

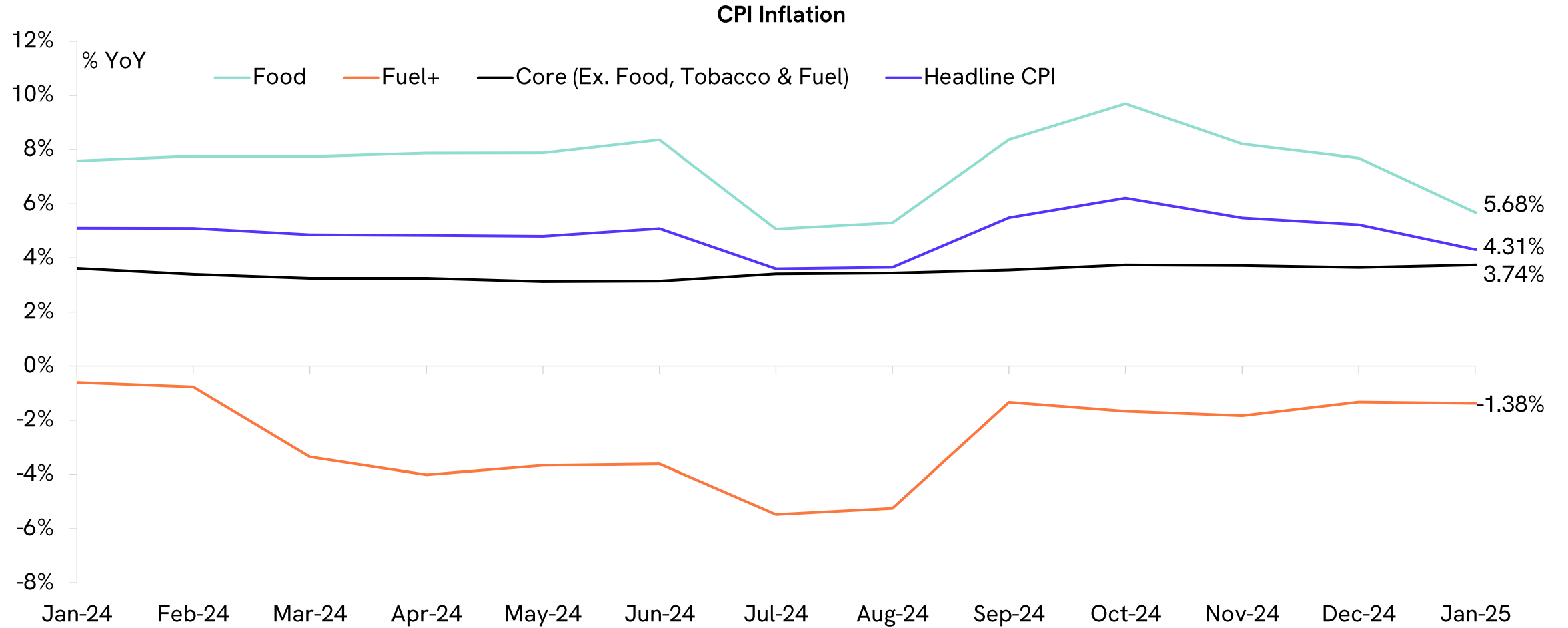
TRENDS & TIDES

**India's retail inflation eases
to 4.31% YoY
in January 2025**



CPI inflation slows to 4.31% YoY in Jan'25, driven by a decline in food inflation

