

# Macro Insights

13<sup>th</sup> April 2026

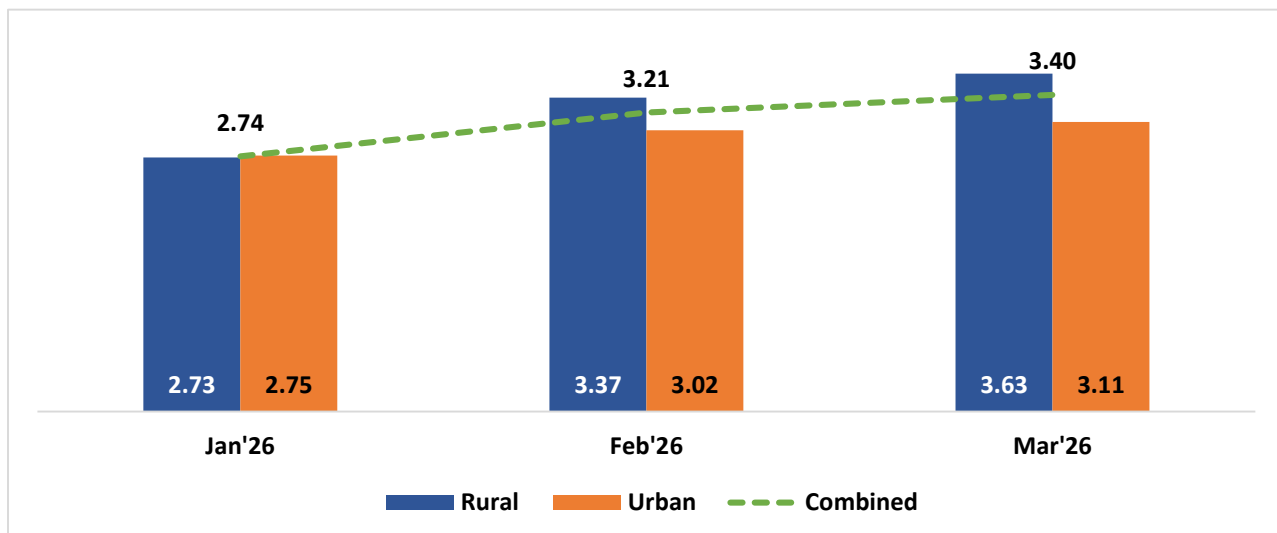
## CPI inflation inches up in March'26

India's consumer inflation **rose to 3.40% in March'26** accelerating from 3.21% in February'26

### Highlights:

- 👉 Rural Inflation has increased to 3.63% in March'26 as compared to 3.37% in the previous month, while Urban inflation has increased to 3.11% as compared to 3.02% for the same period.
- 👉 Food Inflation has accelerated to 3.87% in March'26 as compared to 3.47% for February'26.
- 👉 Housing inflation rate for the month of March'26 is 2.11% and the corresponding inflation rates for rural and urban are 2.54% and 1.95% respectively.
- 👉 Top 5 items which recorded highest inflation in the month of March'26 are silver, Gold/Diamond/Platinum Jewellery, Coconut, Tomato and Cauliflower.
- 👉 Top five States (having more than 50 lakhs population as per Census 2011) with highest inflation in March'26 are Telangana, Andhra Pradesh, Karnataka, Tamil Nadu and Rajasthan.

**Consumer Price Index (YoY% Change)**



### National Level Division Wise Inflation Rate (%)

Sectors	Feb'26	Mar'26
Personal Care, Social Protection and miscellaneous goods & services	19.64%	18.65%
Pan, Tobacco & intoxicants	3.49%	4.23%
Food & Beverages	3.35%	3.71%
Education Services	3.33%	3.30%
Restaurant & accommodation	2.73%	2.88%
Clothing & Footwear	2.81%	2.75%
Recreation, sports culture	2.21%	2.28%
Housing, water, electricity, gas & other fuels	1.52%	1.97%
Health	1.90%	1.75%
Furnishing, Household equipment	1.40%	1.39%
Information & Communication	0.25%	0.33%
Transport	-0.05%	0.00%

#### Views & Outlook:

- The headline CPI inflation rose slightly to 3.4% in March 2026 from 3.2% in February 2026, indicating a mild initial impact of the West Asian crisis on the headline number.
- Despite the uptick in global energy prices during March, headline inflation remained contained at a benign 3.4%. This reflects the limited pass-through of higher crude costs to retail prices, owing to the government's right step at the right time by taking reduction in excise duties on petroleum products.
- Prolonged geopolitical conflict, elevated crude oil prices, a weakening rupee, and below-normal monsoon conditions, as forecasted by India Meteorological Department (IMD), collectively pose significant upside risks to inflation. The impact of the unrest in West Asia will put inflationary pressure on several items such as alternate fuels, airfares, restaurants, which is likely to harden the April 2026 headline inflation.
- In the long run, it will be challenging for the economy to maintain the fiscal math, as mounting fiscal pressures may necessitate higher government borrowing, thereby exerting persistent upward pressure on yields.
- With yields already sticky and inflation risks tilted upward due to external shocks and fiscal constraints, the Monetary Policy Committee (MPC) will keep a close watch on evolving price dynamics, liquidity conditions, and global developments, aiming to strike an appropriate balance between sustaining growth and containing inflationary pressures.

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