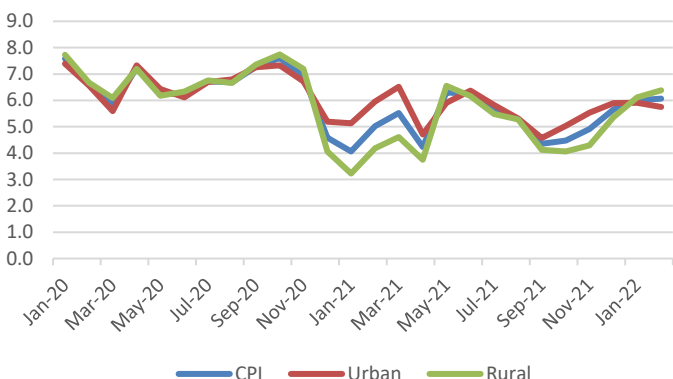
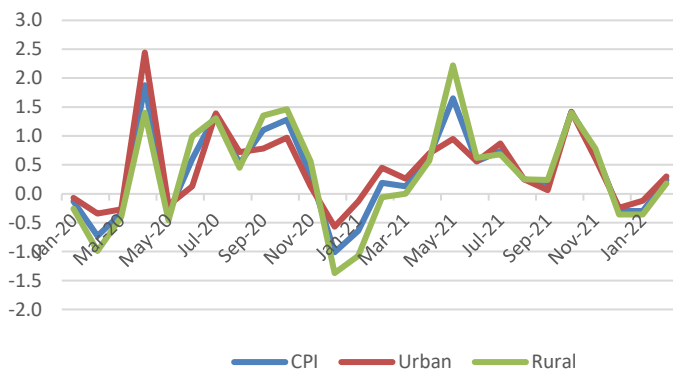


### CPI inflation inches to 6.1% in February 2022

Consumer Price Index: Y-o-Y (in %)



Consumer Price Index: M-o-M Growth (in %)



- The latest retail inflation data reported a further upward trend in price levels. The Consumer Price Index based inflation rate inched up to 6.1 percent in February 2022, vis-à-vis 6.0 percent inflation noted in January this year. This is the highest in about eight months and towards the higher end of RBI's threshold range between 2.0-6.0 percent for the second consecutive month.
- The pressure on prices continued to come from two main segments – food & beverages and clothing & footwear. The inflation for the food and beverages segment rose to a 15-month high of 5.9 percent in February 2022 vis-à-vis 4.3 percent inflation rate in the same month last year and 5.6 percent inflation in January 2022. The increase in prices in the food segment was driven by meat and fish, vegetables, eggs, spices and cereal segments. The increase in prices for vegetables in February 2022 was led by potatoes, green chillies, carrot and cabbage. Besides, the clothing and footwear prices have been elevated for some time now - charting an uptrend for the tenth consecutive month to touch a high 8.9% in February 2022 vis-à-vis 8.8 percent in January 2022 and 4.2 percent in February 2021. Prices of housing sector also noted a mild uptick.
- However, segments including fuel & light, pan & tobacco and miscellaneous goods noted some softening in price levels. The retail based fuel inflation rate was reported at 8.7 percent for February 2022 – which is the lowest in about ten months. The limited transmission of the surging crude oil prices has been instrumental in keeping the fuel prices under check. While the easing of prices under miscellaneous goods segment was primarily backed by transport and communication; even as segments like personal care & effects/education/household goods and services noted an increase in price levels.

| Month                      | Weight | Feb-21 | Dec-21 | Jan-22 | Feb-22 |
|----------------------------|--------|--------|--------|--------|--------|
| General Index              | 100    | 5.0    | 5.7    | 6.0    | 6.1    |
| Food & beverages           | 45.86  | 4.3    | 4.5    | 5.6    | 5.9    |
| Pan, tobacco & intoxicants | 2.38   | 10.7   | 3.2    | 2.5    | 2.4    |
| Clothing & footwear        | 6.53   | 4.2    | 8.3    | 8.8    | 8.9    |
| Housing                    | 10.07  | 3.2    | 3.6    | 3.5    | 3.6    |
| Fuel & light               | 6.84   | 3.5    | 11.0   | 9.3    | 8.7    |
| Miscellaneous              | 28.32  | 6.8    | 6.7    | 6.6    | 6.5    |

