

WHOLESALE PRICE INDEX

WPI expectedly posted YoY deflation of 1.2% in October 2025; pace likely to narrow to 0.5% in November 2025

NOVEMBER 2025





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The WPI slipped into YoY deflation of 1.2% in October 2025 after having risen by 0.1% in September 2025.

This was mainly attributed to the deeper deflation in WPI-food index to a series low of 5.0% from 2.0%.

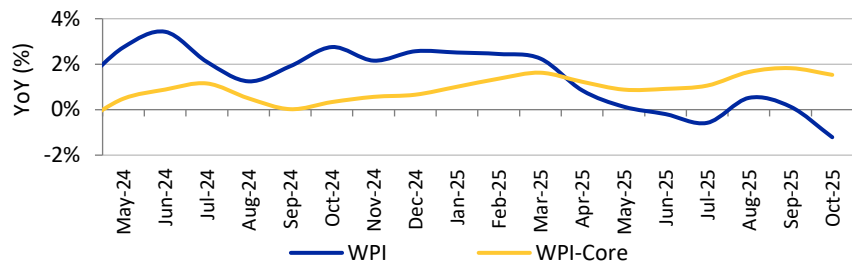
ICRA projects the WPI deflation to narrow to 0.5% in November 2025 amid base-effect led uptick in food category and rising commodity prices.

The WPI reverted to a year-on-year (YoY) deflation of 1.2% in October 2025 after a gap of two months, while printing largely in line with ICRA's estimate of 1.0%. An elevated base in the WPI-food segment, pushed down the deflation in this category to a series low of 5.0% from 2.0% in September 2025, pulling down the headline print by ~96 bps between these months. Most of the other sub-groups, barring fuel and power, also witnessed a softening in their YoY prints between these months. Looking ahead, as the favourable base dissipates, the deflation in WPI-food category appears set to narrow in November 2025 and chart an upward trajectory till Q1 FY2027. Given this, and uptrend in global commodity prices, ICRA projects the WPI deflation to narrow to 0.5% in November 2025. While the headline prints are expected to see an upward trajectory, the average WPI inflation for FY2026 will be marginal.

- **Sharper-than-expected 1.2% fall in WPI in October 2025:** A high base and continued cooling in food prices pushed the WPI back into the deflationary zone after a gap of two months, to 1.2% YoY in October 2025 (ICRA exp: -1.0%; +0.1% in September 2025; +2.8% in October 2024; +1.9% in September 2024).
- **Food index down by 5% YoY in October 2025, the lowest in current series:** The downtick was broad based across most sub-groups, including WPI-food (to a series-low -5.0% in October from -2.0% in September), crude petroleum and natural gas (to -7.5% from -3.8%), and non-food manufactured products ("core-WPI"; to +1.5% from +1.8%). Notably, the WPI-food group accounted for 96 bps of the 134 bps fall in the headline print between these months.
- **WPI deflation to narrow to 0.5% in November 2025, move up gradually till Q1 FY2027:** ICRA expects the WPI-food index to remain in the deflationary zone in November 2025, although the extent of the same is set to narrow compared to October 2025, as the favourable base dissipates. This, along with the uptick in global commodity price inflation, is expected to exert some upward pressure on the headline WPI print. We project the deflation in WPI to narrow somewhat to ~0.5% in November 2025. Thereafter, with the base turning adverse, the YoY food prints are expected to harden gradually until Q1 FY2027. This is expected to push up the headline WPI numbers in the near term, even as the average WPI inflation for FY2026 is likely to be marginal at 0-0.5%.

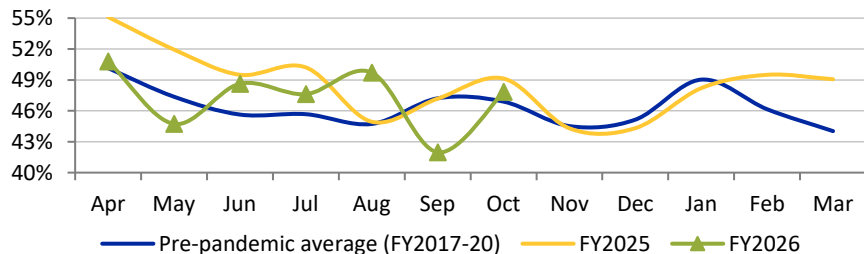
WPI expectedly slipped into YoY deflation of 1.2% in October 2025, pulled down by food, core items

