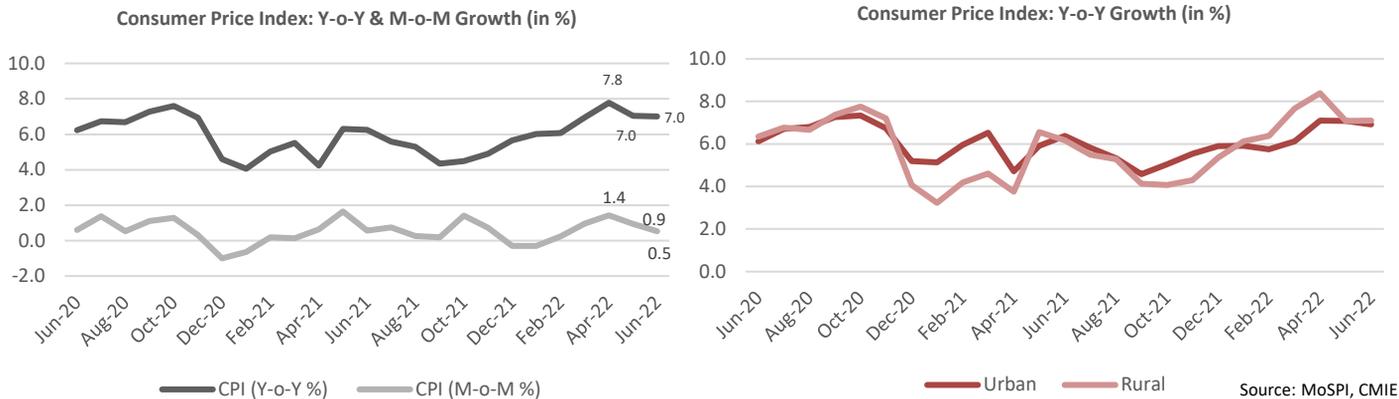


CPI inflation unchanged at 7.0% in June 2022



- The latest data reported almost unchanged levels of retail inflation from the previous month. The Consumer Price Index based inflation eased to 7.01 percent in June 2022, vis-à-vis 7.04 percent inflation recorded in May 2022. Though inflation still exceeds RBI's threshold range, it is showing signs of moderation on a sequential basis.
- Inflation in the food & beverages and miscellaneous segments declined marginally by 0.2 and 0.5 percentage points, respectively, in June 2022 as compared to the previous month. Inflation in the two segments was recorded at 7.6 percent and 6.3 percent y-o-y, respectively in June 2022. On the other hand, the segments of fuel & light, clothing & footwear, housing, and Pan, tobacco & intoxicants reported an increase in inflation levels. The y-o-y inflation in these segments was registered at 10.4 percent, 9.5 percent, 3.9 percent, and 1.8 percent, respectively in June 2022. The corresponding figures for May 2022 stood at 9.5 percent, 8.9 percent, 3.7 percent, and 1.2 percent, respectively.
- Although majority of the sub-segments of the food index reported a y-o-y growth in price levels in June 2022, the overall food price index noted a decline as compared to May 2022 which was driven by easing of edible oil, pulses, and vegetable prices. Moreover, there has been some moderation in prices of agriculture commodities at the global level as well – which should bode well going ahead. The uptick in monsoon activity is also positive.

Month	Weight	Jun-21	Apr-22	May-22	Jun-22
General Index	100.0	6.3	7.8	7.0	7.0
Food & beverages	45.9	5.6	8.1	7.8	7.6
Pan, tobacco & intoxicants	2.4	4.0	2.7	1.2	1.8
Clothing & footwear	6.5	6.1	9.9	8.9	9.5
Housing	10.1	3.8	3.5	3.7	3.9
Fuel & light	6.8	12.6	10.7	9.5	10.4
Miscellaneous	28.3	7.2	8.0	6.8	6.3

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	39.1	9.7	4.0	6.6	3.6	2.9	6.0	2.4	1.4	2.5
Jun-21	5.2	-1.9	6.1	1.9	34.8	11.8	-0.7	10.0	0.8	5.6
Mar-22	7.7	5.0	9.0	4.7	18.7	2.5	11.6	2.6	5.5	8.5
Apr-22	8.3	6.0	6.3	5.5	17.3	5.0	15.3	1.9	5.2	10.6
May-22	8.0	5.3	7.1	5.6	13.3	2.3	18.3	-0.4	4.3	9.9
Jun-22	7.8	5.7	7.3	6.1	9.4	3.1	17.4	-1.0	4.2	11.0

Source: MoSPI, CMIE

CPI – Key Sub-segments of Miscellaneous (Y-o-Y growth in %)