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

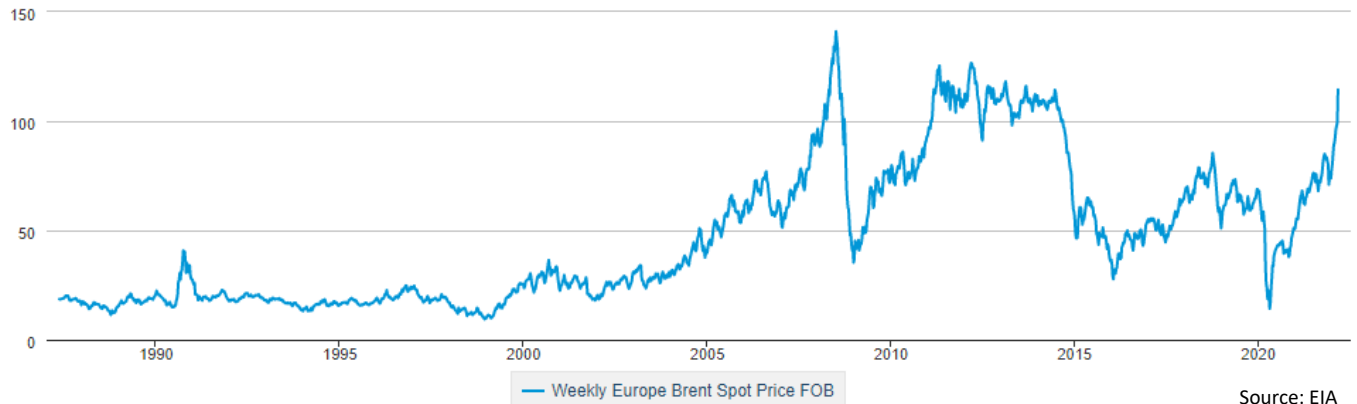
| Month  | Food  | Cereals and products | Egg, fish and meat | Milk and products | Oils and fats | Fruits | Vegetables | Pulses and products | Sugar and condiments | Spices |
|--------|-------|----------------------|--------------------|-------------------|---------------|--------|------------|---------------------|----------------------|--------|
| Weight | 39.06 | 9.67                 | 4.04               | 6.61              | 3.56          | 2.89   | 6.04       | 2.38                | 1.36                 | 2.50   |
| Feb-21 | 3.9   | -0.4                 | 11.4               | 2.6               | 20.9          | 6.0    | -6.3       | 12.6                | -0.7                 | 8.0    |
| 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    |
| Dec-21 | 4.1   | 2.6                  | 4.3                | 3.8               | 24.3          | 3.5    | -3.0       | 2.5                 | 5.6                  | 4.0    |
| Jan-22 | 5.4   | 3.5                  | 5.1                | 4.1               | 18.7          | 2.3    | 5.1        | 3.0                 | 5.5                  | 4.7    |
| Feb-22 | 5.9   | 3.9                  | 7.1                | 3.8               | 16.4          | 2.3    | 6.1        | 3.0                 | 5.4                  | 6.1    |

Source: MoSPI, CMIE

### Weekly Brent Spot Price (USD/bbl)

#### Weekly Europe Brent Spot Price FOB

Dollars per Barrel



Source: EIA

### Fuel Prices unchanged for over 120 days in India – longest hiatus till date

CHENNAI

PETROL (₹/L)

↓ **101.40** 0.00

DELHI

PETROL (₹/L)

↓ **95.41** 0.00

KOLKATA

PETROL (₹/L)

↓ **104.67** 0.00

MUMBAI

PETROL (₹/L)

↓ **109.98** 0.00

Source: ET

### Comments

The price levels continue to remain elevated in February 2022 which was broadly in line with the expectations. The upside risks to inflation have aggravated even more with the significant escalation in Russia Ukraine conflict. Crude oil price (Europe Brent) has been trading at over USD 100/bbl since February 28, 2022. Global prices of food and other industrial inputs have also been under stress. According to UK's National Institute for Economic and Social Research, the conflict could add 3 percent to global inflation due to supply chain distortions. The global inflation has already been at historic highs. Amid this situation, for India, the price pressure through imported inflation has been further fueled. High inflation levels and fresh concerns regarding growth prospects continue to keep the policy environment challenging from the Central Bank. FICCI expects the Reserve Bank of India to maintain an accommodative stance in the forthcoming policy announcement in April 2022.