Macro Insights

14th July 2026

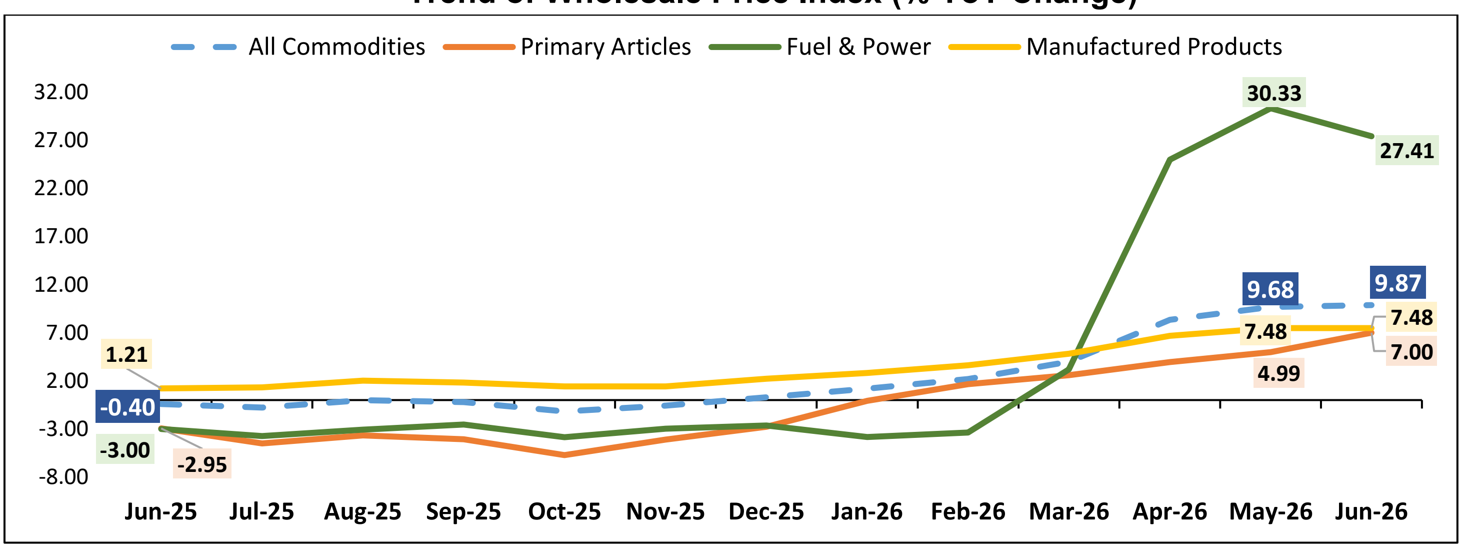
WPI inflation edged up further to 9.87% in Jun'26

Wholesale Price Index rose further to 9.87% in Jun'26 as against 9.68% in May'26 as measured by new base year 2022-23.

Highlights

- The acceleration in WPI was attributed to higher prices of food articles, mineral oils, basic metals, and chemicals and chemical products etc.
- Food inflation rose to 6.14% in Jun'26 (18-months high) from 4.49% in May'26, with a broad-based price rise across sub-categories.
- Inflation in Fuel & Power category eased from previous month high but remained elevated at 27.41% YoY in Jun'26 as against 30.33% recorded in May'26, led by lower inflation in Crude petroleum & natural gas.
- Inflation in Manufactured products, which carry the highest weight in the WPI basket remained at the same level of 7.48% in Jun'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**
April	-0.28	3.96	-3.48	25.00	1.83	6.68	1.58	3.29	0.60	8.36
May	-1.63	4.99	-5.45	30.33	1.42	7.48	0.09	4.49	-0.20	9.68
June	-2.95	7.00	-3.00	27.41	1.21	7.48	-1.62	6.14	-0.40	9.87

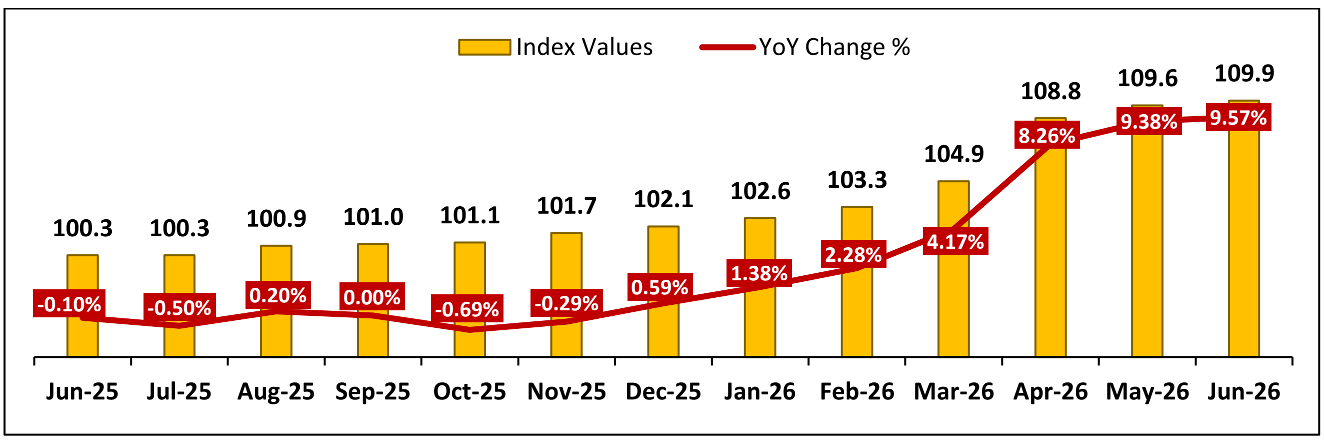
Data Source: Office of Economic Adviser, Ministry of Commerce & Industry