EXHIBIT: Headline WPI recorded a deflation of 1.2% in October 2025 (+0.1% in September 2025) after a gap of two months; the core-WPI inflation eased to 1.5% from 1.8% in September 2025, after rising for four straight months



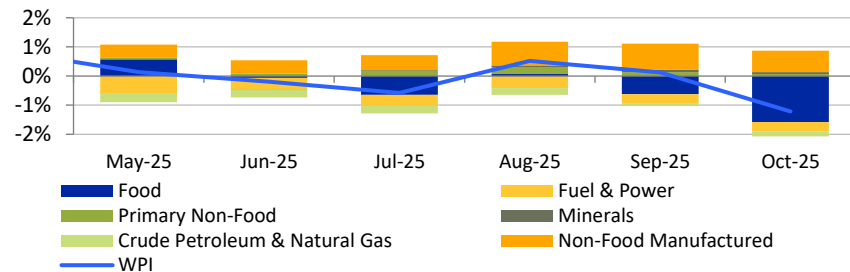
Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

EXHIBIT: The share of items in WPI basket* reporting a sequential increase in prices rose to 47.8% in October 2025 from 42.0% in September 2025, while also exceeding the average for October during FY2017-20 (46.9%)



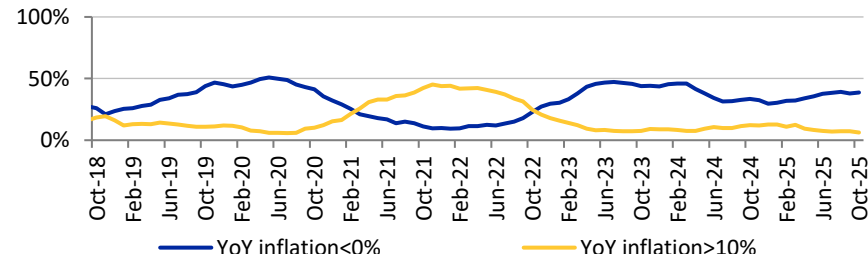
*Based on the 697 items covered in the WPI basket; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; CEIC; ICRA Research

EXHIBIT: The deeper deflation in the WPI-food index contributed ~96 bps to the overall ~134 bps decline in the headline print, followed by the core segment (~15 bps)



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

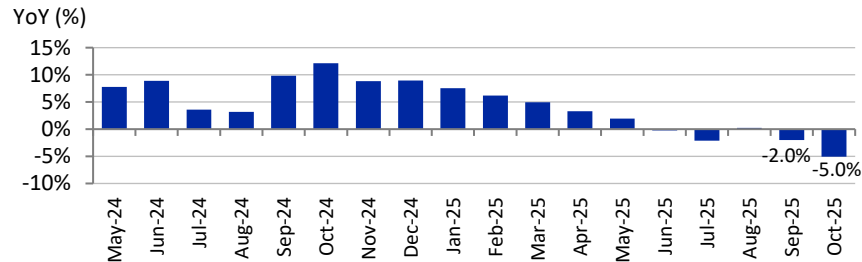
EXHIBIT: Additionally, the share of items in the WPI basket that reported a double-digit YoY inflation rate (>10%) eased somewhat to 6.3% in October 2025 from 7.2% in the prior month



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

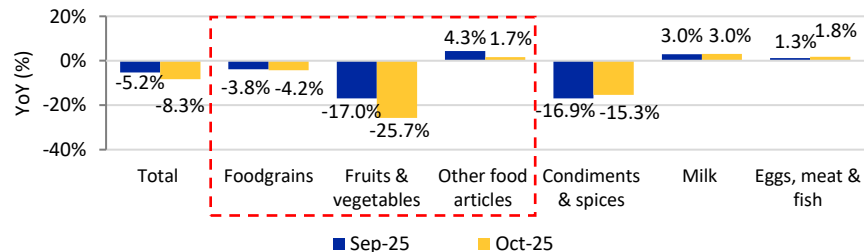
WPI deflation in food index enlarged to a series-low 5% in October 2025, led by fruits, vegetables and foodgrains

EXHIBIT: The deflation in WPI-Food index widened to a series-low 5.0% in October 2025 (+12.1% in October 2024) from 2.0% in September 2025 (+9.8% in September 2024), partly owing to an elevated base



