

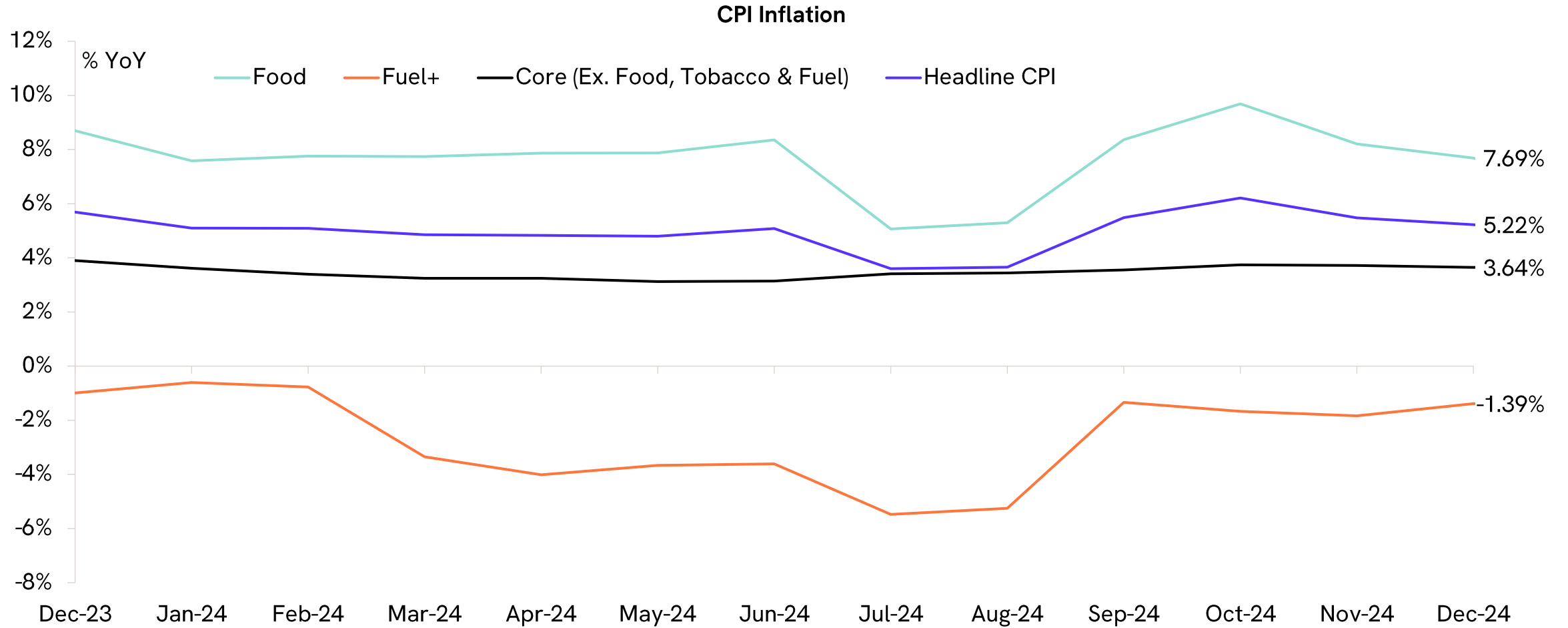
# TRENDS & TIDES

**India's retail inflation eases  
to 5.22% YoY  
in December 2024**



# CPI inflation slows to 5.22% YoY in Dec'24, driven by