Macro Insights

14th October 2025

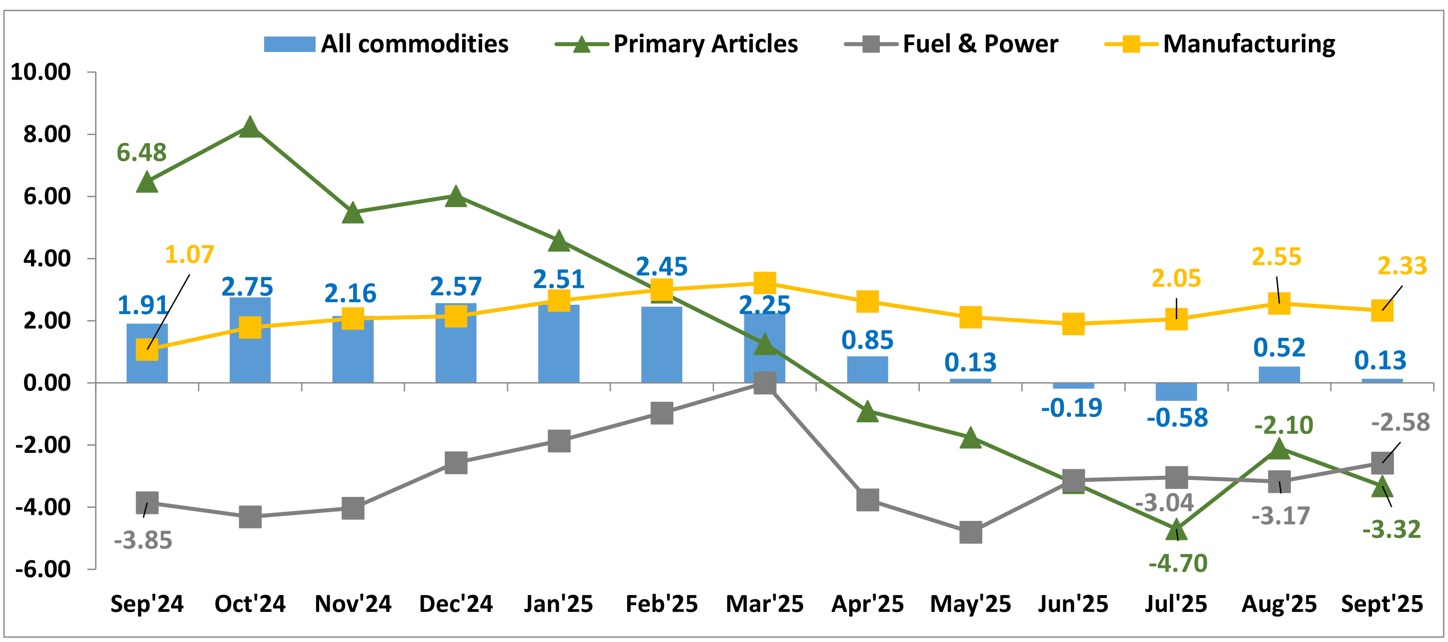
WPI inflation soften to 0.13% in September 2025

The wholesale inflation measured by WPI eases to 0.13 per cent (provisional) in September 2025 on a YoY basis, compared to 0.52 per cent in August 2025. It was significantly lower than 1.91 per cent recorded in September 2024.

Highlights

- Softening in WPI was driven by lower inflation of 2.33 per cent in Manufactured Products (having highest weight of 64.23) in September 2025 compared to 2.55 per cent in August 2025.
- The continued deflation in Primary Articles also supported the decline as it contracted by 3.32 per cent YoY in September 2025, led by food articles (vegetables & pulses) and non-food articles.
- The Fuel and power witnessed a deflation of 2.58 per cent in September 2025, against 3.17 per cent in the previous month.

Trend of Wholesale Price Index (% YoY Change)



Source: Office of Economic Adviser, Ministry of Commerce & Industry

Components of WPI

WPI Inflation YoY (%)	Primary Articles		Fuel & Power		Manufactured Products		Food Articles *(Part of Primary Articles)*		All Commodities	
Weights	**22.62%**		**13.15%**		**64.23%**		**15.26%**		**100%**	
	2024	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
July	3.18	**-4.70**	1.93	**-3.04**	1.58	**2.05**	3.50	**-6.29**	2.10	**-0.58**
August	2.52	**-2.10**	-0.54	**-3.17**	1.00	**2.55**	3.06	**-3.06**	1.25	**0.52**
September	6.48	**-3.32**	-3.85	**-2.58**	1.07	**2.33**	11.48	**-5.22**	1.91	**0.13**

Source: Office of Economic Adviser, Ministry of Commerce & Industry

Views & Analysis

- Wholesale inflation in September 2025 signaled a phase of relative price stability. This was primarily driven by deflationary trends in Primary Articles and Fuel & Power, which were partially offset by continued inflation in Manufactured Products.
- Similarly, during the first half of FY26, the WPI registered a marginal YoY increase of 0.14%. This subdued rise was largely due to deflation in primary food articles (-2.69%) and Fuel & Power (-3.42%), while Manufactured Products experienced a price uptick of 2.26%.
- The WPI Food index turned negative to -1.99% YoY in Sept'25 from 0.21% in Aug'25. Led by vegetables that witnessed a sharp decline of -24.41% YoY, with Potato & Onion continued to witness deflation of -42.24% and -63.79%, respectively in Sept'25.
- All three sub-components under Fuel & Power category [LPG (-7.96%), Petrol (-3.82%), and HSD (-3.09%)] also continued to witness price declines for successive months, pointing to fragile demand in sectors like transportation and cement along with transmission of lower global energy prices amid external headwinds.
- While primary and fuel sectors remain under pricing pressure, the modest and broad-based increase in manufacturing prices indicates that producers are selectively passing on cost-push factors or benefiting from input price softness. However, price rise in strategic export categories, such as basic metals and textiles, remains moderate, hinting at external competitiveness challenges and weak global demand.
- Going forward, the WPI inflation is expected to stay remained subdued in October 2025, supported by lower food prices, base effect and softer global commodity & fuel prices. However, core manufacturing inflation may remain positive due to firm input costs in food processing and select industrial goods.

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