

Macro Insights

Highlights:

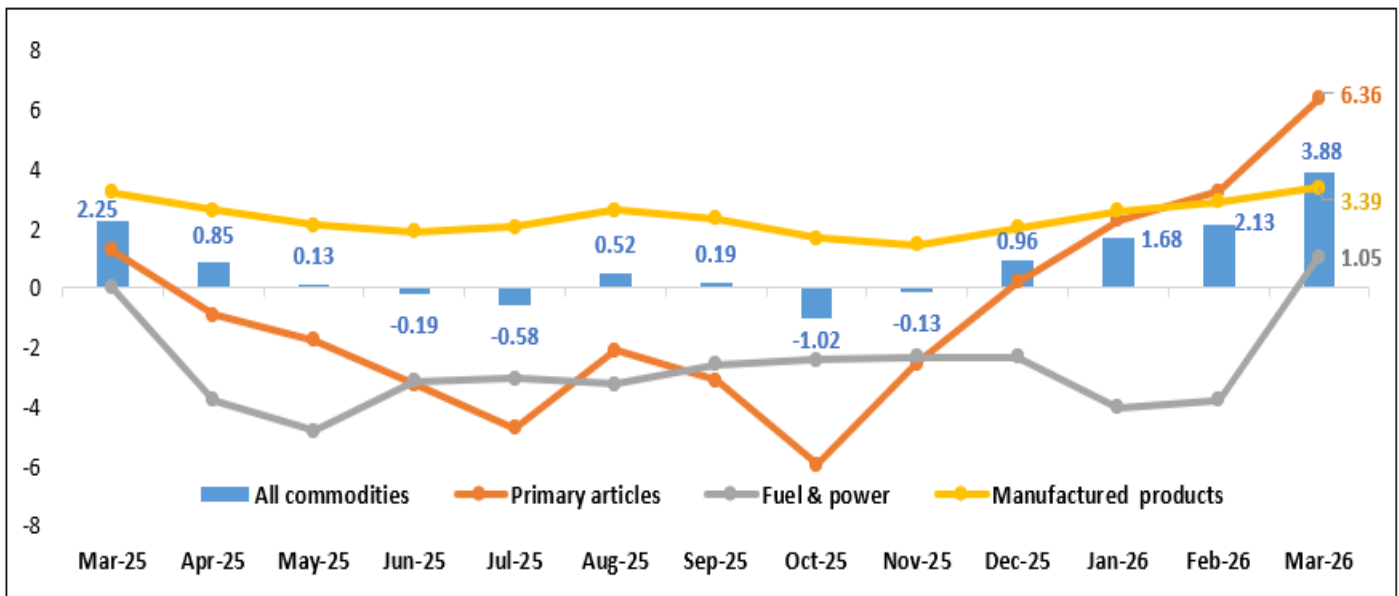
WPI inflation jumps to 3.88 per cent in March 2026

Whole Price Index rose to a 38-month high of 3.88% in Mar'26 as against 2.13% in Feb'26.

Index showed an increase of 1.64% Month over Month in Mar'26.

- ☞ The acceleration in WPI was primarily due to an increase in prices of crude petroleum & natural gas, other manufacturing, manufacture of basic metals, non-food articles and food articles etc.
- ☞ Inflation in Primary Articles and Fuel & Power witnessed a notable uptick in prices driven by a sharp rise in energy prices, particularly crude petroleum & natural gas, which recorded a significant YoY increase of 35.98%.
- ☞ Manufactured Products, which carry the highest weight in the WPI basket, recorded an increase in inflation to 3.39% in March 2026 from 3.21% in February 2026.
- ☞ Food inflation held steady at 1.85% in March 2026.

Trend of Wholesale Price Index (% YoY Change)