a decline in food inflation

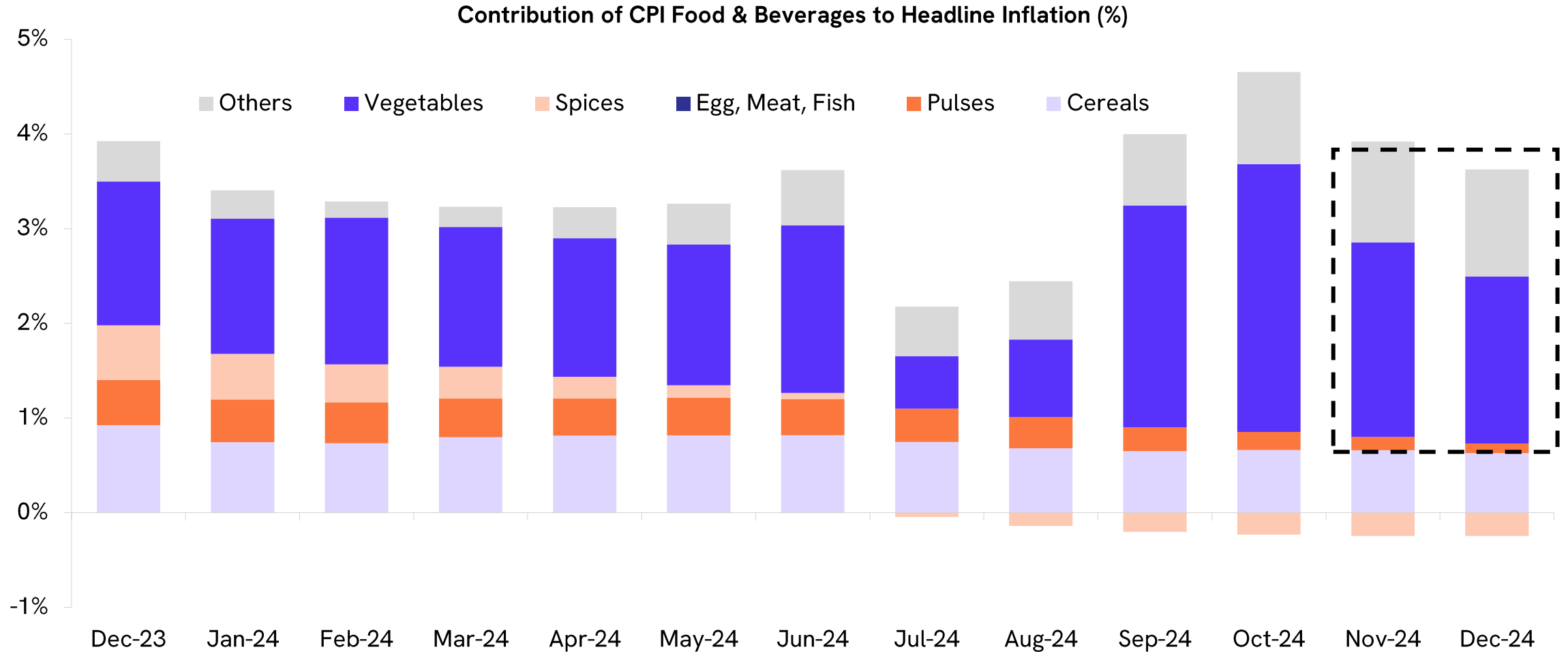
Food inflation eases to 7.7% YoY in Dec'24 from 8.2% YoY in Nov'24, while core inflation remains steady at 3.6% YoY



