

# WHOLESALE PRICE INDEX

WPI inflation at 10-month high 1.8%  
in January 2026; rising commodity  
prices, food inflation to push up  
print to 2.0-2.2% in February 2026

FEBRUARY 2026





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*After seeing deflation in most months in FY2026, WPI has reverted to the inflationary zone since December 2025*

*The food and core categories dominated the uptick in WPI inflation in January 2026 vs. December 2025.*

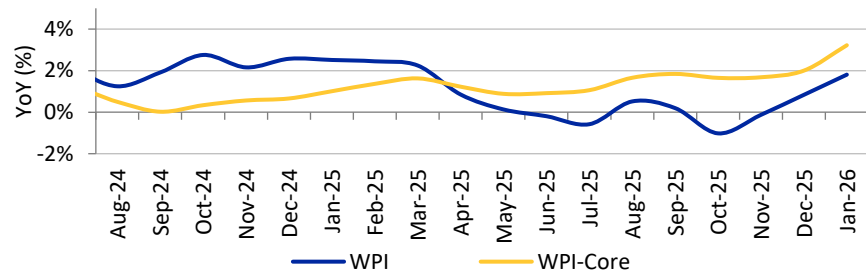
*Given the base-led hardening in food, and elevated global commodity inflation, ICRA expects the YoY WPI inflation to rise further to ~2.0-2.2% in February, while remaining benign.*

The YoY inflation in headline WPI more than doubled to 1.8% in January 2026 from 0.8% in December 2025, albeit broadly in line with ICRA's forecast (+1.7%). The uptick was primarily driven by the WPI-food (partly led by an unfavourable base) and non-food manufactured products or "core-WPI" (amid rising global commodity prices and depreciating USD/INR) in the month. Looking ahead, ICRA projects the WPI inflation to accelerate further to 2.0-2.2% in February 2026, weighed down by the base-led hardening in food inflation, and the impact of rising commodity prices (including crude oil) until mid-February 2026 on the non-food segments. Moreover, while the USD/INR pair has recovered following the announcement of the US-India trade deal in early-February 2026, the lagged impact of the depreciation over the last few months is likely to weigh on the landed cost of imports.

- **WPI inflation stood at a 10-month high of 1.8% in January 2026:** The headline WPI more than doubled from 0.8% in December 2025, albeit along expected lines. The depreciation in the USD/INR pair and the sharp rise in global commodity prices (+5.0% month-on-month; MoM) exerted pressure on the landed cost of imports in the month; this was particularly reflected in non-food manufactured products or "core-WPI" category, that rose by sharp 1.4% MoM and 3.2% YoY in January 2026, the steepest uptick in 45 and 38 months, respectively.
- **Food and core items primarily drove up the Index:** WPI-food index (42 bps) and core-WPI (60 bps) together contributed 103 bps to the total 97 bps uptick in headline WPI between December 2025 and January 2026, while crude, petroleum, natural gas, and fuel and power exerted some downward pressure. Notably, the WPI-Food index (comprising primary food articles and manufactured food products) witnessed a base-led hardening to an 8-month high of 1.4% in January 2026, after remaining flat on a YoY basis in December 2025.
- **WPI inflation set to rise further to 2.0-2.2% in February 2026:** ICRA expects the WPI-food inflation to harden further in February 2026 and continue on an upward trajectory, as an unfavourable base sets in. Besides, global commodity prices have continued to rise in February 2026, which along with the lagged impact of the depreciation pressure in the USD/INR pair over the last few months is likely to continue to weigh on the landed cost of imports.

