

WHOLESALE PRICE INDEX

WPI inflation fell to a 6-month low of 2.0% in March 2025; dip in domestic food, global commodity prices to pull down April 2025 print to 1.4-1.6%

APRIL 2025





Click to Provide Feedback

The WPI inflation saw a sharper-than-expected dip to 2.0% in March 2025.

Primary food and non-food products and crude petroleum and natural gas were key drivers, which outweighed the uptick seen in core and fuel items.

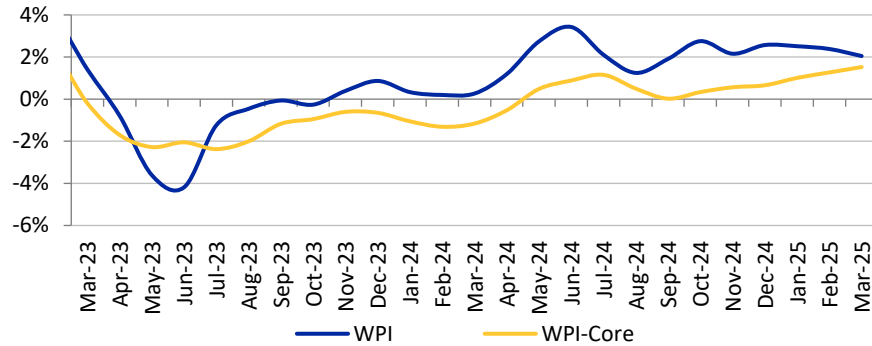
ICRA expects the WPI inflation to ease further to 1.4-1.6% in April 2025, supported by ongoing dip in domestic food and international commodity prices, including crude oil, as well as a favourable base.

The WPI inflation softened to a six-month low of 2.0% in March 2025 from 2.4% in February 2025, printing lower than ICRA's forecast of 2.4% for the month. The dip was driven by the cooling in WPI-food inflation as well as deeper deflation in crude petroleum and natural gas, even as the prints for manufactured non-food products ("core-WPI"), fuel and power, and minerals hardened between these months. The early data for April 2025 suggests that food inflation is likely to ease further to 3.0-3.5% in the month, from 4.7% in March 2025. This, along with the ongoing decline in commodity prices, including crude oil, triggered by the US-China trade conflict, as well as a favourable base and mild appreciation in the average value of the USD/INR pair so far, foretells that the headline WPI inflation will likely dip further to 1.4-1.6% in April 2025 (+1.2% in April 2024) from 2.0% in March 2025 (+0.3% in March 2024).

- **WPI inflation declined to 6-month low in March 2025:** The WPI inflation softened to 2.0% in March 2025 (+0.3% in March 2024) from 2.4% in February 2025, printing lower than ICRA's forecast of 2.4% for the month, even as manufactured non-food products ("core-WPI") inflation rose to a 25-month high of 1.5% in March 2025.
- **WPI-food and crude petroleum were key drivers:** This was driven by cooling in WPI-food items (to a 7-month low of +4.7% in March 2025 from +5.9% in February 2025), primary non-food products (to a 4-month low +1.8% from +4.8%), crude petroleum and natural gas (to -7.6% from -4.1%), which together pulled down the WPI inflation by 59 bps. However, this was partially offset by an upward pressure of 27 bps in the WPI inflation from core-WPI items, fuel and power, and minerals in March 2025, compared to February 2025.
- **WPI inflation to decline to 1.4-1.6% in April 2025:** The early data for April 2025 reveals sequential softening in prices of 14 of the 22 food items, although above-normal temperature levels and heatwave pose upside risks to food prices in the second half of the month. ICRA expects the headline WPI inflation to ease further to 1.4-1.6% in April 2025 (+1.2% in April 2024) from 2.0% in March 2025 (+0.3% in March 2024), supported by the anticipated cooling in food inflation, the decline in commodity and crude oil prices with heightened risks on global economic growth triggered by the US-China trade war, a mild appreciation in the USD/INR pair so far, and a favourable base.

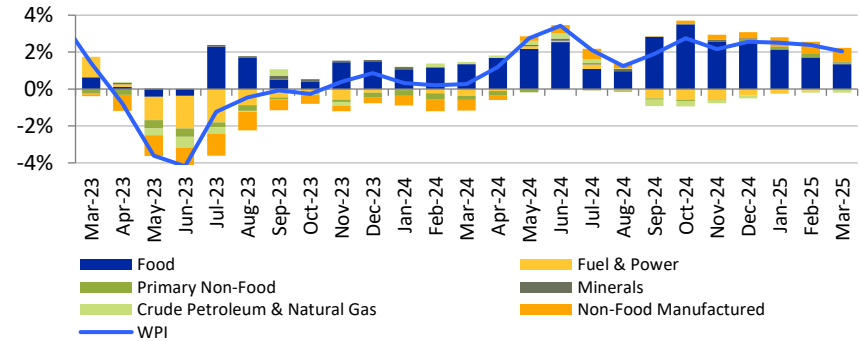
WPI inflation softened to 2.0% in March 2025 from 2.4% in February 2025, even as core inflation inched up to a 25-month high 1.5%

