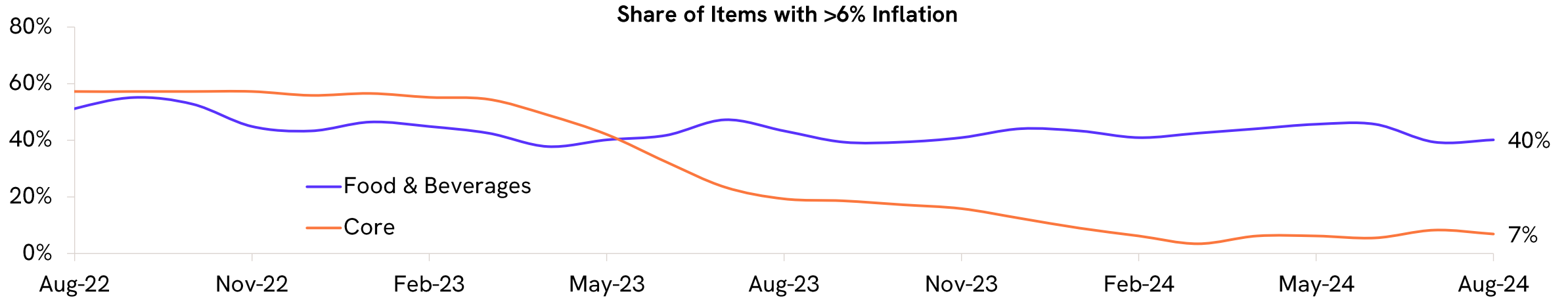
Vegetables, cereals, and pulses inflation remains elevated at 10.7% YoY, 7.3% YoY, and 13.6% YoY, respectively, in Aug 2024



Source: MOSPI, 360 ONE Asset Research

# Food inflation remains broad-based, 40% items witnessing >6% inflation

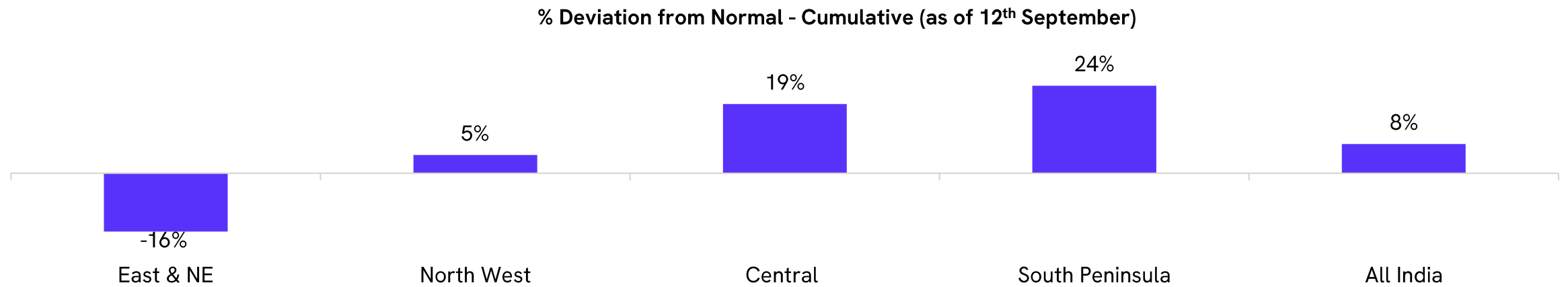
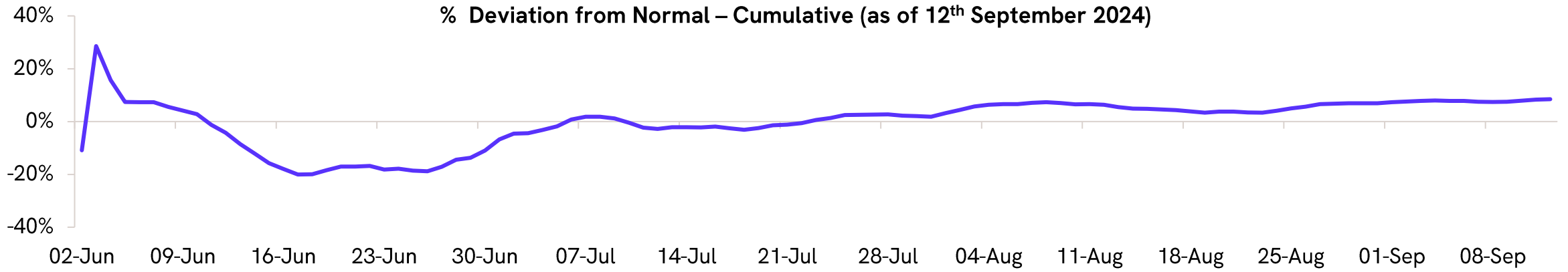
Core inflation, along with its refined measures, inched up in July on account of revision in mobile tariffs