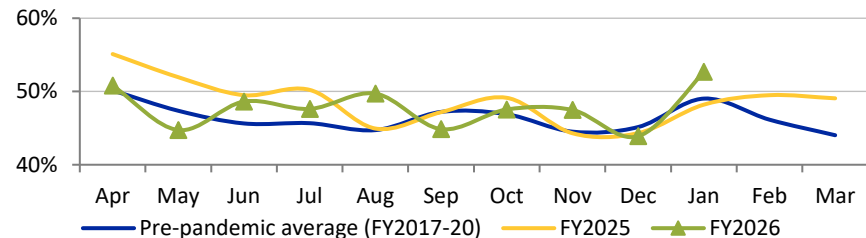
# WPI inflation expectedly hardened to a 10-month high 1.8% in January 2026

**EXHIBIT: As expected, headline WPI inflation rose to a 10-month high of 1.8% in January 2026 from 0.8% in December 2025; core inflation stood at a 38-month high 3.2%, amid higher commodity prices and currency depreciation**



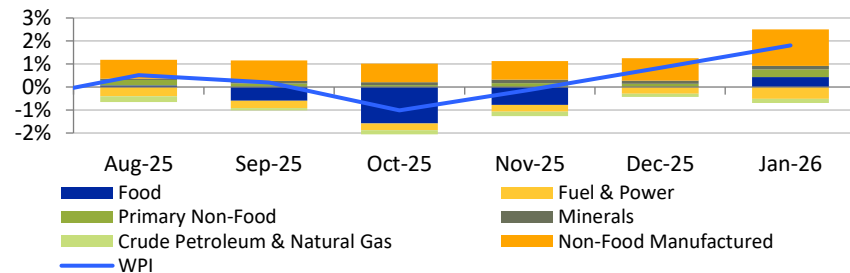
Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

**EXHIBIT: The share of items in WPI basket\* reporting a sequential increase in prices swung to 53% in January 2026 from 44% in December 2025, and printed above the average for January FY2017-20 (49%)**



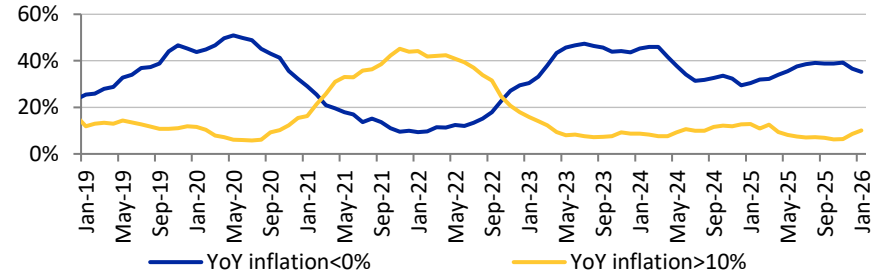
\*Based on the 697 items covered in the WPI basket; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; CEIC; ICRA Research

**EXHIBIT: Core and food categories together pushed up the WPI inflation by 103 bps, followed by primary non-food articles (+21 bps); however, these were partly offset by the dip in fuel and crude items (-27 bps)**



CPNG: Crude petroleum and natural gas; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

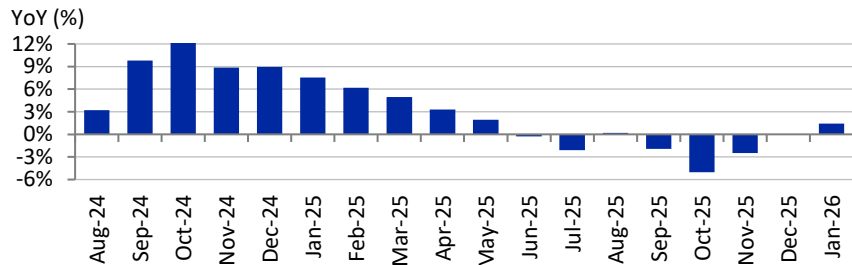
**EXHIBIT: Additionally, the share of items in the WPI basket that reported a double-digit YoY inflation rate (>10%) rose to 10.1% in January 2026 from 8.6% in December 2025, while lagging the average level of FY2025 (11%)**



\*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

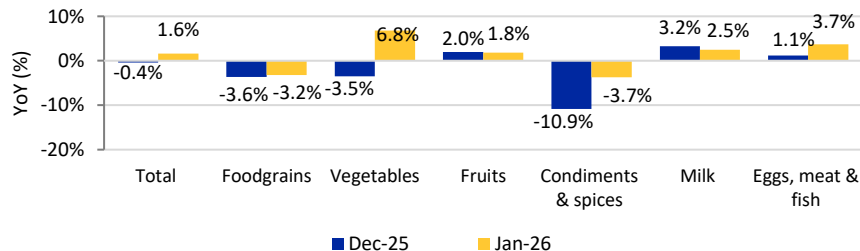
# WPI-food category posted YoY inflation after a gap of 7 months in January 2026

