Macro Insights

14th August 2026

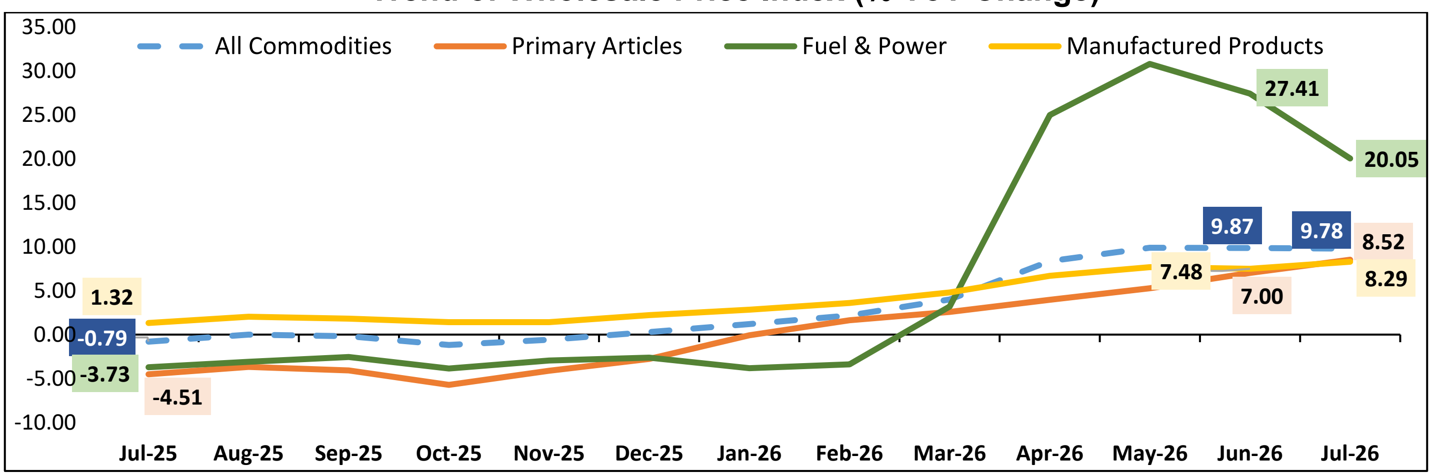
WPI inflation eases to 9.78% in Jul'26

Wholesale Price Index inflation moderated marginally to 9.78% in July 2026 from 9.87% in June 2026.

Highlights

- WPI inflation eased for the first time under the new base year (2022–23), primarily led by moderation in Fuel & Power price pressures.
- Inflation in food articles moderated marginally to 5.44% in Jul'26 from 5.49% in Jun'26, even as the Food Index increased to 6.65% from 6.14% in the previous month.
- Inflationary pressure from Fuel & Power softened considerably in Jul'26, with the rate easing to 20.05% from 27.41% in Jun'26.
- Inflation in Manufactured Products, which carries the highest weight in the WPI basket, increased to 8.29% in Jul'26 from 7.48% in Jun'26, indicating continued cost pressures in the industrial segment.

Trend of Wholesale Price Index (% YoY Change)



