Macro Insights

14th September 2026

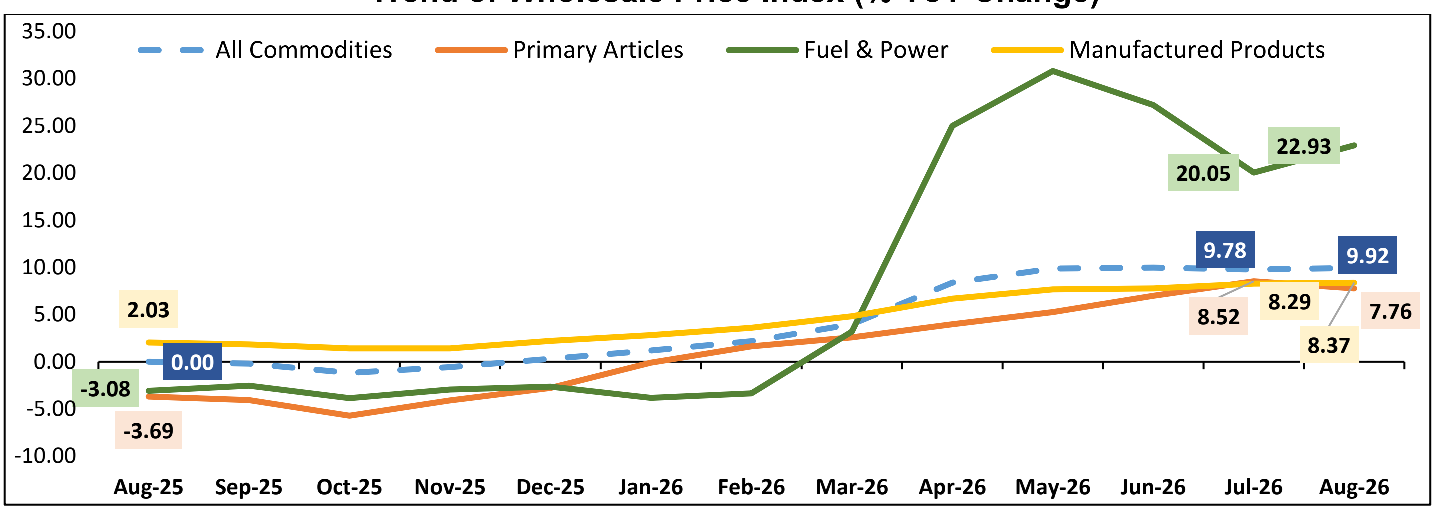
WPI inflation increases to 9.92% in Aug’26

Wholesale Price Index inflation rose to 9.92% in August 2026 from 9.78% in July 2026.

Highlights

- Wholesale price pressures remained elevated in Aug’26, with uptick visible across fuel & power, food items and manufactured products.
- Inflation in Food Articles increased to 5.67% in Aug’26 from 5.44% in Jul’26, while the Food Index rose to 7.05% from 6.65% in the previous month.
- Price pressures in Fuel & Power intensified during Aug’26, with inflation rising sharply to 22.93% from 20.05% in Jul’26.
- Inflation in Manufactured Products, the largest component in the WPI basket, increased marginally to 8.37% in Aug’26 from 8.29% in Jul’26.

Trend of Wholesale Price Index (% YoY Change)



Data Source: Office of Economic Adviser, Ministry of Commerce & Industry

A. Components of WPI

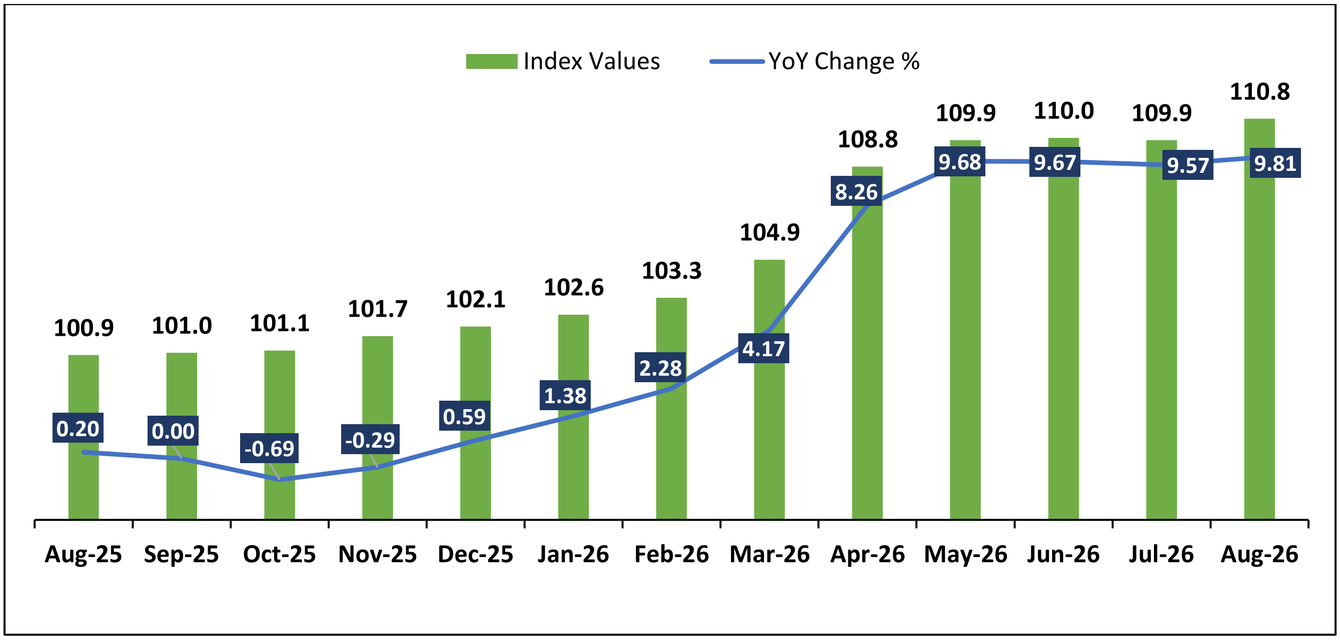
WPI Inflation YoY (%)	Primary Articles		Fuel & Power		Manufactured Products		Food Index *(Part of Primary Articles & Manufactured Products)*		All Commodities	
Weights	**22.76%**		**14.11%**		**63.13%**		**24.99%**		**100%**	
	2025	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**
June	-2.95	7.00	-3.00	27.18	1.21	7.78	-1.62	6.23	-0.40	9.97
July	-4.51	8.52	-3.73	20.05	1.32	8.29	-2.05	6.65	-0.79	9.78
August	-3.69	7.76	-3.08	22.93	2.03	8.37	-1.95	7.05	0.00	9.92

