

Macro Insights

14th May 2025

WPI inflation dips to 0.85% in April 2025

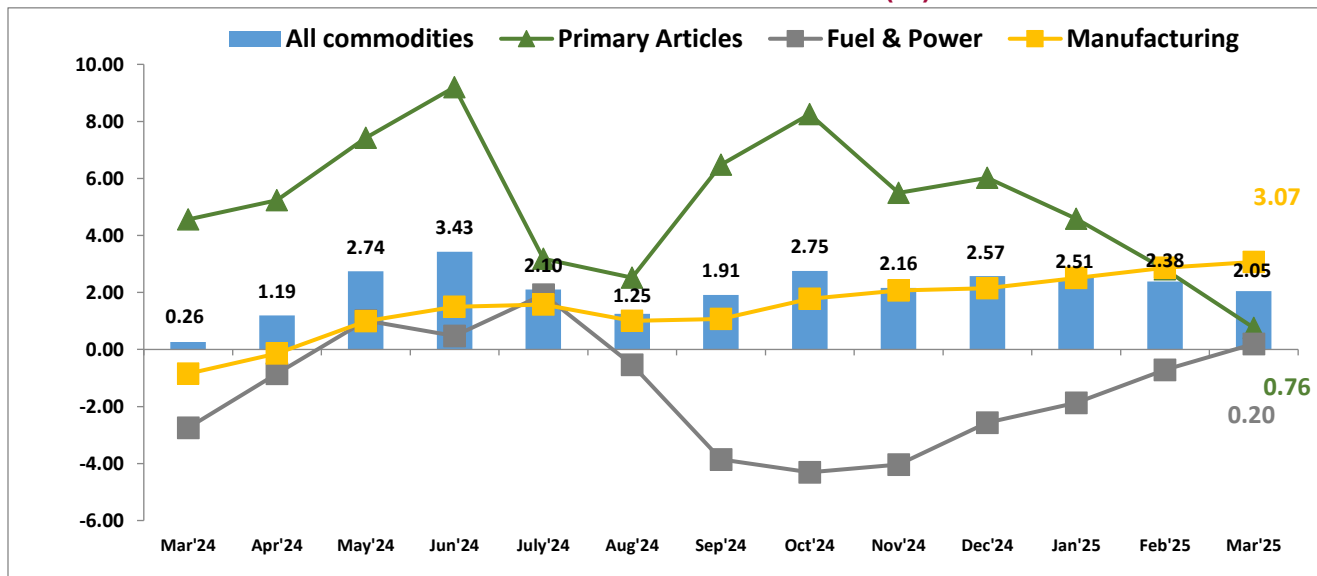
The wholesale inflation measured by WPI records growth of 0.85 per cent (provisional) in April 2025 on a YoY basis, compared to 2.05 per cent in March 2025.

It was significantly higher than 1.19 per cent recorded in April 2024.

Highlights

- ☞ The annual rate of inflation based on the WPI food index decreased to 2.55 per cent during the last month, from 4.66 per cent in the previous month.
- ☞ Primary Articles category contracted to 1.44 per cent in April, from 0.76 per cent in the previous month.
- ☞ Meanwhile, the fuel and power category also witnessed deflation of 2.18 per cent, against growth of 0.2 per cent in March.
- ☞ In the manufactured products category, inflation dropped to 2.62 per cent from 3.07 per cent in the previous month.

Trend of Wholesale Price Index (%)



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
February	4.55	2.92	-1.71	-0.97	-1.27	3.00	7.07	3.43	0.20	2.45
March	4.57	0.76	-2.75	0.20	-0.85	3.07	7.05	1.57	0.26	2.05
April	5.23	-1.44	-0.85	-2.18	-0.14	2.62	8.07	-0.86	1.19	0.85

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

Views

- The lower WPI reflects improved vegetable output and softening supply-side pressures.
- The RBI recently cut the repo rate for the second time in the Calendar Year 2025 but global scenario and weather uncertainty pose upside risk to the Inflationary conditions going forward. However, the fall in crude oil prices add some positive outlook to the inflation situation going forward.
- As per market expectations, WPI is anticipated to be in the range of 2.00%-2.50% in coming two months.

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