**EXHIBIT: WPI-food witnessed a base-led hardening to an 8-month high inflation of 1.4% in January 2026, after remaining flat on a YoY basis in December 2025**



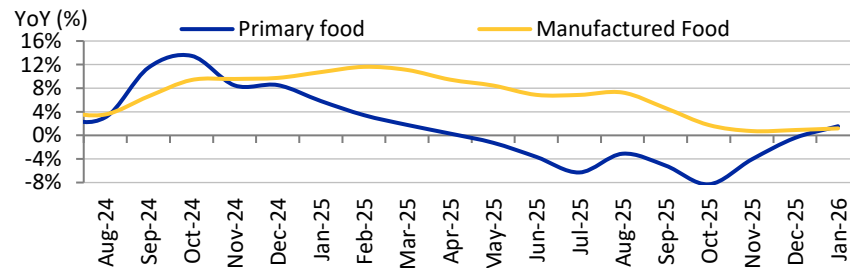
Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

**EXHIBIT: Within food, vegetables reverted to the inflationary territory in January 2026 after a gap of 11 months, while other items such as eggs, meat and fish, and condiments and spices also saw a hardening in their YoY prints**



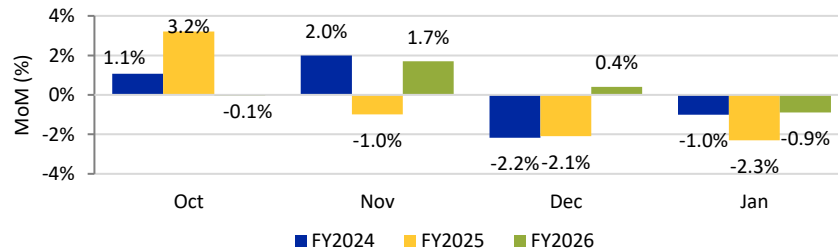
Foodgrains includes cereals and pulses; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

**EXHIBIT: This was primarily driven by a turnaround in the primary food index to a YoY inflation of 1.6% in January 2026 (-0.4% in Dec 2025); manufactured food inflation inched up mildly to 1.2% from 0.9% in December 2025**



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

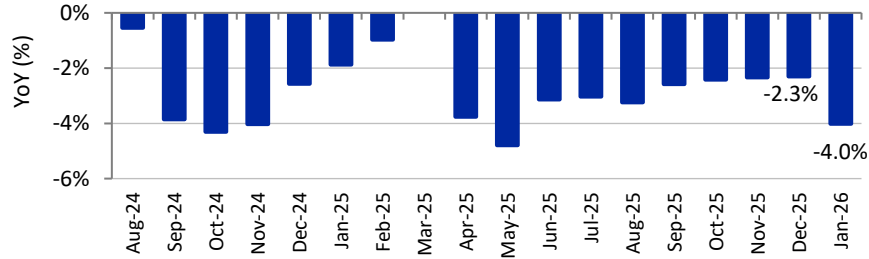
**EXHIBIT: While WPI-food reverted to a YoY inflation (aided by base effect), the index was down 0.9% in sequential terms in January 2026; this however was shallower than the MoM dips seen in January of 2025 and 2024**



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

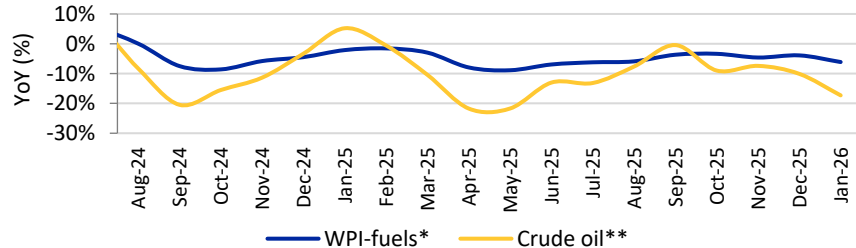
# YoY deflation for fuel items widened in January 2026 vis-à-vis December 2025