EXHIBIT: Headline and Core-WPI Inflation (YoY)



Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

EXHIBIT: Composition of WPI Inflation (YoY)

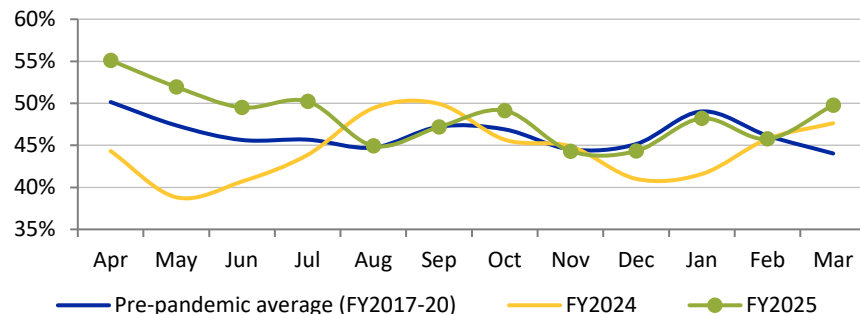


Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

- The WPI inflation softened to a six-month low of 2.0% in March 2025 (+0.3% in March 2024) from 2.4% in February 2025 (+0.2% in February 2024), printing lower than ICRA's expectation of 2.4% for that month.
- The dip was driven by primary food articles (to a 21-month low of +1.6% in March 2025 from +3.4% in February 2025), primary non-food products (to a 4-month low +1.8% from +4.8%), crude, petroleum and natural gas (to a four-month low of -7.6% from -4.1%) and manufactured food products (to +10.7% from +11.1%). However, fuel and power (to +0.2% from -0.7%) reverted to a YoY inflation after a gap of seven months, while manufactured non-food products ('core-WPI') posted a 25-month high inflation reading of 1.5% in March 2025 (+1.3% in February 2025).
- Given the easing in headline WPI inflation (to +2.0% in March 2025 from +2.4% in February 2025) and the uptick in core-WPI inflation (to +1.5% from +1.3%), the wedge between the two narrowed sharply to (-) 53 bps in March 2025 from (-) 111 bps in February 2025.

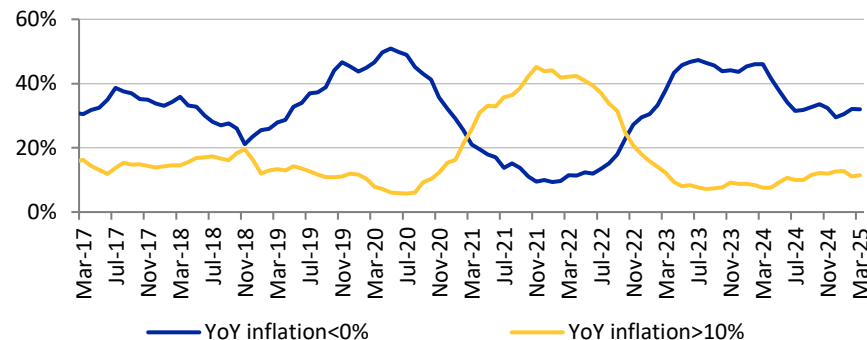
However, share of items in WPI basket with sequential increase in prices rose in March 2025

EXHIBIT: Share of items in WPI basket* reporting a sequential increase in prices (%)



*Based on the 697 items covered in the WPI basket; on FY basis; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; CEIC; ICRA Research

EXHIBIT: Share of items in the WPI* with YoY inflation <0% and >10%

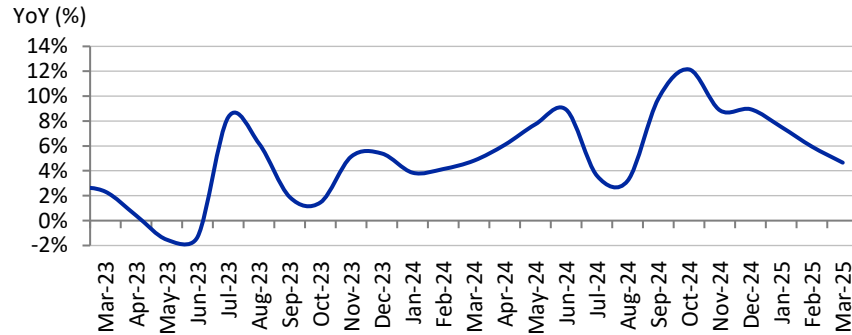


*Based on the 697 items covered in the WPI basket; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; CEIC; ICRA Research

- Contrary to the correction in headline WPI inflation, the share of items in the WPI basket that witnessed a sequential increase in prices rose to ~50% in March 2025 from ~46% in February 2025, and even exceeded the average share seen in March of FY2017-20 (44%).
- Moreover, the share of items in the WPI basket that reported a double-digit YoY inflation rate (>10%) inched up slightly to 11.5% in March 2025 from 11.1% in February 2025, while the share of items reporting a YoY deflation dipped to 31.9% from 32.1% between these months.