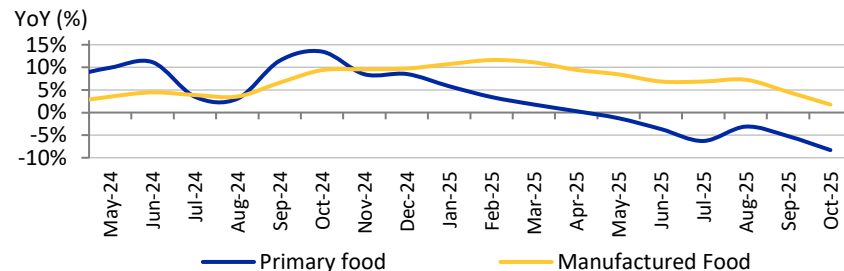
Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

EXHIBIT: Within primary food articles, the YoY prints for 4 of the 8 subgroups eased in October 2025 vs. September 2025, led by wider deflation in cereals, vegetables, fruits, and lower inflation for other food articles



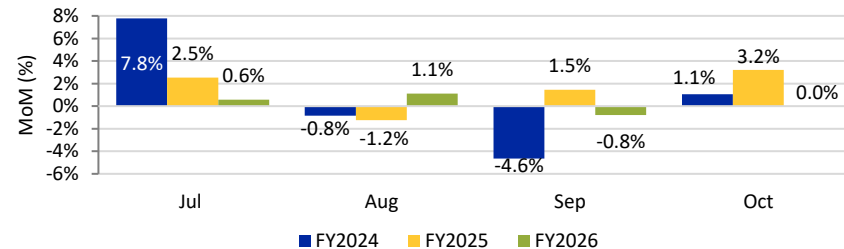
Foodgrains includes cereals and pulses; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

EXHIBIT: Deeper deflation in primary food articles (to -8.3% from -5.2%) along with lower inflation in manufacturing food products (to +1.8% from +4.6%) in October 2025 vs. September 2025 pulled down the overall food segment



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

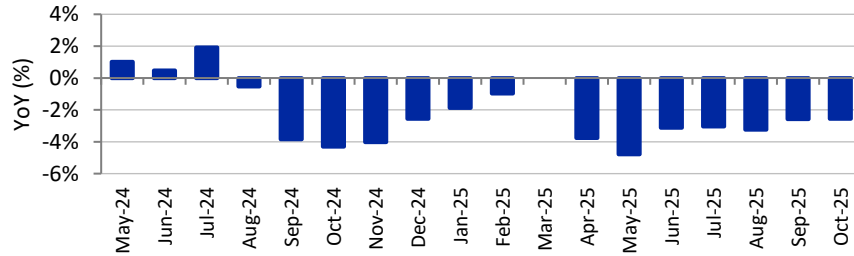
EXHIBIT: On a sequential basis, the WPI-food index remained unchanged in October 2025, in contrast to the average sequential uptick of 2.1% seen in October 2023-2024



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

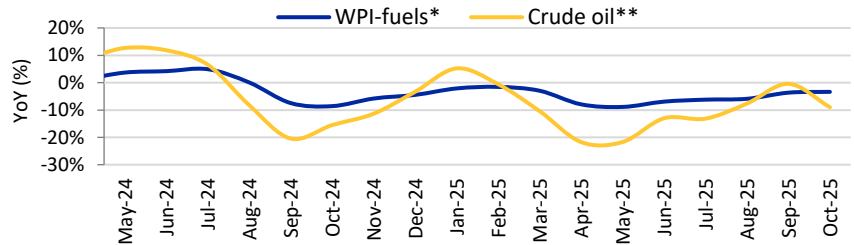
YoY deflation in fuel segment remained unchanged in October 2025

EXHIBIT: Fuel and power continued to see a deflation, with the extent of the same remaining unchanged at 2.6% vs. Sep 2025; however, on a sequential basis, the prices surged sharply to a 10-month high of 1.1%, led by electricity



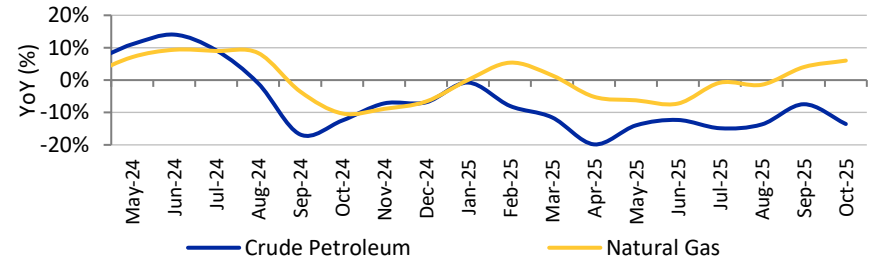
Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