**EXHIBIT: YoY deflation in fuel and power widened to an eight-month low of 4.0% in January 2026 from 2.3% in December 2025, with the sharper deflation in mineral oils and electricity offsetting the uptick in coal**



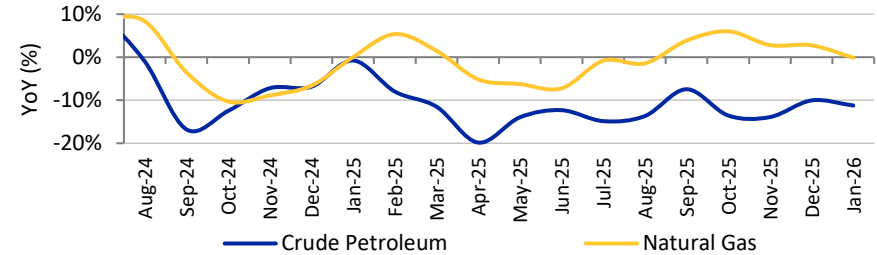
Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

**EXHIBIT: Consequently, deflation in WPI-fuels\* widened to a six-month low of 6.1% in January 2026 from 3.9% in December 2025, amid a sharper deflation in mineral oils (-5.6% vs. -3.3%; with 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 deflation in crude petroleum and natural gas also enlarged to 7.8% in January 2026 from 6.0% in December 2025, led by both crude petroleum and natural gas (slipped into deflation after a gap of four months)**

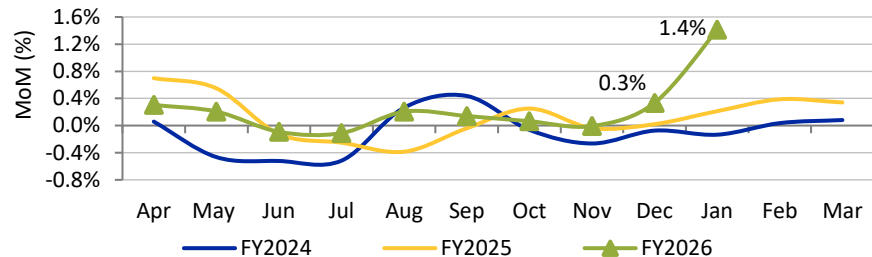


Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

- The WPI index for crude petroleum for January 2026 is 7.2% higher than the final level for November 2025, much larger than 0.3% rise 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 January 2026 may subsequently undergo a downward revision.**

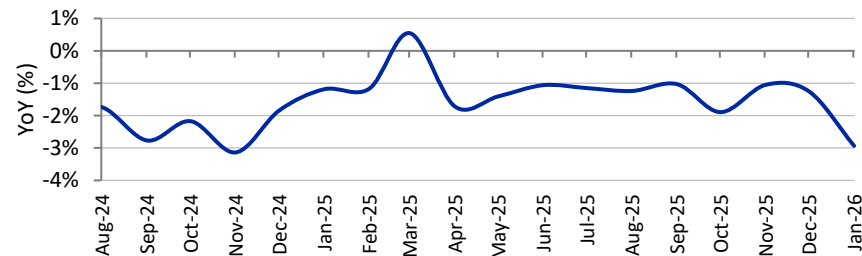
# Farm inputs persisted in deflationary zone in January 2026, while industrial raw materials recorded a benign inflation print

**EXHIBIT: Core-WPI rose by 1.4% MoM in January 2026 (+0.2% in Jan 2025), the steepest MoM uptick in 45 months, amid rising global commodity prices and depreciation in the USD/INR pair weighing on landed cost of imports**



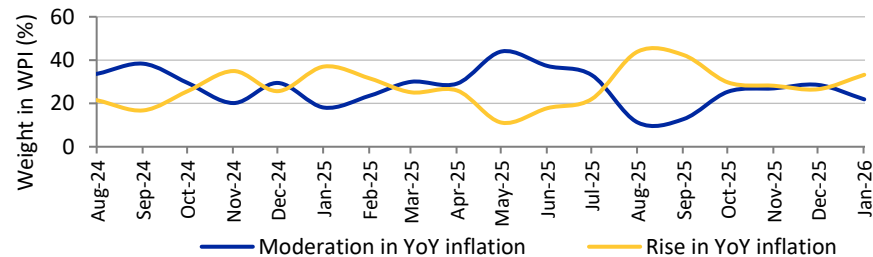
Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