Source: MOSPI, 360 ONE Asset Research

# Headline CPI falls due to lower contribution from vegetables

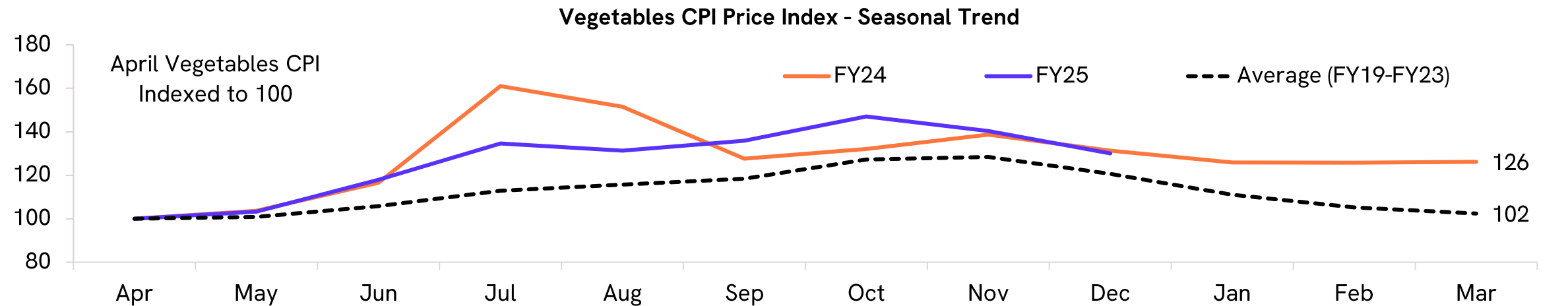
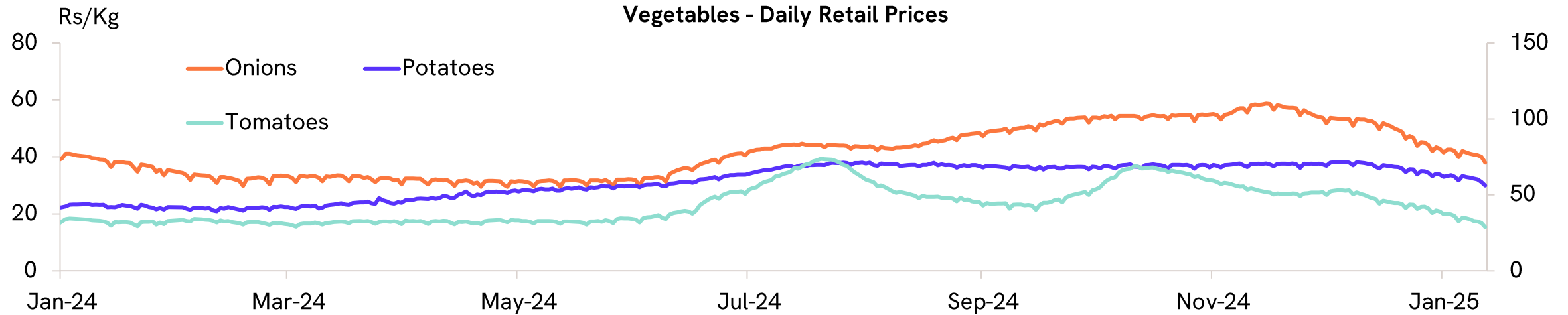
Vegetable inflation falls to 26.6% YoY in Dec'24 from 29.4% YoY in Nov, on account of a 7.4% MoM price correction



Source: MOSPI, 360 ONE Asset Research

# Vegetable prices have started to decline as fresh produce arrives

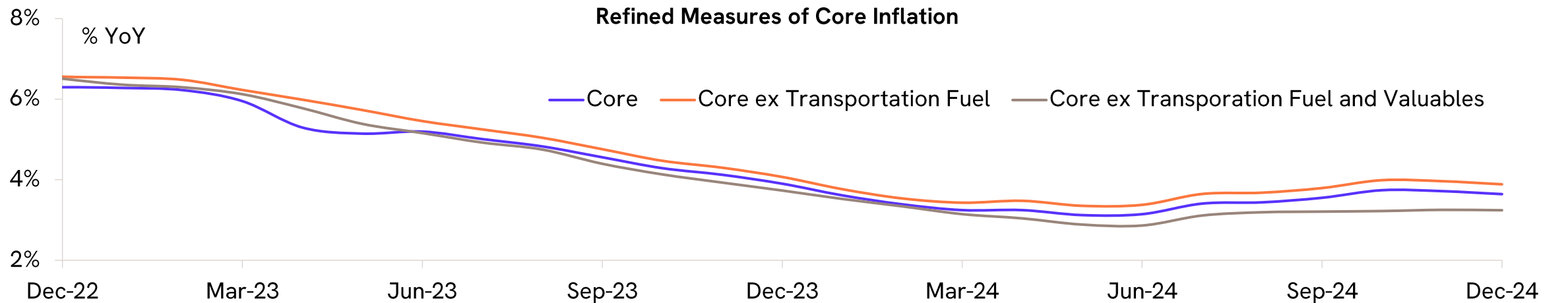
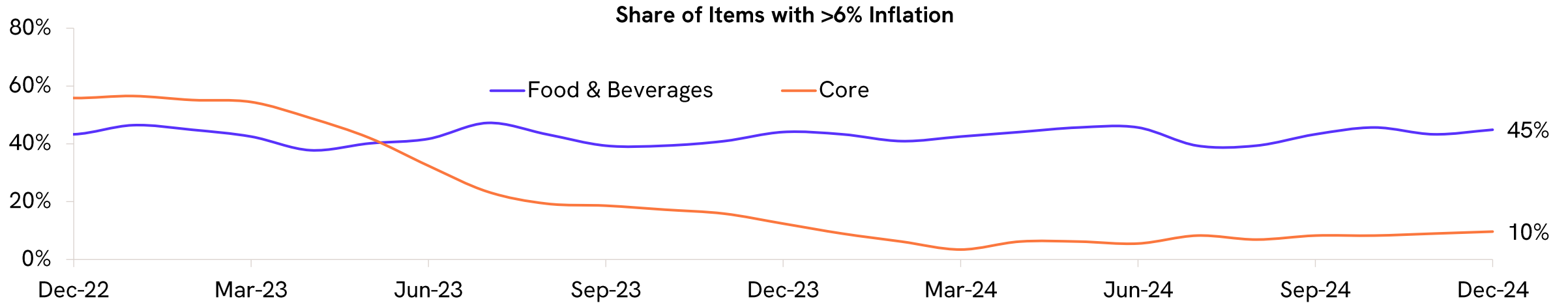
Vegetable prices are expected to decline further in the coming months in line with seasonal trends