EXHIBIT: Overall, deflation in WPI-fuels* (to -3.4% from -3.7% in Sep 2025) narrowed despite the steep YoY fall in crude oil prices, on account of uptick in mineral oils (-2.2% vs. -3.6%; constituting greater weight of ~8.0% in fuel)



*WPI-fuels comprises of fuel & power and crude petroleum & natural gas, and has a weight of 10.4% in the WPI; **Average price of Indian Basket of crude oil in INR terms; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

EXHIBIT: The YoY deflation in crude petroleum and natural gas doubled to 7.5% in October 2025 from 3.8% in September 2025, led by crude petroleum (-13.6% vs. -7.4%), even as natural gas (+6.0% vs. +4.0%) reported an uptick

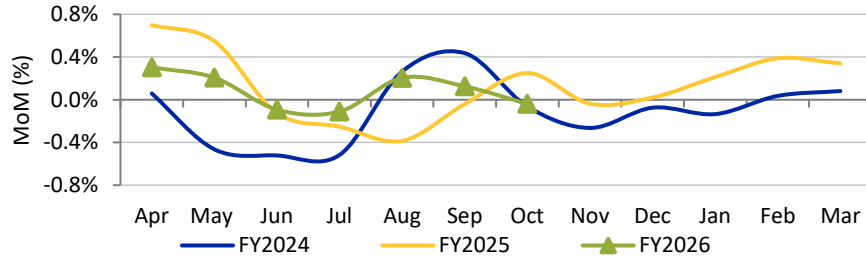


Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

- The WPI index for crude petroleum for October 2025 is lower by 4.0% from the final level for August 2025, slightly narrower than the 5.0% dip 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 October 2025 may undergo a slight downward revision.**

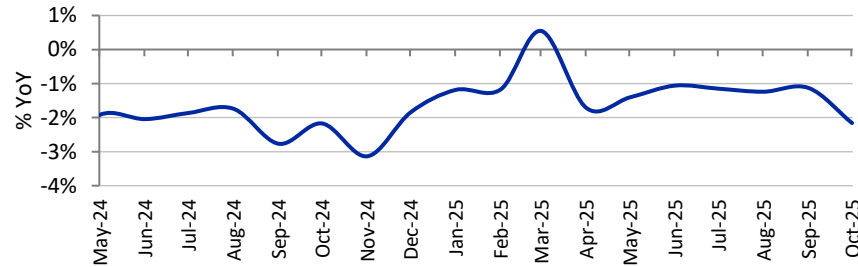
Farm inputs and industrial raw materials reported YoY deflation in October 2025

EXHIBIT: The core-WPI remained unchanged in October 2025, as against a MoM uptick of 0.3% in October 2024; the Index has risen by 0.6% between March 2025 and October 2025, as against 0.7% in the year ago period



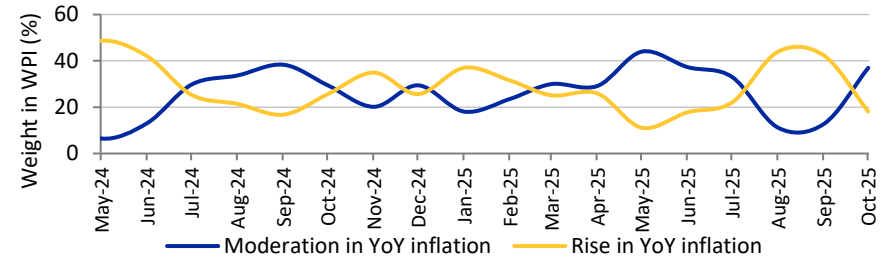
Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

EXHIBIT: WPI-farm inputs remained in the contractionary zone for 7th consecutive month, with the extent of the same widening sharply to 2.2% (vs. -1.1% in Sep 2025), led by electricity, agri and forestry machinery, etc.