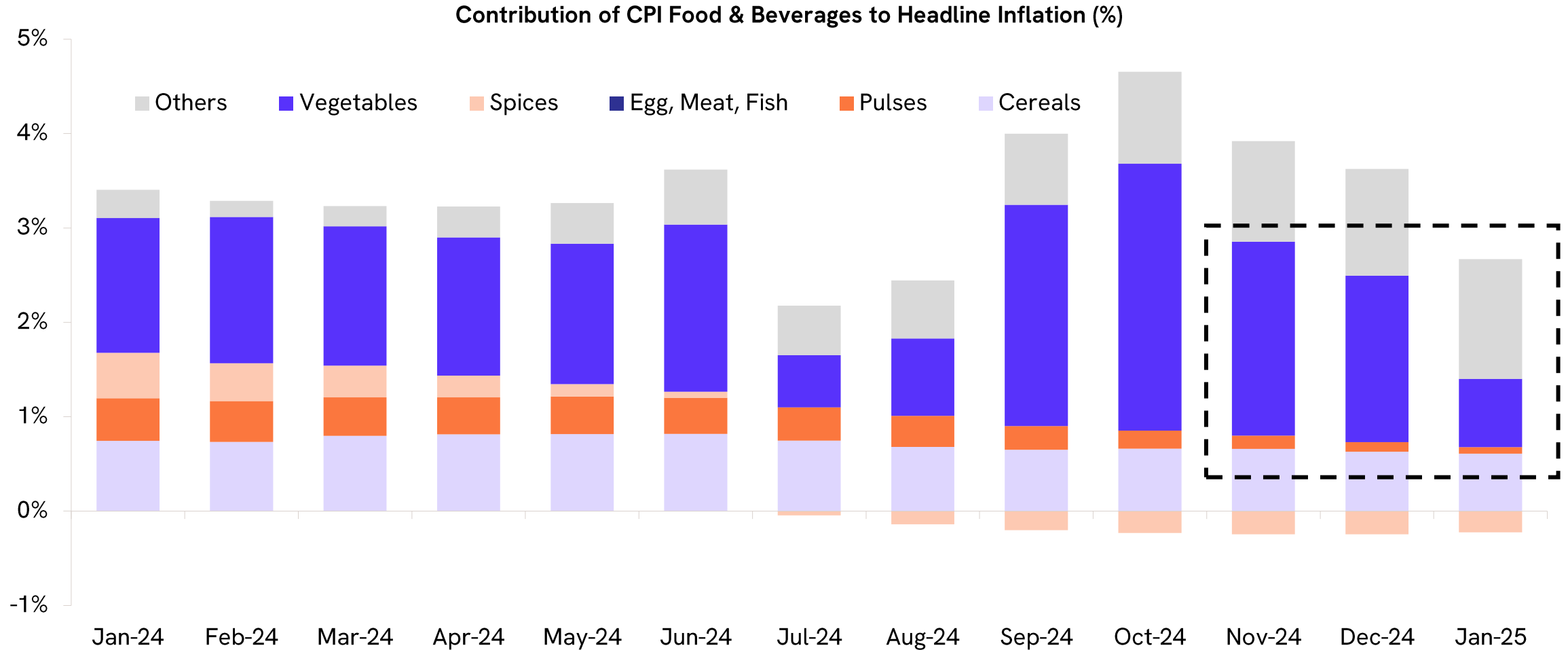
Food inflation eases to 5.7% YoY in Jan'25 from 7.7% YoY in Dec'24, while core inflation rises marginally to 3.7% YoY



Source: MOSPI, 360 ONE Asset Research

Inflation falls due to a steep decline in the contribution from vegetables

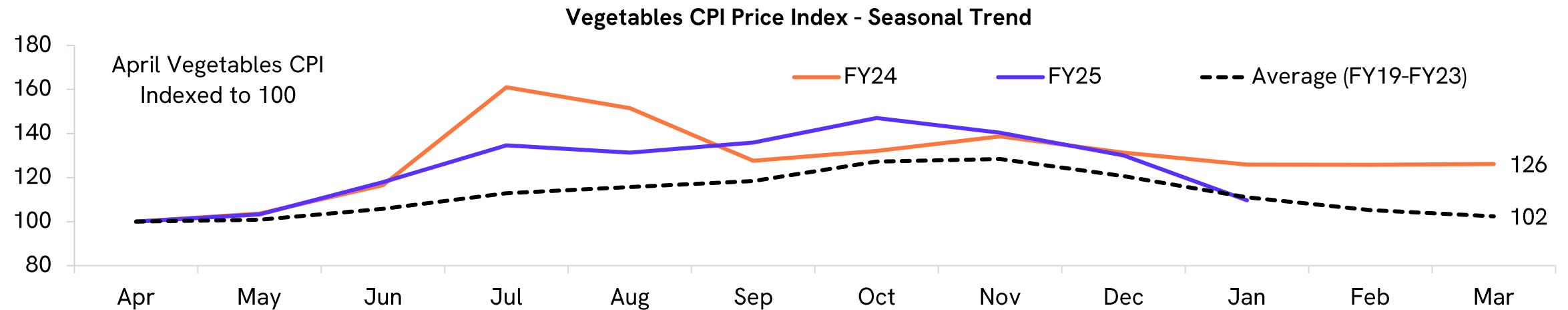
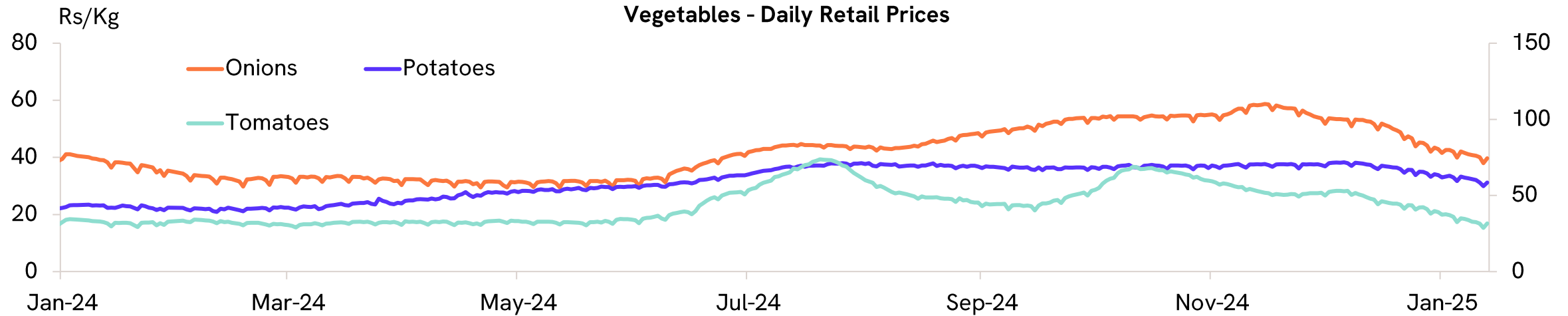
Vegetable inflation falls to 11.3% YoY in Jan'25 from 26.6% YoY in Dec, on account of a 15.7% MoM price correction



