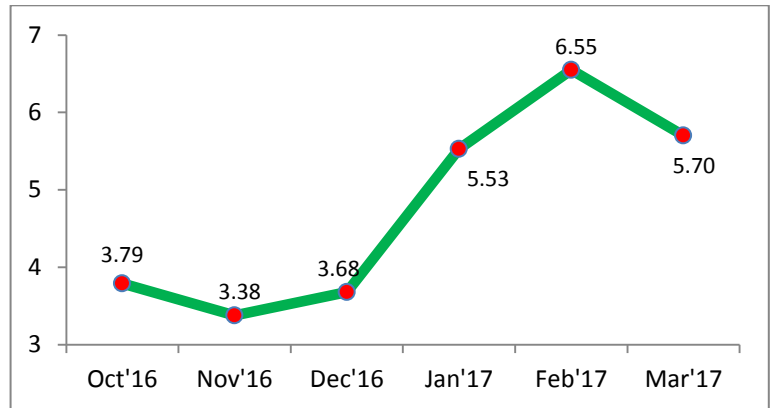


Wholesale Price Inflation: March 2017

The wholesale price index (WPI) based inflation rate for the month of March 2017 came in at 5.70% compared to 6.55% in the previous month. CARE had projected the WPI inflation at 6.2%.



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- The inflation in primary articles had declined to 4.63% in March'17 as against 5.00% recorded in February'17. The ease inflation can be ascribed to fall in potato and onion prices
 - The food inflation increased to 3.12% as against 2.69% in February 2017
 - This increase can be attributed to increase in prices of rice from 4.40% in Feb'17 to 5.07% in Mar'17 and vegetable prices increase by 5.70% from -8.05% in Feb'17
 - Inflation in pulses remained in negative bracket and has decreased further to (-) 6.09% in March'17, compared to (-) 0.79% in February 2017
 - The inflation in potato (-17.07%) and onion (-10.78%) has fallen substantially during the month.
- The non-food articles inflation stood at 4.91% in March 2017 against 6.53% in the previous month
- Inflation rate of fuel and power moderate to 18.16% in March 2017 from 21.02% in the previous month
- Inflation in high speed diesel declined to 26.24% from 33.14% in Feb'17
- Manufactured products continued to witness a decline in inflation from 3.66% in Feb'17 to 2.99% in Mar'17
 - Sugar (19.76%), Edible oil (4.14%), Beverages, tobacco & tobacco products (4.67%) witnessed easing in prices this month.

Growth in WPI (%)

Group	Weight (%)	Jan'17	Feb'17	Mar'17
All commodities	100	5.53	6.55	5.70
Primary Articles	20.12	2.26	5.00	4.63
Food Articles	14.34	-0.15	2.69	3.12
<i>Pulses</i>	<i>0.72</i>	<i>6.16</i>	<i>-0.79</i>	<i>-6.09</i>
<i>Vegetables</i>	<i>1.74</i>	<i>-32.49</i>	<i>-8.05</i>	<i>5.70</i>
Non-food Articles	4.26	3.59	3.79	3.12
Fuel & Power	14.91	18.14	21.02	18.16
Manufactured Products	64.97	3.99	3.66	2.99
<i>Sugar</i>	<i>1.74</i>	<i>23.49</i>	<i>21.22</i>	<i>19.76</i>
<i>Edible Oil</i>	<i>3.04</i>	<i>6.25</i>	<i>5.70</i>	<i>4.14</i>
<i>Beverages, Tobacco & Tobacco Products</i>	<i>1.76</i>	<i>7.57</i>	<i>6.18</i>	<i>4.67</i>

Source: MOSPI

CARE's View

- There is an upside risk to the inflation with the increasing global commodity prices and expectation of below-normal monsoons
- On the other hand, food prices could see a moderation in the coming months with the Rabi harvest coming into the markets.

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