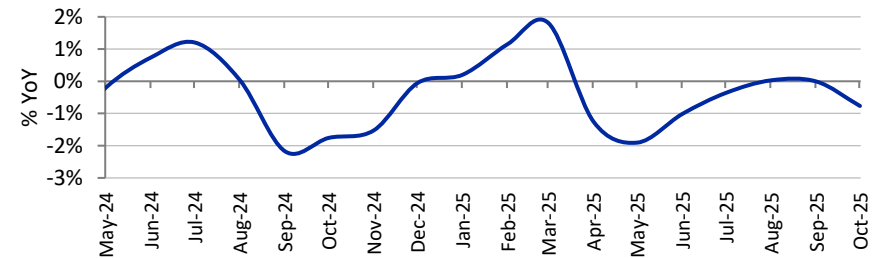
*Comprises primary non-food articles, minerals, coal, aviation turbine fuel, high speed diesel, naphtha, bitumen, furnace oil, lube oil, petroleum coke, electricity, cotton yarn, and paper and paper pulp from WPI; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

EXHIBIT: The weight of sub-sectors of core-WPI seeing a moderation in their YoY print rose sharply to ~37% from ~13% in September 2025, led by chemicals and chemical products, basic metals, motor vehicles, etc.



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

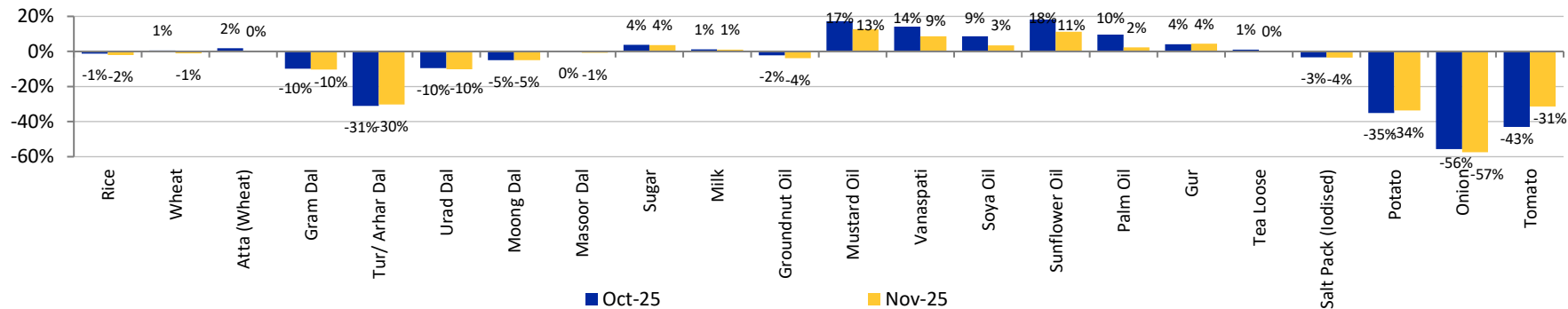
EXHIBIT: The YoY growth in WPI-Industrial raw materials also reported deflation of 0.8% after remaining unchanged in the last two months, led by primary non-food articles, electricity, cotton yarn, etc.**



**Comprises high speed diesel, fodder, electricity, fertilisers, pesticides and agricultural and forestry machinery from WPI; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

OUTLOOK: WPI-food index to continue to report YoY fall in November 2025

EXHIBIT: YoY trends in wholesale prices in October 2025 and November 2025*

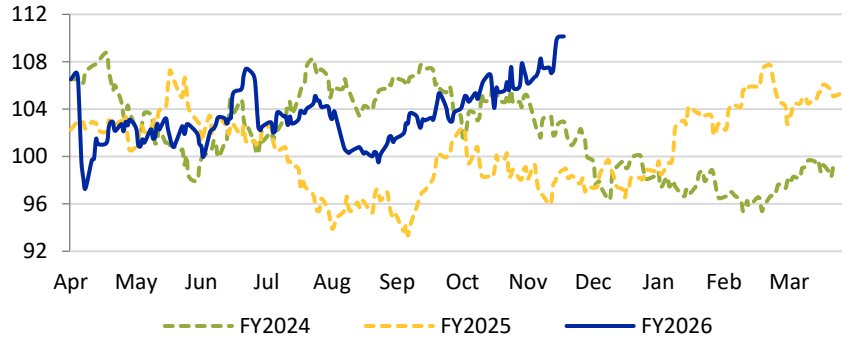


*Till November 12, 2025; Source: Department of Consumer Affairs; CEIC; ICRA Research

