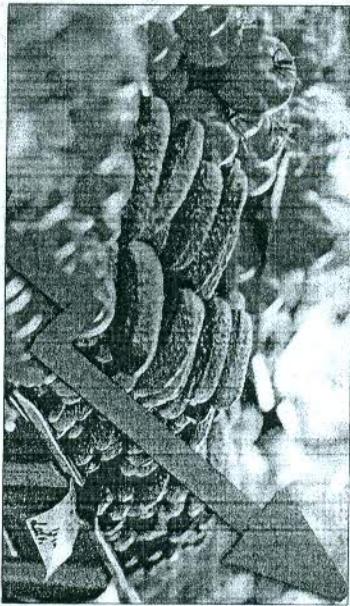


# WPI inflation dips to 3.07% in April; food prices on the rise

PRESS TRUST OF INDIA  
New Delhi, May 14

**WHOLESALE INFLATION EASED** to 3.07% in April on cheaper fuel and manufactured items, even as prices of food articles remained high, official data released on Tuesday showed. The Wholesale Price Index-based inflation was at 3.18% in March and 2.93% in February. It was 3.62% in April 2018.

Inflation in the food articles' basket hardened to 7.37% during April 2019 as against 5.68% in March, as prices of vegetables skyrocketed. Food inflation has been on the rise for the last five months since December 2018



when it was (-)0.42%.

Vegetables inflation too has seen a steep rise since December 2018 when it was (-)19.29%. It stood at 40.65% in April, up from 28.13% in the

previous month.

Amongst food items, inflation in potato cooled to (-)17.15%. In case of onion and fruits, it stood at (-)3.43% and (-)6.88%, respectively in April.

However, inflation in the 'fuel and power' category cooled to 3.84%, from 5.41% in March.

Inflation in diesel hiked to 3.24% during the month from 7.33% in March. For petrol, inflation was 1.74% in April, as against 1.78% in the previous month. However, inflation in LPG spiked to 11.48% in April, from 0.94% in the month before.

The price of non-subsidised cooking gas (LPG) was increased by ₹5 per 14.2-kg cylinder to ₹706.50 on April 1. Non-subsidised LPG is the gas that consumer buys after exhausting their quota of 12 cylinders of 14.2-kg at sub-

market or subsidised rates. Price of subsidised LPG was almost unchanged at ₹495.86 on April 1.

Manufactured items too saw easing of prices with inflation at 1.72% in April, against 2.16% in the previous month.

The Reserve Bank, which mainly factors in retail inflation for its monetary policy, had last month cut interest rate by 0.25 percentage points. The next policy review is scheduled for June 6.

Assocham deputy secretary General Saurabh Sanjay said, "Both WPI and retail inflation remain benign, well below the 4 per cent target of the RBI, making out a strong case for a

rate reduction by the central bank next month."

Assocham further said the overall food inflation remains well within control and there is an abundant supply of food items. "Lower cost of borrowing is one of the major factors for reviving consumer interest."

According to official data released Monday, retail inflation inched up to a six-month high of 2.92% in April due to a spike in food prices, including vegetables and protein rich items.

The RBI has projected retail inflation to remain at 2.9-3% during April-September, mainly due to lower food and fuel prices as well as expectation of a normal monsoon.

## Market halts 9-day losing run; fin, energy stocks lead recovery

PRESS TRUST OF INDIA  
Mumbai, May 14

### INDIAN STOCK MARKET

bounced back after nine sessions of losses on Tuesday, with participants showing keen interest in financial and energy stocks after benign inflation data kindled rate cut hopes in the RBI's June policy meet.

Reclaiming some lost ground, the BSE Sensex rose about 228 points and the NSE Nifty closed nearly 74 points higher. Index heavyweights Reliance Industries, ITC and SBI were mainly responsible for the recovery on bourses. In percentage terms, however, Sun Pharma topped the chart with 5.87% rise. Other major gainers include Bharti Airtel, Vedanta, Indusind Bank, SBI and RIL – rising as much as 5.40%.

On the flip side, TCS, HCL Tech, Bja Finance, Bajaj Auto and Infosys were among the top losers on the Sensex.