**EXHIBIT: WPI-farm inputs remained in the contractionary zone for the 10th consecutive month, with the extent of the same widening to 2.9% from 1.3% in December 2025, led by HSD, electricity, agri and forestry machinery, etc.**



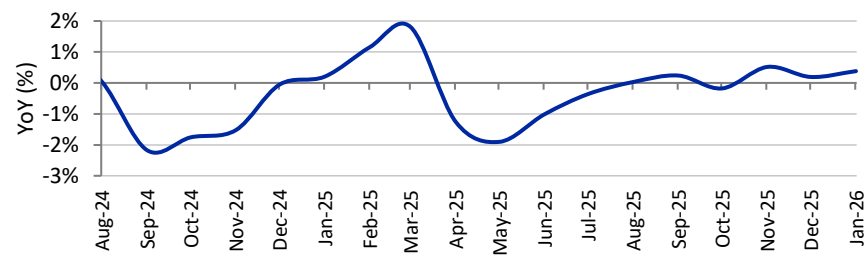
\*Comprises primary non-food articles, minerals, coal, aviation turbine fuel, high speed diesel, naphtha, bitumen, furnace oil, lube oil, petroleum coke, electricity, cotton yarn, and paper and paper pulp from WPI; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, Gol; ICRA Research

**EXHIBIT: The weight of sub-sectors of core-WPI seeing a higher YoY print rose to ~33% in January 2026; within this basic metals saw a sharp ~6% YoY inflation in January 2026, contributing ~32 bps to the uptick in core inflation**



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

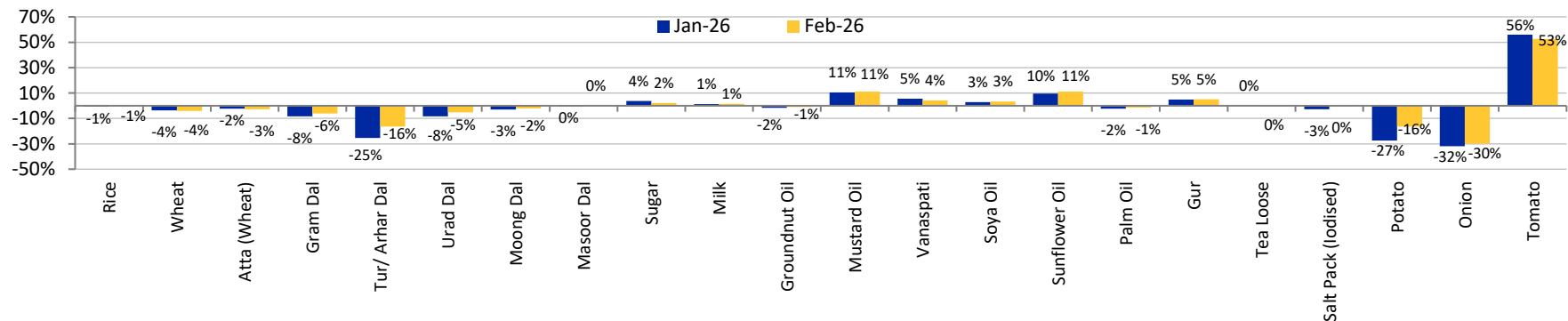
**EXHIBIT: The index for WPI-Industrial raw materials\*\* reported a muted uptick of 0.4% in January 2026 (+0.2% in December 2025), led by higher readings for ATF, HSD, furnace oil, petroleum coke, etc.**



\*\*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 inflation to harden further in February 2026, amid adverse base