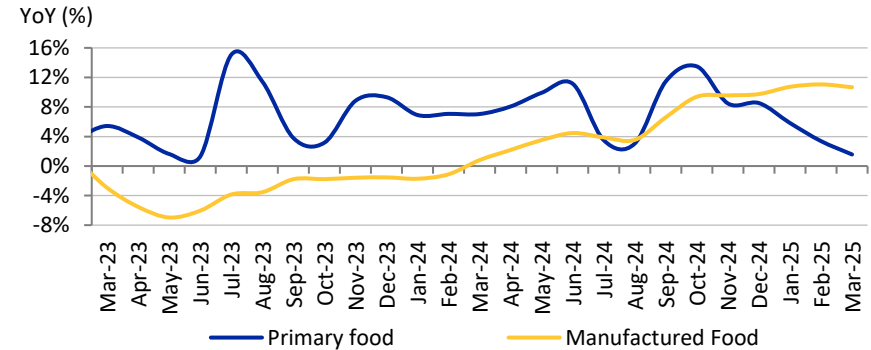
WPI-food inflation plunged to a seven-month low 4.7% in March 2025, led by vegetables and pulses

EXHIBIT: YoY trends in WPI Food Inflation



Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

EXHIBIT: YoY trends in primary and manufactured food

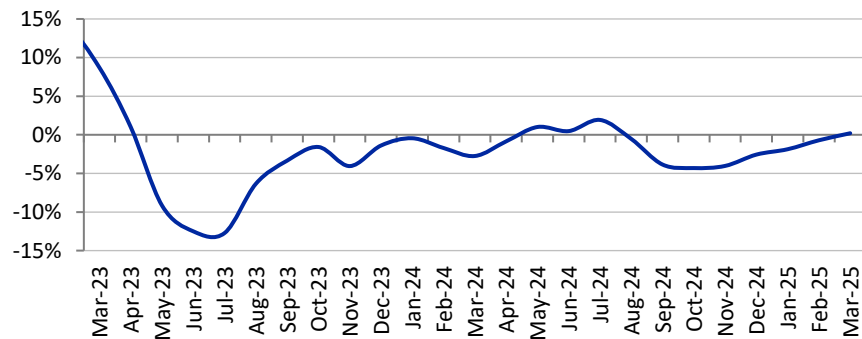


Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

- The WPI-food inflation (primary food articles and manufactured food items) eased to a seven-month low of 4.7% in March 2025 from 5.9% in February 2025. This was led by broad-based cooling in inflation in primary food articles (to a 21-month low of +1.6% from +3.4%) and manufacturing food products (to +10.7% from +11.1%), partly owing to a favourable base.
- Among primary food articles, seven of the eight sub-groups witnessed a lower inflation in March 2025 relative to the previous month, with vegetables recording a YoY deflation of 15.9% in March 2025 (17-month low; vs. -5.8% in February 2025), aided by the softening in the prints for potato, tomato, onion, cauliflower, cabbage, etc. Additionally, pulses (to a 34-month low -3.0% from -1.0%), cereals (to a 14-month low +5.5% vs. +6.8%), milk (to a 7-month low +1.4% vs. +1.6%), eggs, meat and fish (to a 5-month low +0.7% vs. +1.5%), other food articles (to +12.2% from +12.9%), and fruits (to +20.8% from +20.9%) witnessed a lower YoY inflation in March 2025 vs. February 2025. In contrast, the YoY deflation in condiments and spices narrowed to 13.9% from 14.4% between these two months.
- In month-on-month (MoM) terms, the WPI-food sub-index saw a decline of 0.1% in March 2025, in contrast to the uptick of 1.1% seen in March 2024.