Source: MOSPI, 360 ONE Asset Research

Vegetable prices have declined significantly since their peak in Oct'24

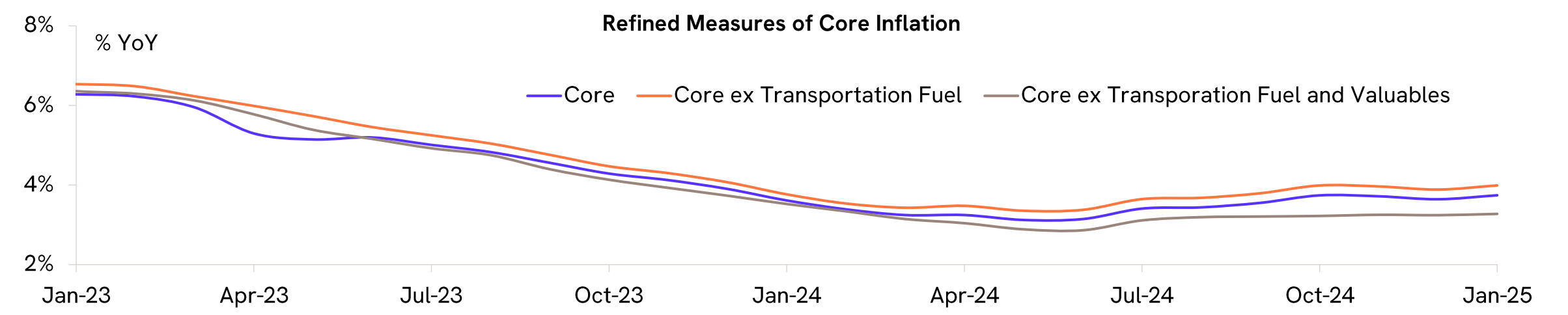
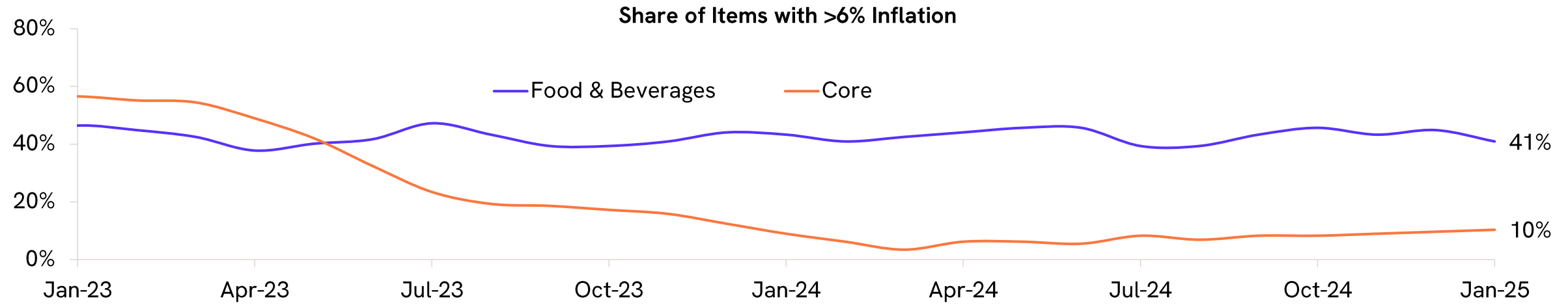
Vegetable prices could decline further in line with seasonal trends