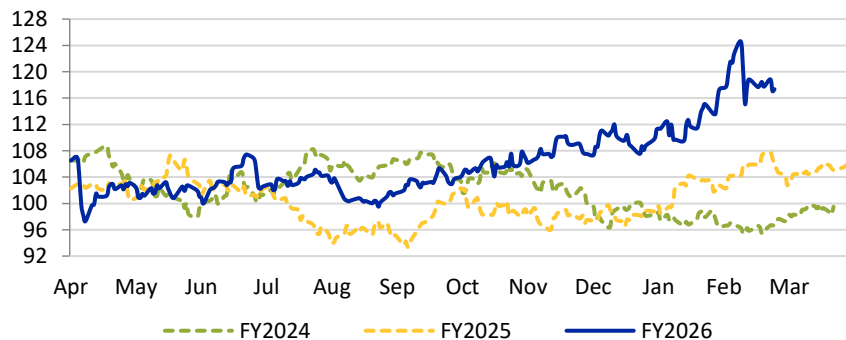
EXHIBIT: YoY trends in wholesale prices in January 2026 and February 2026\*



\*Till February 15, 2026; Source: Department of Consumer Affairs; CEIC; ICRA Research

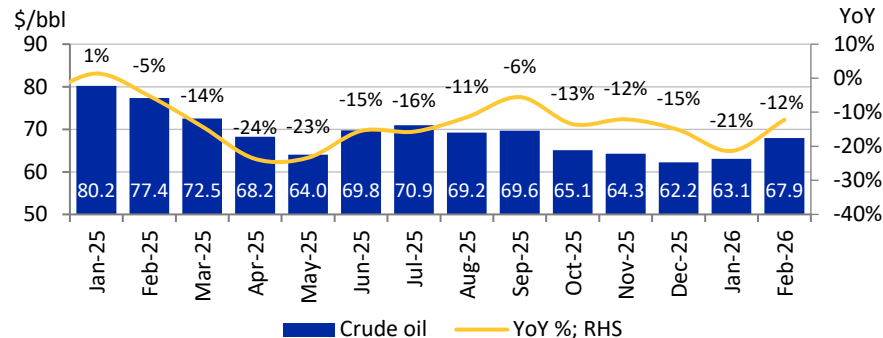
- As per the early data for February 2026 (until Feb 15), the average wholesale prices of as many as 15 of the 22 available food items rose sequentially in the month, including key cereals (rice, wheat, *atta*), most pulses (with warmer-than-usual temperatures expected to impact rabi yields), all edible oils, loose tea, and salt. Among pulses, *tur/arhar dal* (+3.5% MoM vs. -7.7% MoM in February 2025) and *urad dal* (+1.8% vs. -1.5%) reported the highest sequential uptick in February 2026 so far vis-à-vis February 2025, while in the case of edible oils, sunflower (+2.5% vs. +0.9%), palm (+1.6% vs. +0.6%), and soya (+1.3% vs. 0.9%) oil led the rise.
- Among key vegetables (TOP), tomato prices witnessed a steep ~29% MoM decline in February 2026 so far (8-month low of Rs. 26.1/kg during Feb 1-15), offsetting the surge seen in November-December 2025. This was followed by a 5-6% MoM dip in potato (24-month low of Rs. 16.7/kg) and onion (3-month low of Rs. 21.1/kg) prices.
- Notably, on a YoY basis, as many as 16 of the 22 items reported higher readings during February 1-15, 2026 vis-à-vis January 2026. This includes some edible oils, milk, rice, most pulses and some vegetables (potato and onion), which witnessed a narrower deflation. While tomato reported a lower YoY print in February 2026 vis-à-vis January 2026, the inflation level remained elevated at ~53% (amid low base of last year). **Given these trends, ICRA expects the YoY WPI-food inflation to inch up further to a 10-month high of ~2.5% in February 2026 (+6.2% in February 2025) from 1.4% in January 2026 (+7.5% in January 2025), amid an unfavourable base.**