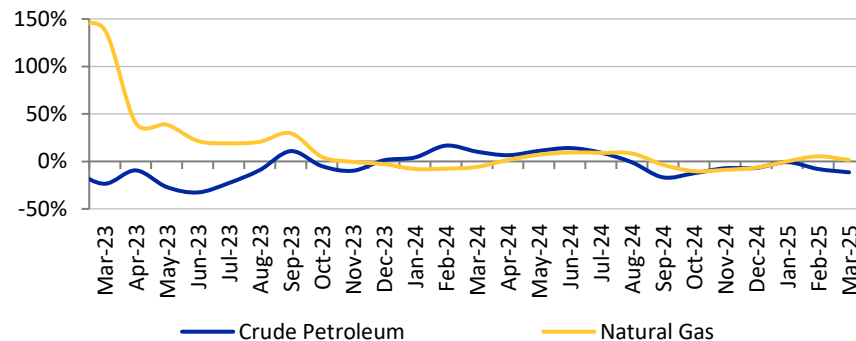
Fuel and power reverted to a YoY inflation in March 2025, after a gap of seven months

EXHIBIT: YoY trends in Fuel and Power Inflation



Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

EXHIBIT: YoY trends in Crude Petroleum and Natural Gas Inflation

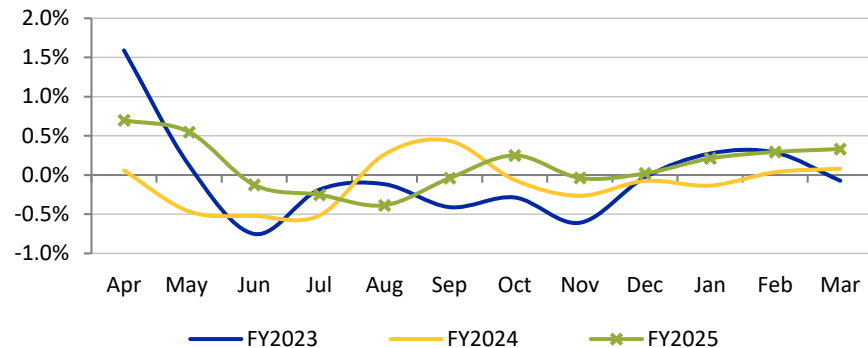


Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

- The fuel and power sub-index (weight in WPI: 13.2%) witnessed a turnaround to an inflation of 0.2% in March 2025 (-2.7% in March 2024) from a deflation of 0.7% in February 2025 (-1.7% in February 2024), exerting upward pressure to the tune of a marginal 12 bps to the headline inflation print. This was driven by electricity (to +5.5% in March 2025 from -0.6% in February 2025) and coal (to -0.1% from -0.3%), while the deflation in mineral oils (to -1.6% from -0.8%) widened between these months.
- The YoY deflation in crude petroleum and natural gas enlarged to 7.6% in March 2025 (+4.9% in March 2024) from 4.1% in February 2025 (+8.2% in February 2024), led by crude petroleum (to a 5-month low -11.5% in March 2025 from -8.0% in February 2025) and natural gas (to +1.5% from +5.4%). Notably, the WPI index for crude petroleum for March 2025 is 7.1% lower than the final level for January 2025, as against the 9.2% decline witnessed in the average monthly international crude oil prices of the Indian basket (in Rs./bbl terms) between these months. **This suggests that the print for March 2025 may undergo a downward revision.**

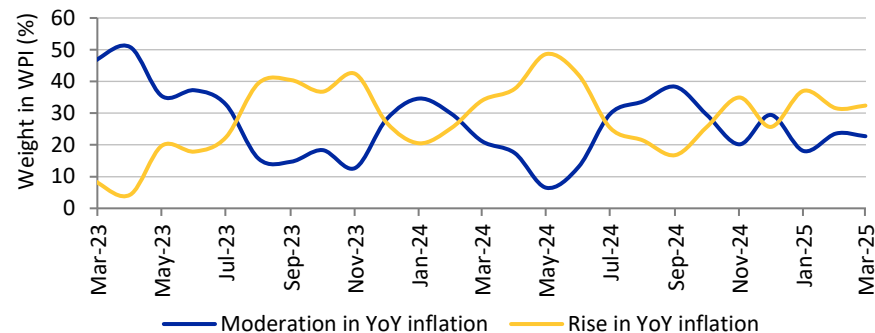
Core-WPI inflation hardened to 25-month high of 1.5% in March 2025

EXHIBIT: Month-on-month trends in Core-WPI



Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

EXHIBIT: Weightage (%; in WPI) of core-WPI (55.1% weight) sub-sectors recording sequential rise and moderation in their YoY inflation

