

Macro Insights

15th September 2025

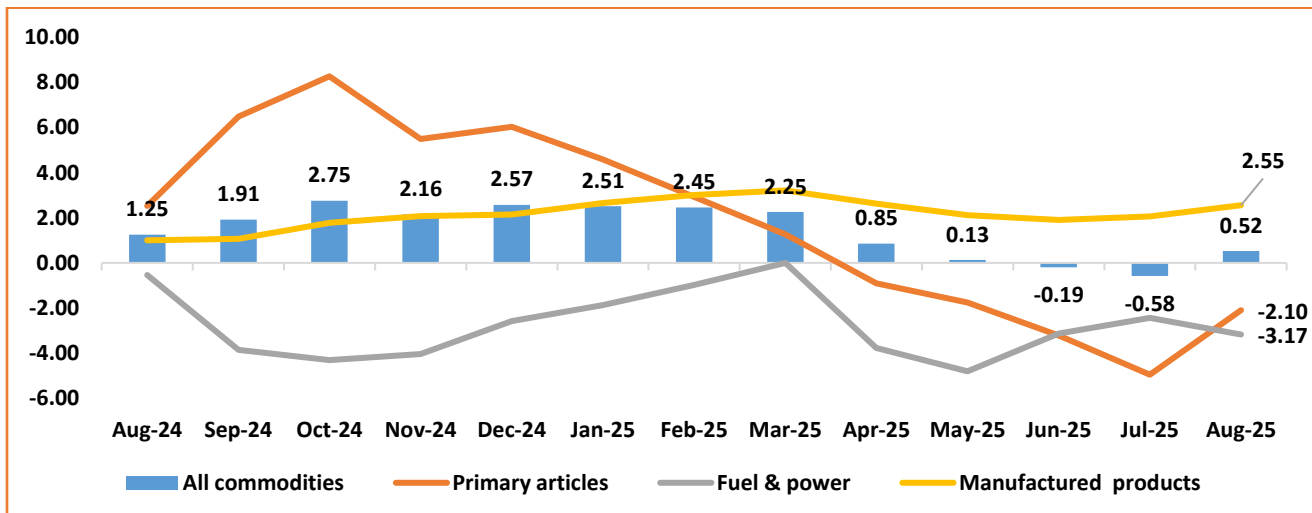
Highlights

WPI inflation rise to 0.52% in August 2025

The Wholesale Price Index (WPI) for August 2025 recorded a growth of 0.52% (provisional) on a year-on-year (YoY) basis. This is an increase compared to the negative WPI in July 2025 at 0.58%. In August 2024, WPI stood at 1.25%.

- ☞ The WPI inflation rate for August 2025 stands at 0.52%, showing a slight increase from the previous months.
- ☞ The prices in **primary articles** has shown a contraction of 2.10% YoY, reflecting improved vegetable output and softening supply-side pressures.
- ☞ The **fuel and power** category witnessed deflation at 3.17% YoY, indicating a decrease in prices.
- ☞ The inflation rate for **manufactured products** was at 2.55% YoY.

Trend of Wholesale Price Index (%)



Source: MoSPI, PIB

Components of WPI

WPI Inflation YoY (%)	Primary Articles		Fuel & Power		Manufactured Products		Food Index		All Commodities	
Weights	22.62%		13.15%		64.23%		15.26%		100%	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
June	9.20	-3.22	0.48	-3.13	1.50	1.90	8.91	-0.26	3.43	-0.19
July	3.18	-4.95	1.93	-2.43	1.58	2.05	3.60	-2.15	2.10	-0.58
August	2.52	-2.10	-0.54	-3.17	1.00	2.55	3.21	0.21	1.25	0.52

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

Views and Analysis:

- Wholesale Price Index (WPI) for August 2025 reflected a modest increase, indicating upward movement in the prices of goods at the wholesale level. It represents the modest rise in the input costs for producers, signaling recovery in economic activity. Retail Inflation also inched up in August 2025 to 2.07 percent.
- Food inflation in August 2025 edged up primarily due to increased prices of key commodities such as vegetables, milk and pulses. Factors contributing to this rise included supply disruptions caused by monsoon patterns and higher transportation costs. The constant surge in Food Inflation was observed on month-on-month basis since June'25.
- With the modest rise in WPI in August 2025 and retail Inflation remaining in the RBI's Tolerance Band, Policy makers will continue to keep close watch over the evolving scenario both domestically and globally.
- Going forward, WPI for the September quarter 2025 may hover around 1.50%.

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