**EXHIBIT: Trends in the Bloomberg commodity price Index**



\*Data for FY2026 is up to February 13, 2026; Source: Refinitiv, ICRA Research

**EXHIBIT: Trends in prices of Indian basket of crude oil**

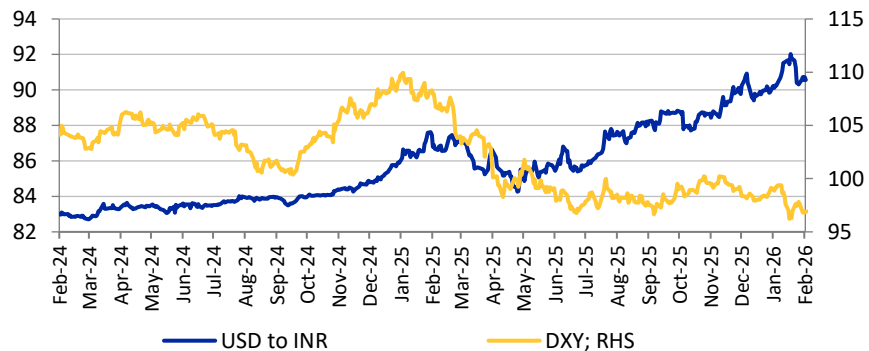


\*Data for February 2026 is up to February 12; Source: PPAC, CEIC, ICRA Research

- Global commodity prices continued to rise in January 2026, with the Bloomberg Commodity Index surging by 5.0% on sequential basis in the month, with the bulk of these gains concentrated in the last week of the month, amid significant gains in precious metals (like gold and silver) during this period. Thereafter, commodity prices have risen further in February 2026 so far (until Feb 13), even though the pace of sequential rise has moderated to 1.7%. On a YoY basis, the index was up by 13.5% in January 2026 and 11.7% in February 2026 so far; the index has recorded double-digit YoY expansion since November 2025.
- The average price of the Indian basket of crude oil has risen quite sharply by 7.7% MoM during February 1-12, 2026, printing at a five-month high of \$67.9/bbl. Besides, on a YoY basis as well, the extent of contraction in such prices has narrowed to 12.2% from 21.4% in January 2026 (partly led by an unfavourable base). Rising US-Iran tensions, status quo on production levels by leading OPEC+ producers (against earlier indication of planned increases), and supply disruptions owing to recent weather-related and operational issues in some countries have led to the surge in crude oil prices in the last few weeks.

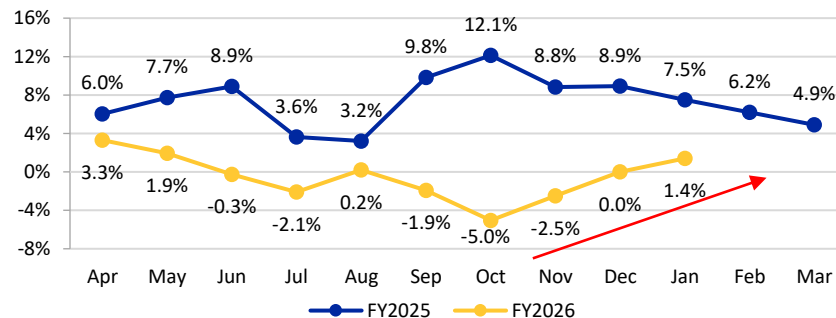
# OUTLOOK: WPI inflation to rise further to 2.0-2.2% in February 2026

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



\*Data for February 2026 is up to February 13; Source: CEIC; RBI; ICRA Research

EXHIBIT: Trends in WPI-food inflation



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

- After breaching the 92-mark on January 28, 2026 and trading above the 91-mark in the last 10 days of January 2026 (average: 91.5), the USD/INR pair has trended around 90-91 levels on most days during February 2026 (until Feb 13); it has averaged at 90.6 in the ongoing month vs. 90.8 in January 2026. This has been supported by the announcement of the US-India trade deal, as well as capital inflows into Indian equities (\$2.2 billion during Feb 1-13, 2026) following months of sustained outflows. While the recent stability in the USD/INR pair augurs well, the lagged impact of the depreciation pressure seen over the last few months is likely to continue to weigh on the landed cost of imports.
- Overall, amid the base effect-led hardening in food inflation, and elevated global commodity price inflation, ICRA expects the YoY WPI inflation to rise further to ~2.0-2.2% in February 2026 from 1.8% in January 2026, while remaining benign.