Source: CMIE, 360 ONE Asset Research

Food inflation remains broad-based, 41% items witnessing >6% inflation

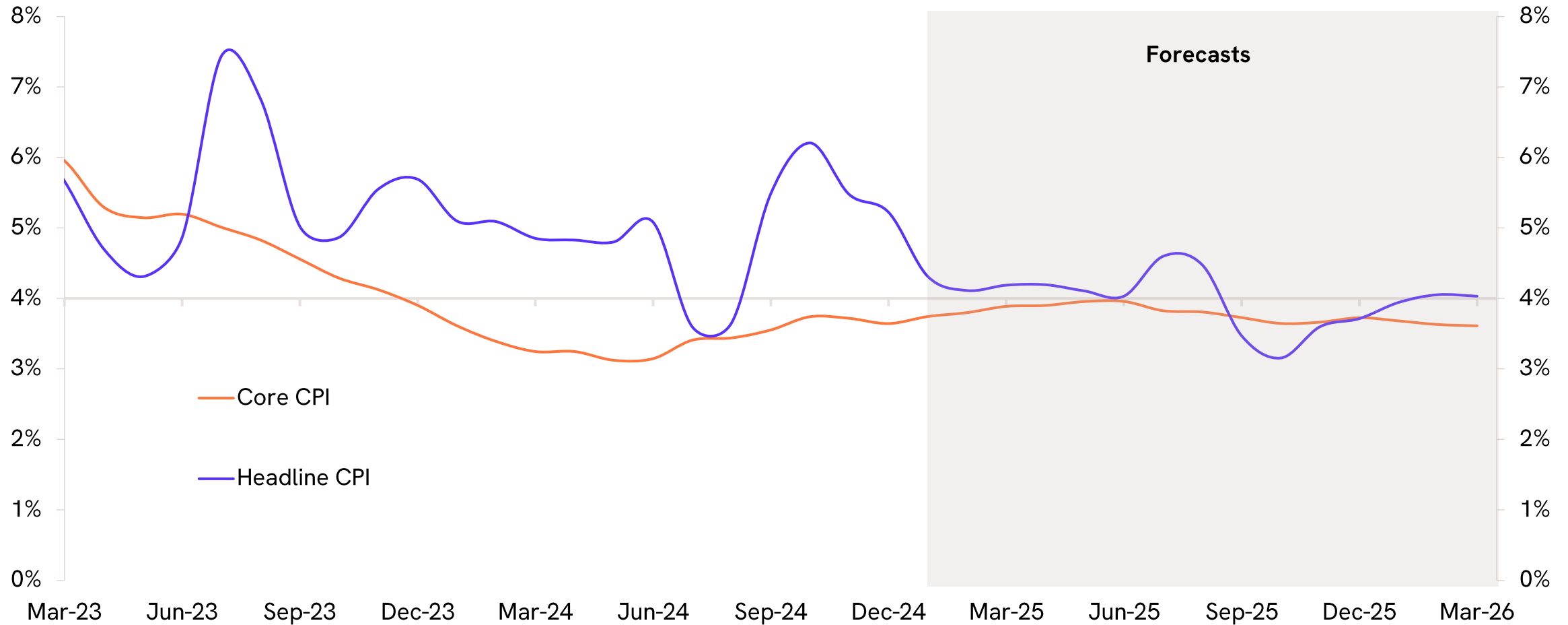
Core inflation, along with its refined measures, has bottomed out because of mobile tariff revision and an increase in gold prices



Source: MOSPI, 360 ONE Asset Research

Outlook: Inflation is projected to align with the 4% target in FY26

We expect the RBI to cut rates by another 50–75 bps in the current cycle



Source: MOSPI, 360 ONE Asset Research

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