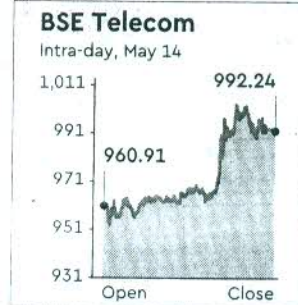
Sectorally, telecom, energy and capital goods were the top three performers – rising up to 2.81%. The BSE Sensex started off the session on a positive note at 37,146.58 against the



previous close of 37,090.82. Intra-day, the index touched a high of 37,572.70 and a low of 36,956.10. It finally settled the day at 37,318.53, gaining 227.71 points, or 0.61%.

Similarly, the NSE gauge Nifty opened higher at 11,151.65 and touched a high of 11,294.75 and low of 11,108.30 during the session. It finally closed at 11,222.05, 73.85 points, or 0.66% higher.

India's retail inflation in April was 2.92% and it remained below the central bank's target for the ninth month, raising hopes of a RBI rate cut and helping investor sentiment to revive. Wholesale inflation too eased to 3.07% in April on cheaper fuel and manufactured items.



Assocham deputy secretary general Saurabh Sanyal said: "Both WPI and retail inflation remain benign, well below the 4% target of the RBI, making out a strong case for a rate reduction by the central bank next month".

Sanctum Wealth Management chief investment officer Sunil Sharma said: "European equities and futures in the US rebounded while most Asian equities continued to drag as investors try to gauge trade war developments. Indian markets saw a sharp reversal... Election result uncertainty remains and earnings growth has decelerated and clarity on market direction and strategy is only likely to come forward post election results."

## WPI inflation slides to 3.07% in April on cheaper fuel, manufactured items

But food prices rise to 33-month high of 7.37%

### OUR BUREAU

New Delhi, May 14

Wholesale Price Index (WPI)-based inflation for April eased to 3.07 per cent, from 3.62 per cent in the same month last year.

The latest WPI print was also lower than 3.18 per cent recorded in March this year. Build up inflation for the financial year so far was 0.75 per cent, lower than 0.86 per cent in the corresponding period of the previous year.

The overall WPI print for April was dragged down by a sharp decline in manufactured products (which accounts for two-third weightage in the WPI basket), which came in at a 30-month low of 1.7 per cent (2.16 per cent in March 2019).

In addition, owing to a high base effect, the deflation in crude petroleum (under the primary articles) also pulled down the overall WPI.

However, the fall in prices of manufactured products was off set by the rise in food articles to 33-month high of 7.37 per cent and non-food articles at five-month high of 5.23 per

cent. After seeing contractionary patterns in food articles during August 2018 to December 2018, the WPI of food articles has seen a sustained increase in the previous four months.

### Experts' take

Commenting on the latest WPI inflation print, Madan Sabnavis, Chief Economist, CARE Ratings, said: "Going ahead we do expect inflation in primary products to start moving up. Lower inflation for manufactured products is also indicative of sluggish demand conditions in the mar-

ket. The way the economics of oil develops will largely determine the movement in fuel prices in the coming months."

Sabnavis felt that the future course will be driven by oil outlook and food prices. The latter has shown an upward movement and the summer season will also add to the pressure here.

Assocham Deputy Secretary-General Saurabh Sanyal said the benign inflation levels—both CPI and WPI well below the 4 per cent target of the RBI—has made a clear case for rate reduction by the central bank next month.

# WPI inflation dips to 3.07% in April on cheaper fuel

Press Trust of India  
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**NEW DELHI:** Wholesale inflation eased to 3.07% in April on cheaper fuel and manufactured items, even as prices of food articles remained high, official data released on Tuesday showed.

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Inflation in the food articles basket hardened to 7.37% during April 2019 as against 5.68% in March, as prices of vegetables skyrocketed.

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**INFLATION IN THE FOOD ARTICLES BASKET HARDENED TO 7.37% DURING APRIL AGAINST 5.68% IN MARCH**

almost unchanged at ₹495.86 on April 1.

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The Reserve Bank of India (RBI), which mainly factors in retail inflation for its monetary policy, had last month cut interest rate by 0.25 percentage points. The next policy review is scheduled for June 6.

The Associated Chambers of Commerce and Industry of India (Assocham) deputy secretary general Saurabh Sanyal said, "Both WPI and retail inflation remain benign, well below the 4% target of the RBI, making out a strong case for a rate reduction by the central bank next month".

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"Lower cost of borrowing is one of the major factors for reviving consumer interest." According to official data released on Monday, retail inflation inched up to a six-month high of 2.92% in April due to a spike in food prices, including vegetables and protein rich items.

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