

Macro Insights

WPI inflation accelerates to 2.13 per cent in February 2026

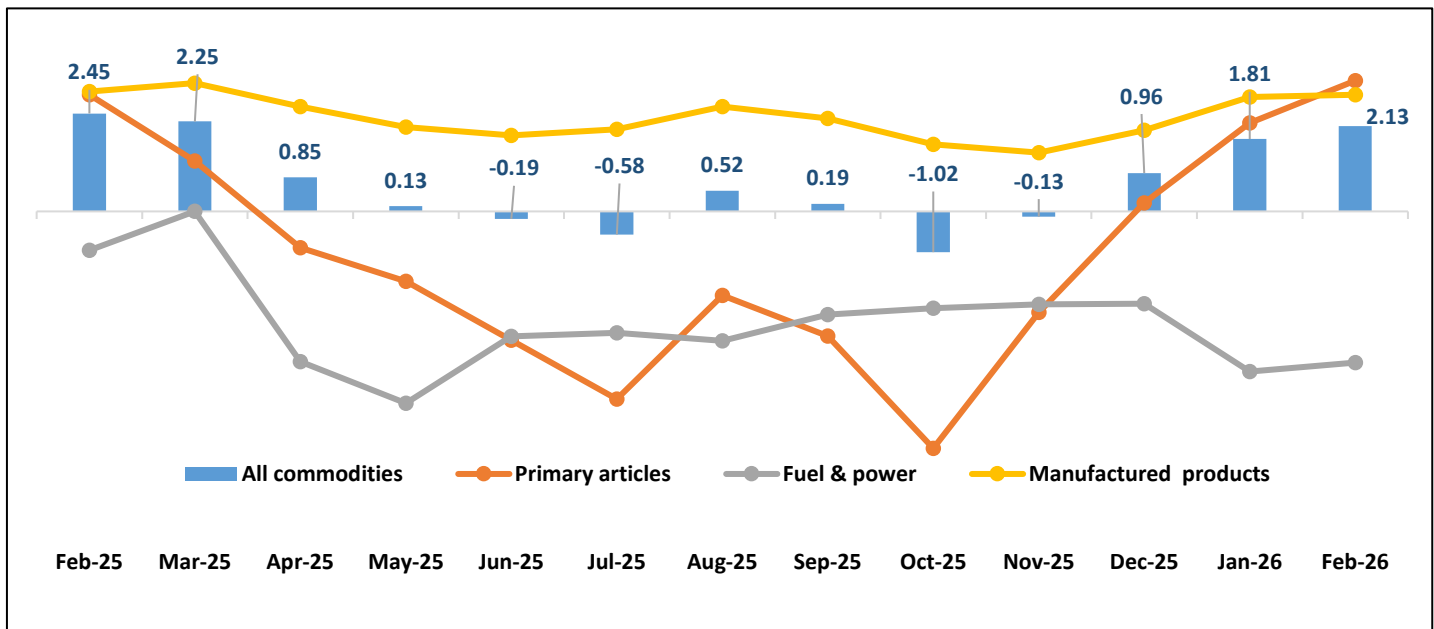
Whole Price Index rose to an eleven-month high of 2.13% in Feb'26 as against 1.81% in Jan'26.

Index showed an expansion of 0.25% Month over Month in Feb'26.

Highlights:

- ☞ The acceleration in WPI was primarily due to an increase in prices of other manufacturing, manufacture of basic metals, non-food articles, food articles and textiles etc.
- ☞ Inflation accelerated in Primary Articles and Manufactured Products, while Fuel & Power continued to witness a deceleration compared with January 2026.
- ☞ Manufactured Products, which carry the highest weight in the WPI basket, recorded a marginal increase in inflation to 2.92% in February 2026 from 2.86% in January 2026.
- ☞ Food inflation edged up during February, rising to 1.85% from 1.41% in January 2026, indicating a gradual firming in food prices.
- ☞ Within the 22 manufacturing product groups, 11 groups recorded a month-on-month increase in prices, while 10 groups witnessed a decline.