- Along with the new WPI series, the Govt. has introduced Output Producer Price Index (OPPI), Trial Input Producer Price Index (IPPI), and Service Producer Price Indices (PPI), marking India's gradual transition towards a producer price-based inflation framework.
- WPI and PPI will be released concurrently for the next five years to facilitate a smooth transition, after which WPI is proposed to be discontinued.
- The transition from WPI to PPI is in alignment with the global best practices adopted by advanced economies and the recommendations of the International Monetary Fund (IMF).

Producer Price Indices

B. Output Producer Price Index (OPPI)

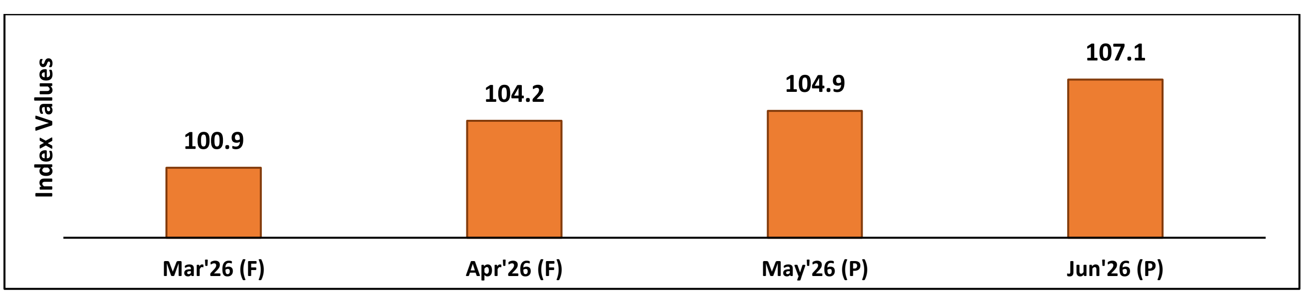
- The OPPI with base year 2022-23 provides a measure of price changes received by domestic producers for their output. The index is compiled on monthly basis using basic prices.
- All India OPPI rose to 109.9 in Jun'26 (9.57% YoY) from 109.6 in May'26 (9.38% YoY). It is driven by Agriculture, Forestry and Fishing category that witnessed an inflation of 6.54% YoY in Jun'26 vs 4.58% last month. Therefore, the YoY change in OPPI is closely tracking with the WPI bringing more clarity to assess the transmission of input cost pressures into output prices.



Data Source: Office of Economic Adviser, Ministry of Commerce & Industry, PNB (EIC)

C. Trial Input Producer Price Index (IPPI)

- A Trial IPPI (only for the manufacturing sector) has been introduced on an experimental basis from March 2026 onwards. The index measures price movements of inputs used by manufacturers, helping assess the extent of cost pressures faced by producers and how it is passed on to output produced. It is compiled using purchasers' prices.



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

Views:

- Wholesale inflation remained elevated in Jun’26, marking the third consecutive month of high wholesale prices (>8.0%). Subsequently, overall WPI inflation rose to 9.30% (YoY) in Q1 FY27, significantly higher than 2.45% (YoY) witnessed in Q4 FY26.
- In Jun’26, Food prices emerged as a key source of inflationary pressure unlike the previous month when Fuel & Power led the rise. While inflation in crude petroleum, natural gas, and mineral oils softened from the exceptionally high levels recorded in May’26, these segments remain the single largest contributors to WPI inflation. This reflects the lingering impact of global commodity price volatility and geopolitical tensions on domestic input costs.
- Manufactured Products inflation remained unchanged at 7.48%, indicating persistent cost pressures across the industrial sector. Elevated inflation in basic metals (12.31%), chemicals & chemical products (12.78%), electrical equipment (11.03%) and textiles (10.85%), points to sustained input-cost pass-through and resilient pricing power across several manufacturing segments. It suggests that producer-level cost pressures have yet to fully subside despite some easing in energy prices.
- Going forward, the WPI inflation is expected to remain elevated in Jul’26 with continued upside pressures from both food and energy categories. Food inflation is also anticipated to remain elevated due to rising supply-side disruptions from deficient monsoon rains and higher imported energy costs. The recent moderation in energy prices may provide some relief, but its durability remains uncertain after the renewed tensions between the US and Iran. It has led to a sharp rebound in crude oil prices, climbing past $80 per barrel from roughly $65 per barrel in early July’26.

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