

### CPI inflation rises marginally to 4.9 percent in November 2021

Month	Weight	Nov-20	Sept-21	Oct-21	Nov-21
General Index	100	6.9	4.4	4.5	4.9
Food & beverages	45.86	8.9	1.6	1.8	2.6
Pan, tobacco & intoxicants	2.38	10.4	4.2	4.3	4.1
Clothing & footwear	6.53	3.4	7.2	7.5	7.9
Housing	10.07	3.2	3.6	3.5	3.7
Fuel & light	6.84	1.6	13.6	14.4	13.4
Miscellaneous	28.32	7.0	6.4	6.8	6.8

- ❖ Retail price inflation, measured by the Consumer Price Index (CPI), increased marginally to 4.9 percent in November 2021 from 4.5 percent inflation reported in the previous month.
- ❖ Increase in price levels was driven by rising inflationary pressures in both urban India (reporting 5.5 percent inflation in November versus 5.0 percent inflation reported in the previous month) and rural India (reporting 4.3 percent inflation in November versus 4.1 percent inflation reported in the previous month).
- ❖ Moreover, price rise during the month was seen across major segments. Food and beverages index recorded an uptick in inflation on the back of higher prices in sugar & condiments, fruits, and milk & products segments. In addition, while prices of oils & fats remained at elevated levels during the month, a marginal respite was seen in the price pressures given the constant vigilance and supply boosting steps taken by the government.
- ❖ Further, while inflationary pressures in the fuel & light segment remained at double digit levels in November, some moderation was noticed in extent of increase mainly due to reductions in state and central taxes announced in mid November. A clearer picture of the extent of relief will be visible in the month of December.
- ❖ Basic consumer items such as dothing & footwear continued to surge as well on the back of increased input and transport costs. Housing segment too recorded a marginal uptick in prices during the month. Services inflation, on the other hand, was reported at 6.8 percent in November which was the same as that recorded in October 2021.

#### CPI – Key Sub-segment of Food (% YoY Growth)

Month	Food	Cereals and products	Egg, fish and meat	Milk and products	Oils and fats	Fruits	Vegetables	Pulses and products	Sugar and condiments	Spices
Weight	39.06	9.67	4.04	6.61	3.56	2.89	6.04	2.38	1.36	2.50
Nov-20	9.5	2.5	17.4	5.0	17.9	0.2	15.5	18.1	1.0	10.9
Jul-21	4.0	-1.7	9.4	2.7	32.5	9.0	-7.8	9.0	-0.5	5.2
Aug-21	3.1	-1.4	9.9	2.9	33.1	6.7	-11.7	8.8	-0.6	5.1
Sept-21	0.7	-0.6	7.9	3.1	34.2	3.6	-22.4	8.8	3.0	4.8
Oct-21	0.9	0.4	6.3	3.2	33.6	4.9	-19.4	5.4	5.4	4.6
Nov-21	1.9	1.5	4.9	3.4	29.7	6.0	-13.6	3.2	6.2	4.1

#### Inflation in Miscellaneous Segment (% YoY Growth)

	Weight	Nov-20	Sept-21	Oct-21	Nov-21
Household goods & services	3.8	3.0	5.9	6.2	6.4
Health	5.89	5.6	7.7	7.6	7.3
Transport & communication	8.59	11.1	9.5	10.9	10.0
Recreation & amusement	1.68	4.5	7.7	6.9	7.6
Education, stationery etc.	4.46	2.5	3.3	3.3	3.1
Personal care & effects	3.89	12.0	1.9	2.5	3.3

Source: MoSPI, CMIE

# Economy Fact Sheet – Consumer Price Index

## December 2021

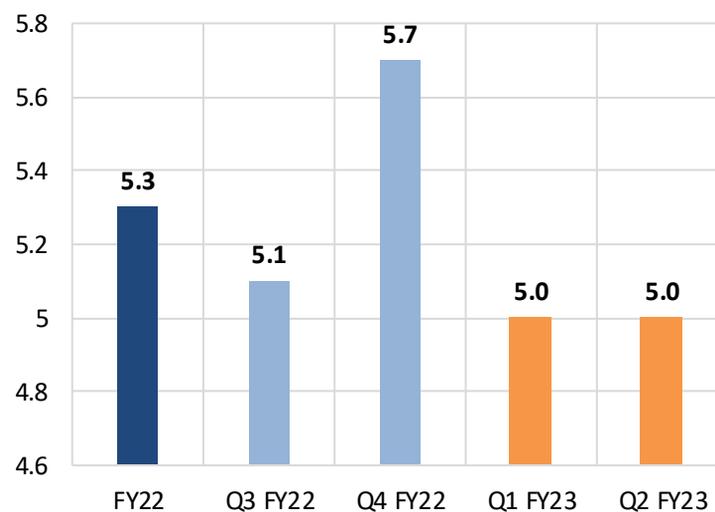
### Households' Inflation Expectations Survey, November 2021- Expectations for General Prices: % of respondents

Month	Respondents expecting prices to increase in the three-month ahead period to			Respondents expecting prices to increase in the one-year ahead period to		
	More than current rate	Similar to current rate	Less than current rate	More than current rate	Similar to current rate	Less than current rate
Nov-20	55.4	23.6	4.4	59.5	22.9	4.1
Jan-21	56.0	22.4	5.3	62.9	21.2	3.9
Mar-21	58.4	24.1	4.1	63.4	21.4	3.8
May-21	58.5	21.2	4.0	62.4	20.3	4.2
Jul-21	63.0	19.6	3.3	65.6	18.3	2.9
Sep-21	61.5	19.9	3.5	66.5	18.0	3.3
Nov-21	67.0	19.1	3.3	70.6	16.6	3.3

### Households' Inflation Expectations Survey, November 2021- Household Inflation Expectations

Month	Current perception of inflation rate	Inflation expectations three months ahead	Inflation expectations one year ahead
	(in %)	(in %)	(in %)
Nov-20	8.8	10.1	10.1
Jan-21	8.2	9.3	10.1
Mar-21	8.7	10.1	10.2
May-21	10.2	10.8	10.9
Jul-21	10.3	11.3	11.5
Sep-21	10.2	10.8	10.9
Nov-21	10.4	12.3	12.6

### RBI's CPI Inflation Projection (%Y-o-Y)



### Comments

While inflationary pressures have been cooling, prices of certain essential commodities including edible oils and fuel remain sticky. This has caused an uptick in RBI's inflation forecast for Q3 2021-22 to 5.1% in the December Policy assessment from 4.5% forecasted earlier. However, the annual projection for retail inflation was kept unchanged at 5.3%. Seasonal correction of vegetables prices as fresh winter arrivals are due to enter the market is expected to largely keep food prices under check, going forward.

Moreover, while rising international energy prices have kept domestic LPG and kerosene prices elevated for nearly three quarters, reductions in central and state levies on domestic fuel supplies in the month of November 2021 has lent support to the decline in overall price pressures. Lower transport and logistics costs as a result of lower fuel prices is likely to ease some pressure off cost push inflation. However, price pressures on international raw materials prices along with shortages of critical inputs due to persistence of supply side constraints may sustain price pressures in the near term.

Source: MoSPI, CMIE