Trend of Wholesale Price Index (% YoY Change)



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

Components of WPI

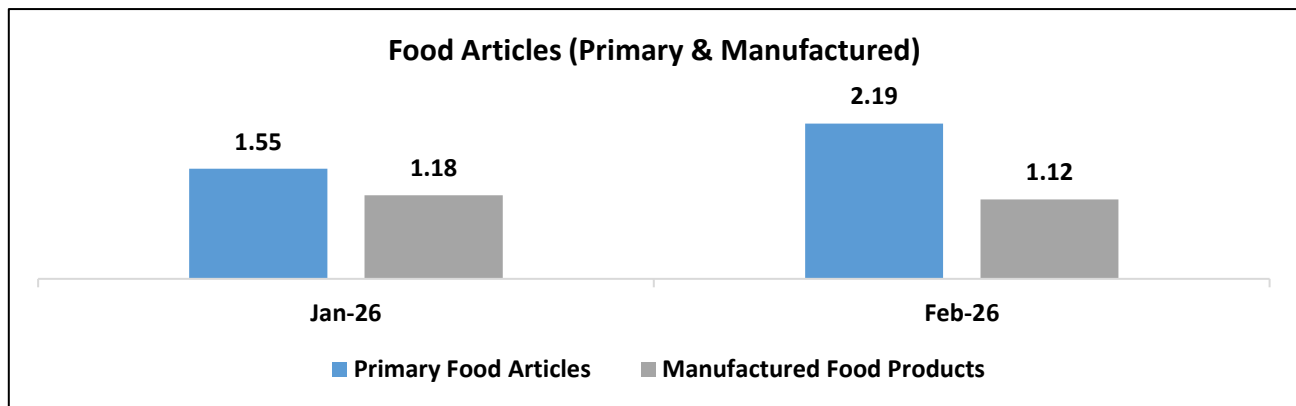
WPI Inflation YoY (%)	Primary Articles		Fuel & Power		Manufactured Products		Food Group (Part of Primary Articles & Manufactured Products)		All Commodities	
	Weights	22.62%	13.15%		64.23%		24.38%		100%	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
December	6.02	0.21	-2.57	-2.31	2.14	2.03	8.95	-0.05	2.57	0.96
WPI Inflation YoY (%)	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
January	4.58	2.21	-1.87	-4.01	2.65	2.86	7.52	1.41	2.51	1.81
February	2.92	3.27	-0.97	-3.78	3.00	2.92	6.17	1.85	2.45	2.13

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

Components of Manufactured Products

Manufactured Goods	Jan'26	Feb'26	Increase or decrease (in Bps)
Food products	1.18	1.12	-6
Beverages	1.04	0.82	-22
Tobacco products	1.38	6.28	490
Textiles	2.48	3.29	81
Wearing apparel	2.08	2.14	6
Leather & related products	0.78	1.58	80
Wood and products of wood and cork	1.14	0.93	-21
Paper and paper products	0.57	-0.35	-92
Printing and reproduction of recorded media	0.58	0.31	-27
Chemicals and chemical products	0.29	0.73	44
Pharmaceutical, medicinal, chemical and botanical products	0.48	0.55	7
Rubber & plastic products	-0.85	-0.46	39
Other non-metallic mineral products	0.91	0.3	-61
Basic metals	5.98	4.35	-163
Fabricated metal products	0.89	0.15	-74
Computer, electronic and optical products	0.25	-0.16	-41
Electrical equipment	2.69	3.49	80
Machinery and equipment	1.37	1.45	8
Motor vehicles, trailers and semi- trailers	0.31	0.31	0
Other transport equipment	5.01	4.93	-8
Furniture	1.48	1.86	38
Other manufacturing	47.82	53.97	615

Components of Food Group



Views:

- The overall WPI index edged up to 158.2 in Feb'26 from 157.8 in Jan'26. Meanwhile, retail inflation also accelerated to 3.21% in Feb'26 from 2.74% in Jan'26 under the new base year series.
- Food articles inflation increased to 2.19 percent, driven by higher prices of fruits, vegetables, and the meat & eggs. At the same time, non-food article inflation rose sharply to 8.80% in Feb'26 from 7.58 in Jan'26, largely on account of a significant rise in oilseeds prices (25.38%).
- With global crude oil and gas prices trending upwards amid geopolitical tensions and the ongoing conflict involving Iran, energy costs could increase further, potentially reversing the current deflation seen in the fuel and power category.
- Higher crude and gas prices are likely to raise transportation, logistics, and energy costs, which could adversely impact manufacturing activity and industrial production. If the West Asian crisis persists, production costs for manufacturing sectors may rise, affecting output levels, profitability and export competitiveness across industries.
- India remains vulnerable to such external shocks, as over 88% of its crude oil requirements is met through imports, making the economy sensitive to global energy price movements. Elevated crude oil prices, currently trading above \$100 per barrel, have already exceeded the baseline assumptions of the Union Budget, posing risks to the inflation outlook. Moreover, higher import bills will also exert pressure on the current account deficit and fiscal deficit.
- Going forward, the duration and intensity of the geopolitical conflict in West Asia will be critical in determining the extent of inflationary pressures and the overall impact on economic growth in the coming months.

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