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

Components of WPI

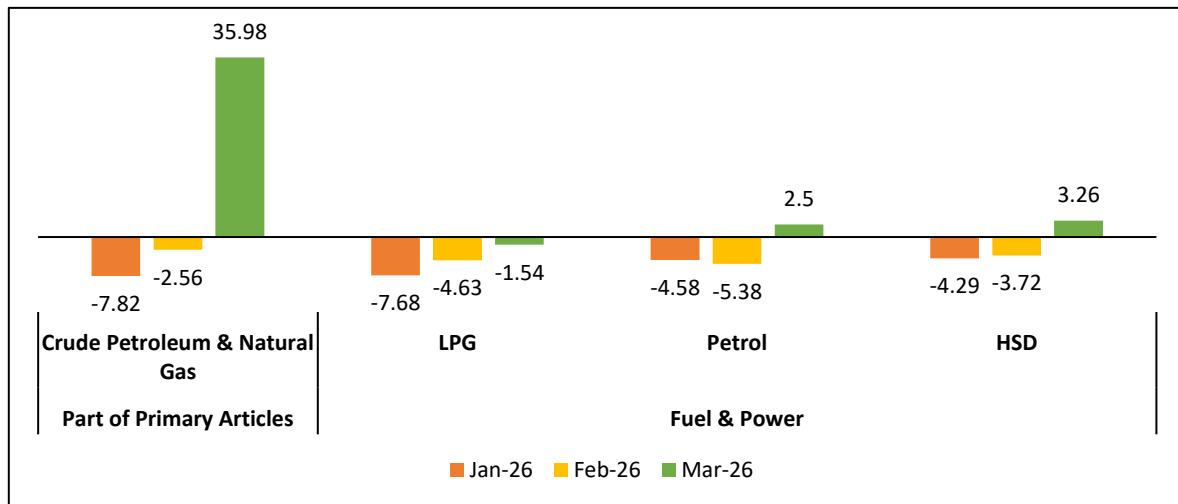
WPI Inflation YoY (%)	Primary Articles		Fuel & Power		Manufactured Products		Food Group (Part of Primary Articles & Manufactured Products)		All Commodities	
	Weights	22.62%	13.15%		64.23%		24.38%		100%	
	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
January	4.58	2.27	-1.87	-4.01	2.65	2.58	7.52	1.51	2.51	1.68
February	2.92	3.27	-0.97	-3.78	3.00	2.92	6.17	1.85	2.45	2.13
March	1.26	6.36	0.00	1.05	3.21	3.39	4.93	1.85	2.25	3.88

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

Performance of Components of Manufactured Products

S.No.	Manufactured Goods	Feb'26	Mar'26	Increase or decrease (in Bps)
1.	Food products	1.12	1.83	71
2.	Beverages	0.82	0.37	-45
3.	Tobacco products	6.28	5.39	-89
4.	Textiles	3.29	4.91	162
5.	Wearing apparel	2.14	1.81	-33
6.	Leather & related products	1.58	3.03	145
7.	Wood and products of wood and cork	0.93	1.13	20
8.	Paper and paper products	-0.35	0.85	120
9.	Printing and reproduction of recorded media	0.31	0.21	-10
10.	Chemicals and chemical products	0.73	2.19	146
11.	Pharmaceutical, medicinal, chemical and botanical products	0.55	1.31	76
12.	Rubber & plastic products	-0.46	1	146
13.	Other non-metallic mineral products	0.3	1.28	98
14.	Basic metals	4.35	4.01	-34
15.	Fabricated metal products	0.15	-0.15	-30
16.	Computer, electronic and optical products	-0.16	0	16
17.	Electrical equipment	3.49	3.72	23
18.	Machinery and equipment	1.45	0.91	-54
19.	Motor vehicles, trailers and semi- trailers	0.31	0.38	7
20.	Other transport equipment	4.93	4.25	-68
21.	Furniture	1.86	1.16	-70
22.	Other manufacturing	53.97	54.85	88

WPI Inflation of Petroleum Products (% YoY Change)



Views:

- The overall WPI index edged up to 160.8 in Mar'26 from 158.2 in Feb'26. Meanwhile, retail inflation also firmed up to 3.40% in Mar'26 from 3.21% in Feb'26 which denotes pressure on the prices.
- Within the 22 manufacturing product groups, 13 groups recorded a month-on-month increase in prices, indicating a broad-based rise in factory-gate costs reflecting emerging margin pressures for firms.
- The uptick in wholesale inflation reflects firming prices trends across sectors pointing to rising input cost pressures amid ongoing tensions in West Asia.
- Food articles inflation moderated to 1.90 per cent, with key commodities like cereals, vegetables and minerals witnessing a decline in prices. In contrast, non-food article inflation rose sharply to 11.50% in Mar'26 from 8.80 in Feb'26.
- With global crude oil and gas prices trending upwards amid geopolitical tensions, energy costs are likely to remain elevated. This has already led to a reversal of the deflationary trend in Fuel & Power group. If geopolitical tensions persist, the higher production costs may gradually be passed on to consumers in form of higher retail prices.
- Going forward, the duration and intensity of the geopolitical conflict in West Asia, along with potential adverse impact of an impending El Nino, will be critical in determining the inflation trajectory and its implications for economic growth in the coming months.

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