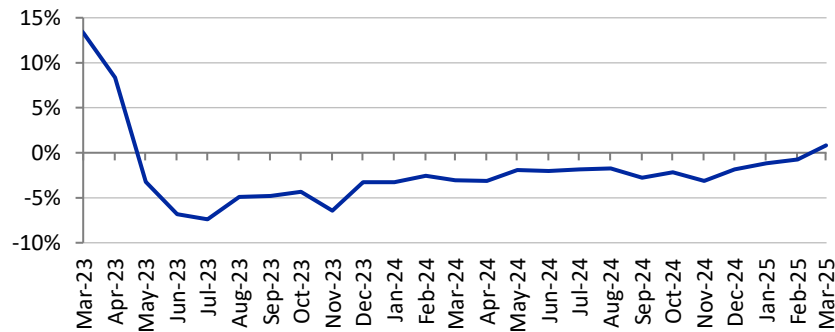


Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

- The core-WPI inflation (55.1% weight in the WPI basket) surged to a 25-month high of 1.5% in March 2025 (-1.2% in March 2024) from 1.3% in February 2025 (-1.3% in February 2024). The uptick was led by 13 of the 21 sub-groups of the core-WPI (with a sizeable weight of 32.4% in the WPI), including manufacture of basic metals, machinery and equipment, other non-metallic mineral products, textiles, etc. In contrast, the remaining eight sub-sectors of the core-WPI (with a relatively lower weight of 22.7% in the WPI) saw a moderation in their YoY inflation prints between these months.
- On a sequential basis, the core index increased 0.3% in March 2025, higher than the 0.1% rise seen in March 2024. This was driven by 13 of the 21 sub-sectors (with a weight of 32.4% in the WPI basket), including the manufacture of basic metals, other non-metallic mineral products, machinery and equipment, etc.

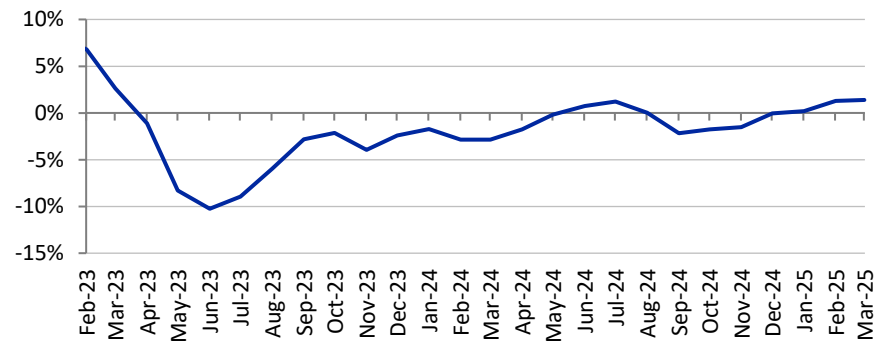
Inflation in industrial inputs inched up slightly in March 2025; farm inputs recorded an inflation after a gap of 22 months

EXHIBIT: Farm inputs WPI (YoY)



Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

EXHIBIT: Industrial raw materials WPI (YoY)



Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

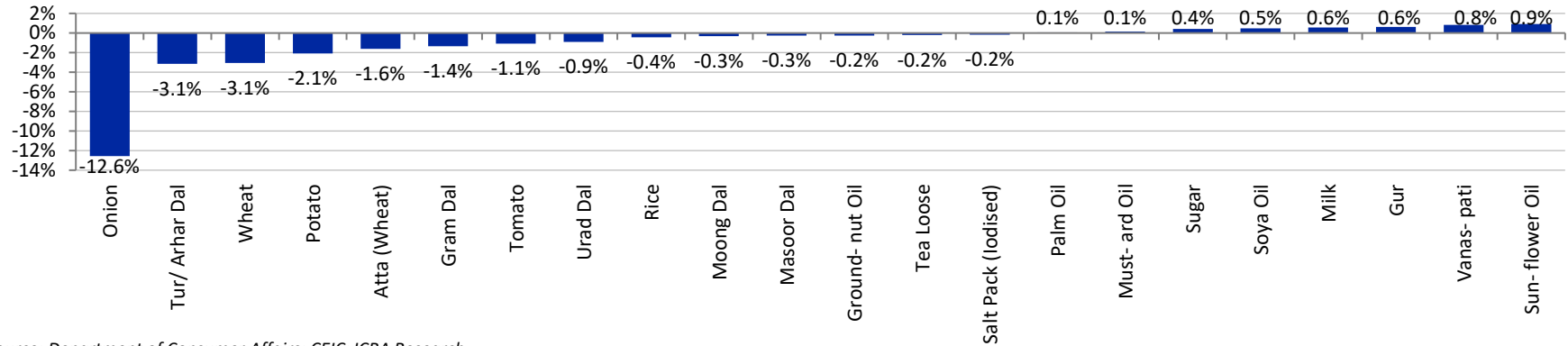
- The WPI inflation for industrial raw materials¹ rose marginally to 1.4% in March 2025 (-2.9% in March 2024) from 1.3% in February 2025 (-2.9% in February 2024), led by fuel items (including HSD), coal, electricity, and primary non-food articles (oilseeds), minerals, cotton yarn, etc. which saw an uptick in their YoY prints between these months.
- The WPI farm inputs² index recorded an inflation of 0.8% in March 2025 (-3.1% in March 2024) as against a deflation of 0.8% in February 2025 (-2.5% in February 2024), led by HSD, electricity, and pesticides. This was the first instance of an inflation in this segment in 23 months.
- On a sequential basis, the WPI industrial raw materials and the farm inputs indices contracted by 1.2% and 1.3%, respectively, in March 2025 after rising in the previous month.