- As per the early data for November 2025 (until November 12, 2025), the average wholesale prices of as many as 15 of the 22 food items softened sequentially in the month. These include rice, pulses (barring *tur dal*), edible oils (barring sunflower and palm oil), sugar, *gur*, loose tea, salt, and tomato.
- Notably, among cereals, rice reported a sequential contraction following muted growth in the last four months (-0.5% MoM in November 2025 so far vs. avg. +0.3% MoM during July-October 2025), while wheat remained unchanged (vs. avg. +0.4% during July-October 2025; supported by adequate wheat stocks and early trends of robust uptick in rabi sowing). In contrast, the wholesale prices of some vegetables saw some upward pressure, with potato (+3.8%) and onion (to +0.2%; after having contracted in the last two months, as rains delayed harvesting of new kharif crop) rising sequentially in the ongoing month so far. Furthermore, even as tomato continued to report a sequential dip for the third consecutive month, the extent of the same narrowed steeply (to -0.7% vs. -9.9%/-22.1% in Oct/Sep 2025; supply shortfall from lower harvest and logistical challenges).
- On a YoY basis, as many as 18 of the 22 items reported a lower inflation reading in November 2025 (until November 12) vis-à-vis October 2025, barring *tur dal*, *gur*, and some vegetables (potato and tomato, albeit remaining in deflationary zone). **Given these trends, ICRA expects the WPI-food index to remain in the deflationary zone in November 2025 (-5.0% in October 2025), although the extent of the same may narrow, as the favourable base dissipates (+12.1%/+8.9% in Oct/Nov 2024).**

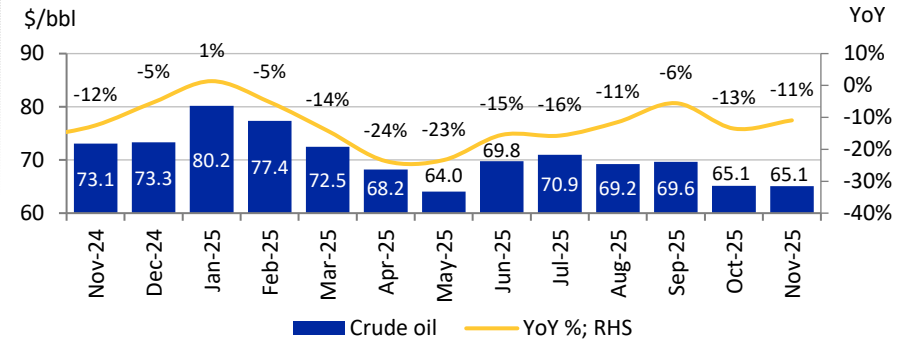
OUTLOOK: YoY prints for global commodity prices hardened in November 2025