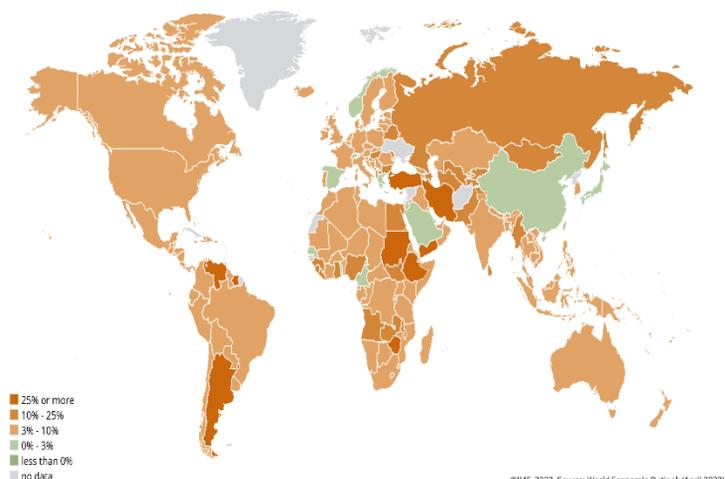
Month	Miscellaneous	Household Goods & Services	Health	Transport & Communication	Recreation & Amusement	Education, Stationery, etc.	Personal care
Weight	28.3	3.8	5.9	8.6	1.7	4.5	3.9
Jun-21	7.2	5.7	7.7	11.6	4.5	3.4	4.8
Mar-22	7.0	7.7	7.0	8.0	7.0	3.6	8.7
Apr-22	8.0	8.0	7.2	10.9	7.3	4.1	8.6
May-22	6.8	6.8	5.4	9.5	6.0	4.2	6.2
Jun-22	6.3	7.5	5.5	6.9	7.0	4.5	6.7

Source: MoSPI, CMIE

Consumer Prices – Country-wise Trends

IMF DataMapper

Inflation rate, end of period consumer prices (Annual percent change, 2022)



©IMF, 2022. Source: World Economic Outlook (April 2022)

OECD			
Country	Q1 2020 (% y-o-y)	Q1 2022 (% y-o-y)	Change between Q1 2022 and Q1 2020
United Kingdom	1.7	5.5	3.2x
United States of America	2.1	8.0	3.8x
Italy	0.6	5.7	19.4x
Israel	0.1	3.4	25.2x
Non-OECD			
Russia	2.4	11.6	4.8x
South Africa	4.3	5.8	1.4x
Brazil	3.8	10.7	2.8x

Source: World Economic Outlook, IMF, April 2022, OECD

Global Commodity Prices: Prices moderating for some commodities on a sequential basis

(Index Values)

	Energy		Non-energy		Agriculture					Fertilizers		Metals & Minerals		Precious Metals
					Beverages		Food		Raw Materials		Base Metals (ex. iron ore)			
Jun-20	48.52	79.71	83.36	77.33	88.32	80.13	88.91	98.54	74.38	66.80	73.68	74.34	128.34	
Jun-21	93.92	114.37	109.24	89.97	123.38	125.67	128.00	116.19	84.67	119.77	124.27	118.99	144.18	
Jan-22	121.31	123.69	118.69	109.69	133.82	141.26	133.23	124.58	86.48	200.61	125.23	133.22	139.13	
Feb-22	131.27	128.89	124.01	111.76	141.36	154.87	138.64	126.05	88.09	196.86	131.18	138.91	142.16	
Mar-22	163.19	139.06	132.81	105.01	157.35	172.76	158.69	135.87	87.31	232.53	141.28	149.89	149.63	
Apr-22	153.19	139.93	134.46	110.05	158.87	167.76	164.60	142.00	87.56	254.97	138.09	146.09	148.05	
May-22	160.93	133.44	133.83	106.43	159.04	165.21	169.04	141.87	86.50	223.11	122.46	130.01	139.94	
Jun-22	171.24	128.04	128.90	108.23	151.50	155.77	157.93	140.06	84.51	221.21	115.70	121.77	138.85	
Growth June 2022/May 2022	6.4	-4.0	-3.7	1.7	-4.7	-5.7	-6.6	-1.3	-2.3	-0.9	-5.5	-6.3	-0.8	

Source: World Bank

Comments

Even though global commodity prices indicate softening on back of recession fears, internal factors will have to be closely watched to manage price levels. Kharif acreage has declined as of July 8, 2022 and services inflation has been sticky. Inflation will continue to be a key consideration for the Central Bank. The Reserve Bank of India is expected to maintain a hawkish stance for remaining part of the year.