1 Comprises primary non-food articles, minerals, coal, aviation turbine fuel, high speed diesel, naphtha, bitumen, furnace oil, lube oil, petroleum coke, electricity, cotton yarn, and paper and paper pulp from WPI

2 Comprises high speed diesel, fodder, electricity, fertilisers, pesticides and agricultural and forestry machinery from WPI

OUTLOOK: WPI-food inflation expected to ease further to ~3.0-3.5% in April 2025 from 4.7% in March 2025

EXHIBIT: MoM trends in wholesale prices in April 2025 (till April 14, 2025)

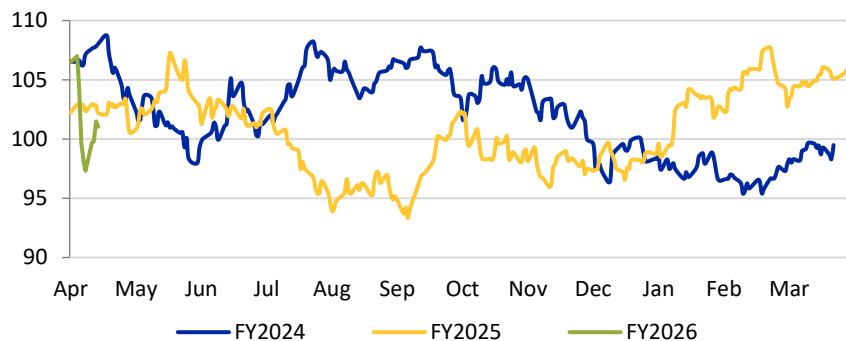


Source: Department of Consumer Affairs; CEIC; ICRA Research

- As per the data released by the Department of Consumer Affairs, the average wholesale prices of as many as 14 of the 22 commodities eased sequentially in April 2025 (till April 14, 2025), including rice, wheat, all pulses, groundnut oil, tea, etc. Additionally, the average price of onion moderated by a sharp ~13% MoM in the ongoing month, owing to healthy rabi onion production and supply, while prices of tomato and potato have dipped by relatively shallower 1-2%.
- As many as 16 of the 22 items reported an easing in their YoY inflation rate in April 2025 (till April 14, 2025) compared to March 2025, barring sugar, milk, vanaspati oil, sunflower oil, and gur. Notably, the YoY inflation rate for all edible oils (barring groundnut oil) has remained in double digits since October 2024.
- Given the sequential softening in prices of most essential commodities in early-April 2025 and a favourable base, ICRA expects the WPI-food inflation to ease further to ~3.0-3.5% in the month (+6.1% in April 2024) from 4.7% in March 2025 (+4.8% in March 2024). However, higher-than-normal temperatures pose an upside risk to the food inflation trajectory in the second half of the month.**

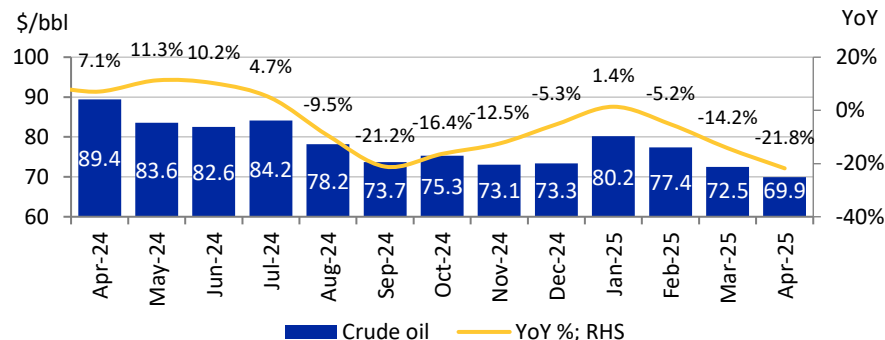
OUTLOOK: Softening in global commodity prices, including crude oil to exert a downward pressure on April 2025 WPI print