EXHIBIT: Trends in the Bloomberg commodity price Index



*Data for FY2026 is up to November 12, 2025; Source: Refinitiv, ICRA Research

EXHIBIT: Trends in prices of Indian basket of crude oil

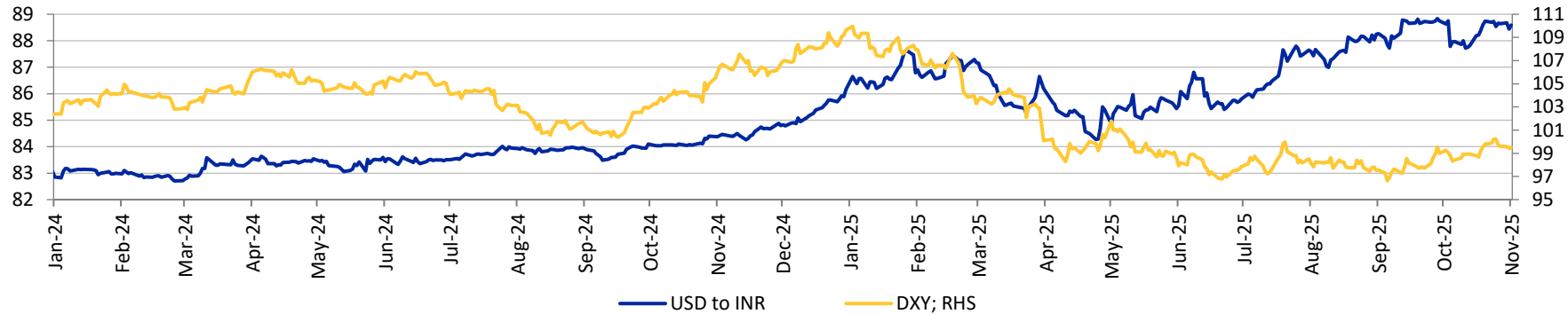


*Data for November 2025 is up to November 12; Source: PPAC, CEIC, ICRA Research

- Global commodity prices have hardened during November 1-12, 2025, with the average value of the Bloomberg Commodity Index rising by 2.1% sequentially in the month so far (MoM rise of 2-3% during Sep-Oct 2025). On a YoY basis, the index is up 10.7% in November 2025 so far (vs. +6.4% in October 2025). **The uptrend in the index in this month is largely led by sharp gains in precious metals (such as gold and silver; reflecting safe-haven demand amid global growth concerns and macroeconomic uncertainty), as well as the hardening in prices of some industrial metals (such as aluminum and zinc) and grains (soyabean).**
- The average price of the Indian basket of crude oil remained unchanged at \$65.1/bbl during November 1-12, 2025 relative to the previous month. Moreover, on a YoY basis, the contraction in the same narrowed slightly to 10.9% vs. 13.5% in October 2025. **Going forward, larger production increases by OPEC+ coupled with weak demand is likely to cap the oil prices.**

OUTLOOK: Deflation in headline WPI to narrow to ~0.5% in November 2025

EXHIBIT: Trends in USD/INR and Dollar Index (DXY)



*Data for November 2025 is up to November 12; Source: CEIC; RBI; ICRA Research

- The USD/INR pair has averaged above the 88-mark since September 2025, impacted by uncertainty from higher-than-anticipated US tariffs. In November 2025 so far (until November 12), the pair has averaged at an all-time low of 88.62 (vs. 88.36 in October 2025), weighed down by likely deterioration of India's current account balance and stronger DXY (that has inched back to the 100-mark after a gap of five months amid the hawkish stance from the US Fed).
- Overall, following the announcement of US tariffs effective August 1, 2025, the US/INR pair has depreciated by 1.3% so far (until November 12) relative to end-July 2025, weighed down by capital (equity) outflows, which would weigh on the landed cost of imports. **It is likely to remain volatile, contingent on the developments around India-US trade talks, potential barriers on India's IT services exports, capital flows and the likely impact of steep tariffs on India's CAD in FY2026 and beyond.**
- **The narrowing deflation in the food segment along with the uptick in global commodity price inflation, is expected to exert some upward pressure on the headline WPI print. We expect the deflation in WPI to narrow to ~0.5% in November 2025. Thereafter, with the base turning adverse, the YoY food prints are expected to harden until Q1 FY2027. This is expected to push up the headline WPI numbers in the near term, even as the average WPI inflation for FY2026 is likely to be marginal at 0-0.5%.**

Table A.1: Trend in Monthly WPI Inflation

| | Weight | YoY Inflation | | | | MoM |
|-----------------------------------|---------------|---------------|--------------|--------------|--------------|--------------|
| | | August-25 | August-25 | September-25 | October-25 | October-25 |
| | | Initial | Revised | Initial | Initial | Initial |
| WPI | 100.00 | 0.5% | 0.5% | 0.1% | -1.2% | -0.1% |
| Primary Articles | 22.62 | -2.1% | -2.1% | -3.3% | -6.2% | -0.4% |
| - Food | 15.26 | -3.1% | -3.1% | -5.2% | -8.3% | 0.0% |
| - Non-Food | 4.12 | 5.6% | 5.6% | 3.1% | 1.5% | -1.7% |
| - Minerals | 0.83 | 3.3% | 4.7% | 6.8% | 5.6% | 1.7% |
| - Crude Petroleum and Natural Gas | 2.41 | -9.9% | -9.9% | -3.8% | -7.5% | -3.1% |
| Fuel and Power | 13.15 | -3.2% | -3.2% | -2.6% | -2.6% | 1.1% |
| - Coal | 2.14 | 0.5% | 0.4% | 0.4% | 0.4% | 0.0% |
| - Minerals Oils | 7.95 | -4.7% | -4.7% | -3.6% | -2.2% | 0.7% |
| - Electricity | 3.06 | -1.1% | -1.1% | -1.3% | -5.8% | 2.9% |
| Manufactured Products | 64.23 | 2.5% | 2.6% | 2.3% | 1.5% | -0.1% |
| - Food | 9.12 | 7.1% | 7.3% | 4.6% | 1.8% | 0.1% |
| - Non-Food | 55.11 | 1.6% | 1.7% | 1.8% | 1.5% | 0.0% |