Source: MOSPI, 360 ONE Asset Research

# Monsoon records above-normal rainfall, 8% above the long-period average

Rainfall remains in excess in Central and Southern India, normal in the North, and deficient in East & North-East India



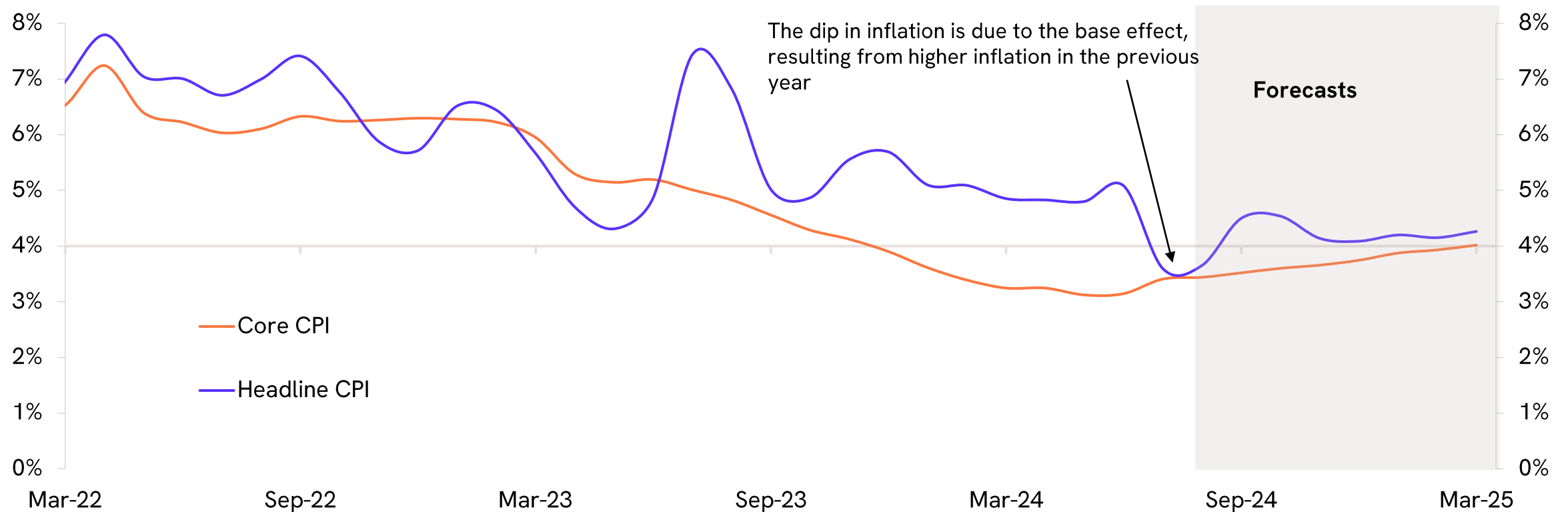
Source: CMIE, IMD, 360 ONE Asset Research

# 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 MPC might consider shifting the policy stance to 'neutral' in the October 2024 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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