EXHIBIT: Trends in the Bloomberg commodity price Index



*Data for FY2026 is up to April 14, 2025; Source: Refinitiv; ICRA Research

EXHIBIT: Trends in prices of Indian basket of crude oil

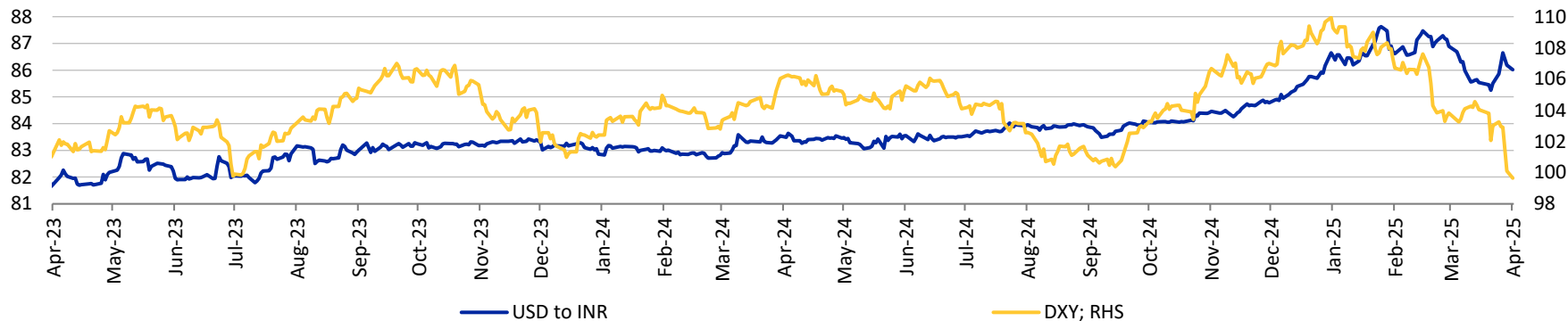


Data for April 2025 is available till April 14, 2025; Source: PPAC; ICRA Research

- Global commodity prices, as measured by Bloomberg Commodity Index, have witnessed a moderation in April 2025 (until April 14, 2025), declining by 3.3% sequentially. On a YoY basis, the index is down by 0.9% in April 1-14, 2025 as against an expansion of 6.4% seen in the previous month. The ongoing trade war between the USA and China is expected to dampen economic activity, which has led to the softening in global commodity prices.
- Likewise, the average price of the Indian basket of crude oil declined by 3.5% MoM to a 47-month low of \$69.9/bbl during April 2025 (up to April 14, 2025). Moreover, on a YoY basis, the contraction has doubled to 21.8% in April 2025 so far from 14.2% in March 2025. This is primarily on account of demand-supply mismatches arising from reduced energy demand owing to the expectations around the US tariff-led slowdown in global economic growth and increased oil supply from the USA and OPEC+ (starting from May 2025).
- The sharp fall in global crude oil prices in April 2025 vis-à-vis March 2025 is likely to exert a further downward pressure on the WPI-crude, petroleum and natural gas print, and consequently the headline WPI inflation print for the ongoing month.**

OUTLOOK: WPI inflation to dip further to ~1.4-1.6% in April 2025

EXHIBIT: Trends in INR, DXY



Data for April 2025 is available till April 14, 2025; Source: CEIC; RBI; ICRA Research

- The USD/INR pair has been quite volatile in April 2025 so far (until April 14, 2025), ranging between 85.25 and 86.65, amid heightened uncertainty from US-China trade tensions resulting in FPI outflows from EMEs, including India. The pair has depreciated mildly by 0.6% in April 2025 so far, even as the DXY has plunged by a sharp 4.2% during this period. Overall, the pair has averaged at 85.89/\$ during April 1-14, 2025, as against 86.51/\$ in March 2025. **Looking ahead, the increased global uncertainty poses a risk to the stability of the USD/INR pair in the near to medium term.**
- Supported by the anticipated cooling in the WPI-food inflation, the ongoing softening in commodity and crude oil prices owing to anticipated impact of the US-China trade war on global economic activity, a mild appreciation in the USD/INR pair in the ongoing month so far, as well as a favourable base, ICRA expects the headline WPI inflation to dip further to ~1.4-1.6% in April 2025 (+1.2% in April 2024) from 2.0% in March 2025 (+0.3% in March 2024).

Table A.1: Trend in Monthly WPI Inflation

Weight		YoY Inflation				MoM
		January-25	January-25	February-25	March-25	March-25
		Initial	Revised	Initial	Initial	Initial
WPI	100.00	2.3%	2.5%	2.4%	2.0%	-0.2%
Primary Articles	22.62	4.7%	4.6%	2.8%	0.8%	-1.1%
- Food	15.26	5.9%	5.8%	3.4%	1.6%	-0.7%
- Non-Food	4.12	3.0%	3.0%	4.8%	1.8%	-2.4%
- Minerals	0.83	2.9%	1.6%	1.0%	2.8%	0.3%
- Crude Petroleum and Natural Gas	2.41	-0.5%	-0.5%	-4.1%	-7.6%	-2.4%
Fuel and Power	13.15	-2.8%	-1.9%	-0.7%	0.2%	-0.9%
- Coal	2.14	-0.4%	-0.4%	-0.3%	-0.1%	0.0%
- Minerals Oils	7.95	-2.6%	-2.6%	-0.8%	-1.6%	-0.7%
- Electricity	3.06	-4.8%	-0.9%	-0.6%	5.5%	-2.3%
Manufactured Products	64.23	2.5%	2.6%	2.9%	3.1%	0.4%
- Food	9.12	10.4%	10.7%	11.1%	10.7%	0.9%
- Non-Food	55.11	0.9%	1.0%	1.3%	1.5%	0.3%

Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; CEIC; ICRA Research

Table A.2: Trend in Monthly Inflation related to Non-Food Manufactured Products

	Weight	YoY Inflation				MoM
		January-25 Initial	January-25 Revised	February-25 Initial	March-25 Initial	March-25 Initial
Non-Food Manufactured Products	55.11	0.9%	1.0%	1.3%	1.5%	0.3%
Beverages	0.91	1.5%	1.5%	1.7%	1.6%	0.1%
Tobacco Products	0.51	1.8%	4.0%	2.7%	2.2%	0.1%
Textiles	4.88	2.2%	2.2%	1.9%	1.7%	-0.3%
Wearing Apparel	0.81	2.1%	2.2%	1.7%	2.0%	0.1%
Leather and Related Products	0.54	2.3%	3.2%	1.7%	2.0%	0.3%
Wood and Products of Wood and Cork	0.77	0.8%	1.0%	-0.5%	0.6%	0.8%
Paper and Paper Products	1.11	0.5%	0.6%	2.1%	2.4%	0.4%
Printing and Reproduction of Recorded Media	0.68	2.9%	3.0%	3.5%	2.9%	-0.4%
Chemicals and Chemical Products	6.47	1.0%	1.0%	1.3%	1.0%	-0.1%
Pharmaceuticals, Medicinal Chemical and Botanical Products	1.99	1.4%	1.4%	0.8%	1.3%	0.1%
Rubber and Plastics Products	2.30	1.7%	1.7%	1.6%	1.2%	0.0%
Other Non-Metallic Mineral Products	3.20	-1.9%	-1.6%	-0.9%	-0.3%	0.1%
Basic Metals	9.65	-1.2%	-1.2%	-0.6%	0.3%	1.1%
Fabricated Metal Products, except Machinery and Equipment	3.15	-1.7%	-1.8%	-1.0%	0.1%	0.1%
Computer, Electronic and Optical Products	2.01	1.7%	1.7%	1.7%	0.6%	-0.3%
Electrical Equipment	2.93	1.5%	1.4%	1.7%	1.9%	0.2%
Machinery and Equipment	4.79	0.9%	1.0%	0.9%	1.2%	0.2%
Motor Vehicles, Trailers and Semi-Trailers	4.97	1.2%	1.2%	1.0%	0.3%	0.1%
Other Transport Equipment	1.65	1.6%	1.6%	1.7%	3.4%	1.8%
Furniture	0.73	1.1%	1.1%	2.0%	2.2%	-0.1%
Other Manufacturing	1.06	16.2%	16.8%	22.0%	22.9%	2.4%

Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; CEIC; ICRA Research

Table A.3: Sub-sectors with items having major contribution in the WPI Inflation

Sub-Group	Item Description	Weight (%)
Primary Food Articles	Milk	4.44
	Paddy	1.43
	Wheat	1.03
Primary Non-food Articles	Industrial Wood	0.89
	Raw Cotton	0.66
	Fodder	0.53
Minerals	Copper Concentrate	0.33
	Iron Ore	0.21
	Phosphorite	0.11
Crude Petroleum and Natural Gas	Crude Petroleum	1.95
	Natural Gas	0.46
Fuel and Power	HSD	3.10
	Electricity	3.06
	Petrol	1.60
Manufactured Food Products	Vegetable and Animal Oils and Fats	2.64
	Grain Mill Products	2.01
	Dairy Products	1.17
Non-Food Manufactured Products	Basic Metals	9.65
	Chemicals and Chemical Products	6.47
	Motor Vehicles, Trailers and Semi-Trailers	4.97

Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; CEIC; ICRA Research



Click to Provide Feedback



ICRA

Analytical Contact Details

Name	Designation	Email	Contact Number
Aditi Nayar	Chief Economist, Head- Research and Outreach	aditin@icraindia.com	0124- 4545 385
Rahul Agrawal	Senior Economist	rahul.agrawal@icraindia.com	022 – 6114 3425
Aarzoo Pahwa	Economist	aarzoo.pahwa@icraindia.com	0124 – 4545 835
Tiasha Chakraborty	Economist	tiasha.chakraborty@icraindia.com	0124- 4545 848
Isha Sinha	Associate Economist	isha.sinha@icraindia.com	022 – 6114 3445





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head - Group Corporate Communications & Media Relations, ICRA Ltd	communications@icraindia.com	0124-4545860





© Copyright, 2025 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

Thank You!