Data Source: Office of Economic Adviser, Ministry of Commerce & Industry

Producer Price Indices

B. Output Producer Price Index (OPPI)

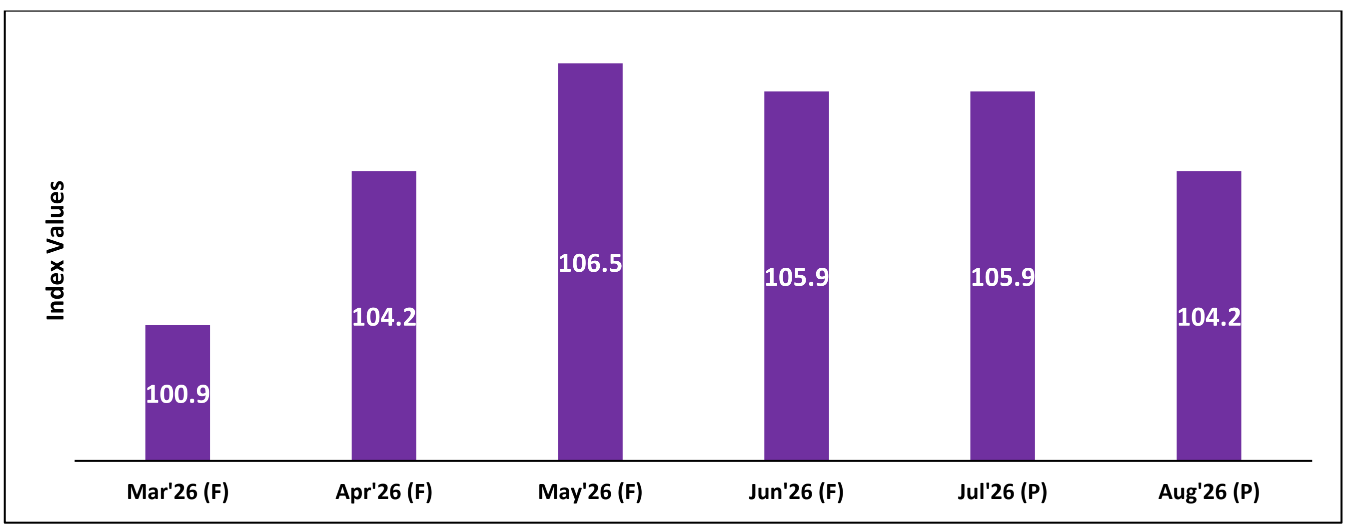
- All-India OPPI increased by 9.81% YoY to 110.8 in August 2026. Across major categories, Mining and Quarrying recorded inflation of 15.09% YoY, compared with 14.04% in the previous month, while Electricity registered contraction of 1.73%, against an increase of 1.09% last month.



Data Source: Office of Economic Adviser, Ministry of Commerce & Industry

C. Trial Input Producer Price Index (IPPI)

- The Trial IPPI for the manufacturing sector declined to 104.2 in August 2026 from 105.9 in the previous month, registering a sequential decline of 1.61%.



F – Final; P – Provisional; Data Source: Office of Economic Adviser, Ministry of Commerce & Industry

Views:

- Fuel & Power remained the key driver of wholesale price pressure in Aug'26, with inflation in the category rising to 22.93% from 20.05% in Jul'26. Within this segment, Mineral Oil inflation increased to 38.48% from 32.40%, while inflation in Crude Petroleum & Natural Gas rose to 34.41% from 26.99%.
- The increase in manufactured-product inflation points to a widening of price pressures across the production chain, with chemicals, food products, textiles, metals and electrical equipment reflecting broader pipeline pressures rather than a movement confined to specific commodities.
- The WPI Food Index increased to 7.05% from 6.65%, signaling renewed food-price risks. The future trajectory may be shaped by monsoon conditions, crop arrivals, logistics, and elevated fertiliser and energy costs.
- The uptick in WPI inflation appears to be largely cost-push in nature, as higher input costs, including crude oil, petroleum products, chemicals, metals and food-processing inputs continue to exert pressure. These pressures may either weigh on producer margins or be passed on to consumers.
- Brent oil prices crossed USD 105/bbl in September 2026, compared with an average of USD 91/bbl in August 2026, making energy prices a key external risk. Moreover, elevated fertiliser prices and supply disruptions linked to the West Asia conflict and the Strait of Hormuz could affect import costs, the trade balance, the rupee and the fiscal position.
- Going forward, the key monitorable would be the extent of transmission from wholesale cost pressures to retail prices. If the demand remains subdued, then there is likelihood of limited immediate pass-through, however, sustained input-cost pressures may eventually feed into consumer prices.

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For any feedback or valuable suggestions: *Reach us at* ***eicsmead@pnb.bank.in***