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

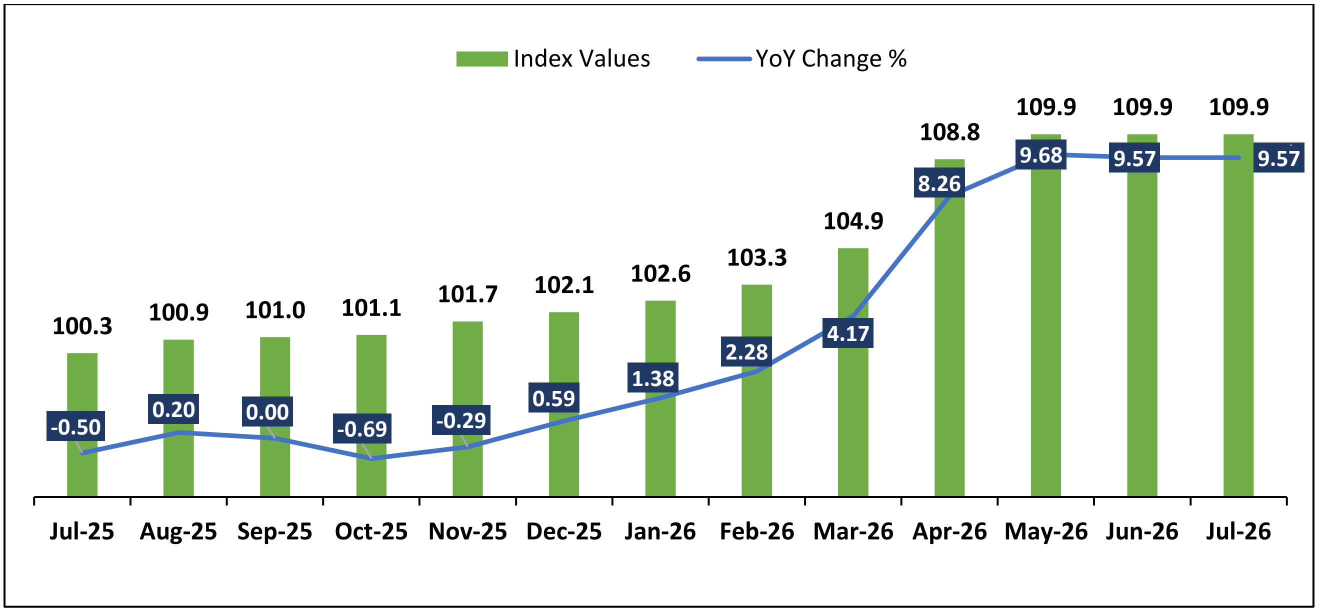
A. Components of WPI

WPI Inflation YoY (%)	Primary Articles		Fuel & Power		Manufactured Products		Food Index *(Part of Primary Articles & Manufactured Products)*		All Commodities	
Weights	**22.76%**		**14.11%**		**63.13%**		**24.99%**		**100%**	
	2025	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**
April	-0.28	3.96	-3.48	25.00	1.83	6.68	1.58	3.29	0.60	8.36
May	-1.63	5.26	-5.45	30.80	1.42	7.68	0.09	4.58	-0.20	9.88
June	-2.95	7.00	-3.00	27.41	1.21	7.48	-1.62	6.14	-0.40	9.87
July	-4.51	8.52	-3.73	20.05	1.32	8.29	-2.05	6.65	-0.79	9.78

Producer Price Indices

B. Output Producer Price Index (OPPI)

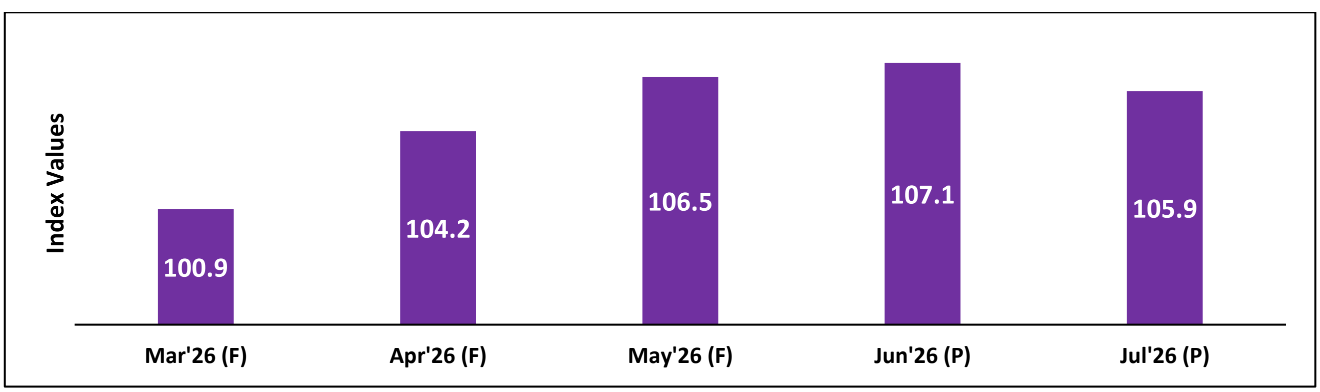
- The OPPI with base year 2022-23 provides a measure of price changes received by domestic producers for their output. The index is compiled on monthly basis using basic prices.
- All-India OPPI remained flat at 109.9 in July 2026, with inflation at 9.57% YoY. Across major categories, Agriculture, Forestry and Fishing recorded inflation of 7.84% YoY, compared with 6.54% in the previous month, while Electricity registered inflation of 1.09%, against a contraction of 0.65% last month.



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

C. Trial Input Producer Price Index (IPPI)

- A Trial IPPI (only for the manufacturing sector) has been introduced on an experimental basis from March 2026 onwards. The index measures price movements of inputs used by manufacturers, helping assess the extent of cost pressures faced by producers and how it is passed on to output produced. It is compiled using purchasers' prices.



F – Final; P – Provisional; Data Source: Office of Economic Adviser, Ministry of Commerce & Industry

Views:

- Wholesale inflation witnessed marginal moderation in July 2026, but remained elevated above 8.0% since April 2026, with price pressures visible across several categories linked to farming, food processing and industrial production.
- The easing in headline WPI inflation in July was largely supported by moderation in Fuel & Power prices, although the category continued to remain significantly above the overall WPI rate.
- The WPI Food Index increased to 6.65% in July from 6.14% in June, with higher inflation in manufactured food products despite a marginal easing in food articles. Inflation in Primary Articles also rose to 8.52% in July 2026 from 7.00% in June 2026.
- Manufactured Products inflation increased to 8.29% in July from 7.48% in June, indicating continued input cost pressures across key industrial segments such as chemicals, basic metals, electrical equipment, textiles, and rubber & plastic products.
- Going forward, WPI inflation is expected to remain elevated, driven by persistent upside pressures from food and energy prices. Food inflation may continue to exert pressure in the near term, particularly if supply-side disruptions or seasonal price increases persist. However, improved rainfall conditions are likely to provide some relief by supporting agricultural output and easing price pressures in the food basket over time. On the energy front, while the recent moderation in global crude oil prices may offer some comfort, the overall outlook remains uncertain due to renewed geopolitical tensions between the US and Iran, which could again exert upward pressure on global energy prices and, consequently, domestic wholesale inflation.

****

For any feedback or valuable suggestions:** Reach us at **eicsmead@pnb.bank.in