**Table A.1: Trend in Monthly WPI Inflation**

	Weight	YoY Inflation				MoM
		November-25	November-25	December-25	January-26	January-26
		Initial	Revised	Initial	Initial	Initial
<b>WPI</b>	<b>100.00</b>	<b>-0.3%</b>	<b>-0.1%</b>	<b>0.8%</b>	<b>1.8%</b>	<b>0.5%</b>
<b>Primary Articles</b>	<b>22.62</b>	<b>-2.9%</b>	<b>-2.5%</b>	<b>0.2%</b>	<b>2.2%</b>	<b>-0.2%</b>
- Food	15.26	-4.2%	-4.1%	-0.4%	1.6%	-1.8%
- Non-Food	4.12	2.3%	3.9%	2.9%	7.6%	5.3%
- Minerals	0.83	10.4%	12.2%	11.9%	12.8%	-0.5%
- Crude Petroleum and Natural Gas	2.41	-8.7%	-8.7%	-6.0%	-7.8%	4.3%
<b>Fuel and Power</b>	<b>13.15</b>	<b>-2.3%</b>	<b>-2.3%</b>	<b>-2.3%</b>	<b>-4.0%</b>	<b>-1.6%</b>
- Coal	2.14	0.4%	0.4%	1.0%	1.8%	0.7%
- Minerals Oils	7.95	-3.4%	-3.4%	-3.3%	-5.6%	-1.7%
- Electricity	3.06	-0.9%	-1.1%	-1.8%	-3.6%	-2.9%
<b>Manufactured Products</b>	<b>64.23</b>	<b>1.3%</b>	<b>1.5%</b>	<b>1.8%</b>	<b>2.9%</b>	<b>1.3%</b>
- Food	9.12	0.6%	0.7%	0.9%	1.2%	0.7%
- Non-Food	55.11	1.5%	1.7%	2.0%	3.2%	1.4%

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
		November-25	November-25	December-25	January-26	January-26
		Initial	Revised	Initial	Initial	Initial
<b>Non-Food Manufactured Products</b>	<b>55.11</b>	1.5%	1.7%	2.0%	3.2%	1.4%
Beverages	0.91	0.7%	0.9%	0.7%	1.0%	0.3%
Tobacco Products	0.51	2.5%	2.8%	1.5%	1.4%	0.4%
Textiles	4.88	1.9%	1.9%	1.7%	2.5%	0.9%
Wearing Apparel	0.81	2.2%	2.3%	1.6%	2.1%	0.4%
Leather and Related Products	0.54	1.3%	1.6%	1.3%	0.8%	0.7%
Wood and Products of Wood and Cork	0.77	1.7%	1.4%	2.0%	1.1%	0.1%
Paper and Paper Products	1.11	1.4%	1.4%	1.4%	0.6%	0.1%
Printing and Reproduction of Recorded Media	0.68	1.7%	1.4%	0.5%	0.6%	0.8%
Chemicals and Chemical Products	6.47	0.1%	0.2%	0.4%	0.3%	0.1%
Pharmaceuticals, Medicinal Chemical and Botanical Products	1.99	1.4%	1.6%	1.6%	0.5%	-0.4%
Rubber and Plastics Products	2.30	-0.1%	-0.1%	-0.9%	-0.9%	0.2%
Other Non-Metallic Mineral Products	3.20	0.6%	0.8%	0.8%	0.9%	0.5%
Basic Metals	9.65	-1.2%	-1.2%	-0.1%	6.0%	5.8%
Fabricated Metal Products, except Machinery and Equipment	3.15	0.5%	0.7%	0.3%	0.9%	0.1%
Computer, Electronic and Optical Products	2.01	0.1%	0.1%	-0.2%	0.2%	0.7%
Electrical Equipment	2.93	1.6%	1.9%	1.8%	2.7%	1.0%
Machinery and Equipment	4.79	1.9%	1.8%	2.0%	1.4%	-0.2%
Motor Vehicles, Trailers and Semi-Trailers	4.97	0.8%	0.8%	0.3%	0.3%	0.1%
Other Transport Equipment	1.65	4.1%	4.2%	4.0%	5.0%	0.9%
Furniture	0.73	0.7%	0.7%	1.9%	1.5%	-0.1%
Other Manufacturing	1.06	31.0%	36.0%	45.5%	47.8%	4.2%

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