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 |
|--|--------------|----------------------|----------------------|-------------------------|-----------------------|-----------------------|
| | | August-25 Initial | August-25 Revised | September-25 Initial | October-25 Initial | October-25 Initial |
| Non-Food Manufactured Products | 55.11 | 1.6% | 1.7% | 1.8% | 1.5% | 0.0% |
| Beverages | 0.91 | 1.2% | 1.2% | 1.0% | 1.0% | 0.1% |
| Tobacco Products | 0.51 | 2.2% | 3.2% | 2.0% | 3.2% | 0.3% |
| Textiles | 4.88 | 1.4% | 1.3% | 1.7% | 1.9% | 0.3% |
| Wearing Apparel | 0.81 | 2.0% | 1.9% | 1.7% | 1.7% | 0.2% |
| Leather and Related Products | 0.54 | 2.4% | 2.3% | 1.8% | 1.3% | 0.0% |
| Wood and Products of Wood and Cork | 0.77 | 0.3% | 0.0% | 0.9% | 1.6% | 0.7% |
| Paper and Paper Products | 1.11 | 0.0% | 0.1% | 0.4% | 0.4% | 0.0% |
| Printing and Reproduction of Recorded Media | 0.68 | 2.4% | 2.4% | 2.9% | 2.2% | -0.3% |
| Chemicals and Chemical Products | 6.47 | 0.3% | 0.4% | 0.4% | 0.4% | -0.2% |
| Pharmaceuticals, Medicinal Chemical and Botanical Products | 1.99 | 0.8% | 0.6% | 1.2% | 1.9% | 0.3% |
| Rubber and Plastics Products | 2.30 | 0.3% | 0.1% | 0.2% | -0.5% | -0.1% |
| Other Non-Metallic Mineral Products | 3.20 | 3.0% | 3.1% | 2.5% | 2.0% | -0.7% |
| Basic Metals | 9.65 | -0.7% | -0.5% | -0.2% | -1.6% | -0.2% |
| Fabricated Metal Products, except Machinery and Equipment | 3.15 | 0.2% | 0.3% | 0.4% | 1.5% | 0.1% |
| Computer, Electronic and Optical Products | 2.01 | 0.4% | 0.6% | 0.3% | 0.8% | 0.3% |
| Electrical Equipment | 2.93 | 1.1% | 1.2% | 1.6% | 1.5% | 0.2% |
| Machinery and Equipment | 4.79 | 1.5% | 1.6% | 1.2% | 1.4% | 0.1% |
| Motor Vehicles, Trailers and Semi-Trailers | 4.97 | 0.7% | 0.7% | 0.8% | 0.7% | -0.2% |
| Other Transport Equipment | 1.65 | 5.0% | 4.9% | 5.3% | 4.8% | 0.0% |
| Furniture | 0.73 | 3.6% | 2.8% | 3.2% | 2.2% | 0.0% |
| Other Manufacturing | 1.06 | 30.8% | 30.8% | 32.3% | 28.3% | -0.2% |

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 (weight; %) | Item Description | Weight (%) |
|---|--|------------|
| Primary Food Articles (22.62) | Milk | 4.44 |
| | Paddy | 1.43 |
| | Wheat | 1.03 |
| Primary Non-food Articles (4.12) | Industrial Wood | 0.89 |
| | Raw Cotton | 0.66 |
| | Fodder | 0.53 |
| Minerals (0.83) | Copper Concentrate | 0.33 |
| | Iron Ore | 0.21 |
| | Phosphorite | 0.11 |
| Crude Petroleum and Natural Gas (2.41) | Crude Petroleum | 1.95 |
| | Natural Gas | 0.46 |
| Fuel and Power (13.15) | HSD | 3.10 |
| | Electricity | 3.06 |
| | Petrol | 1.60 |
| Manufactured Food Products (9.12) | Vegetable and Animal Oils and Fats | 2.64 |
| | Grain Mill Products | 2.01 |
| | Dairy Products | 1.17 |
| Non-Food Manufactured Products (55.11) | 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



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