Source: CMIE, 360 ONE Asset Research

# Food inflation remains broad-based, 45% items witnessing >6% inflation

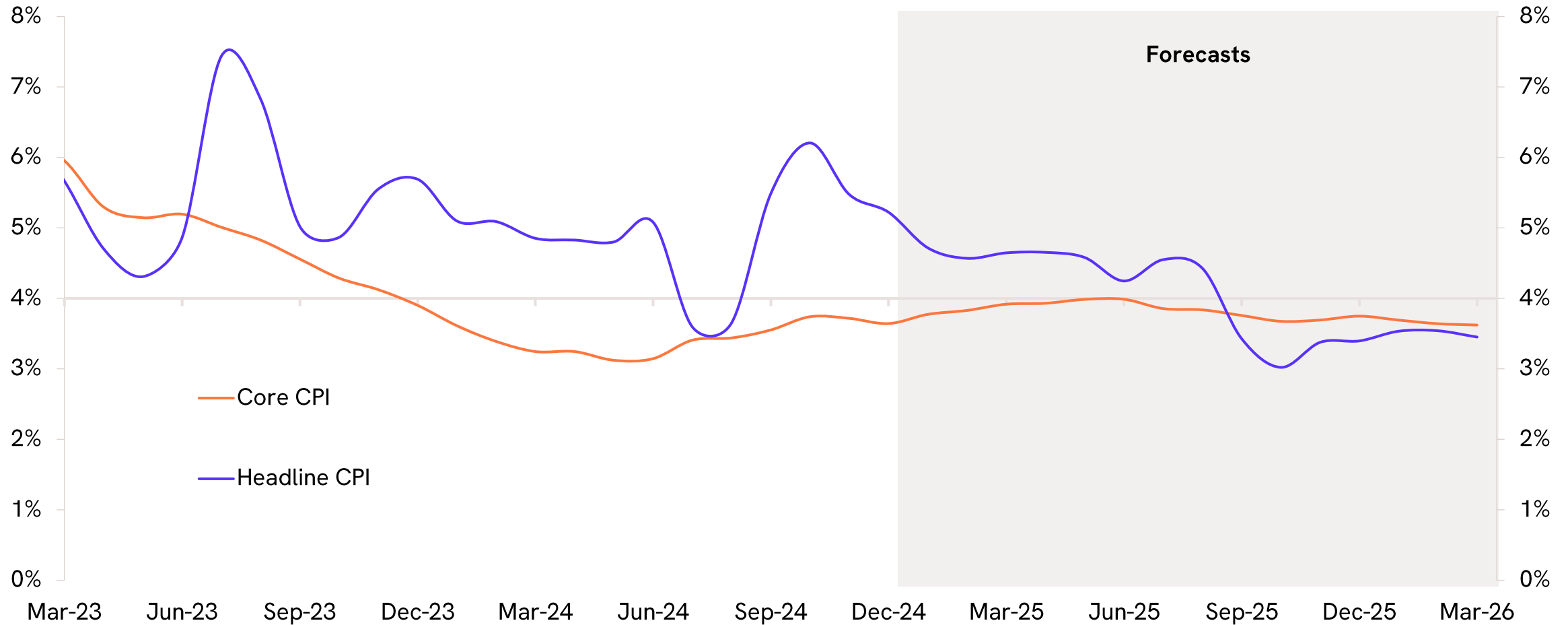
Core inflation, along with its refined measures, has bottomed out because of mobile tariff revision and an increase in gold prices



Source: MOSPI, 360 ONE Asset Research

# Outlook: Inflation is projected to align with the 4% target by H2FY26

We expect the RBI MPC to initiate the rate cut cycle from February 2025, as the inflation outlook appears favorable



Source: MOSPI, 360 ONE Asset Research

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