Macro Insights

14th October 2026

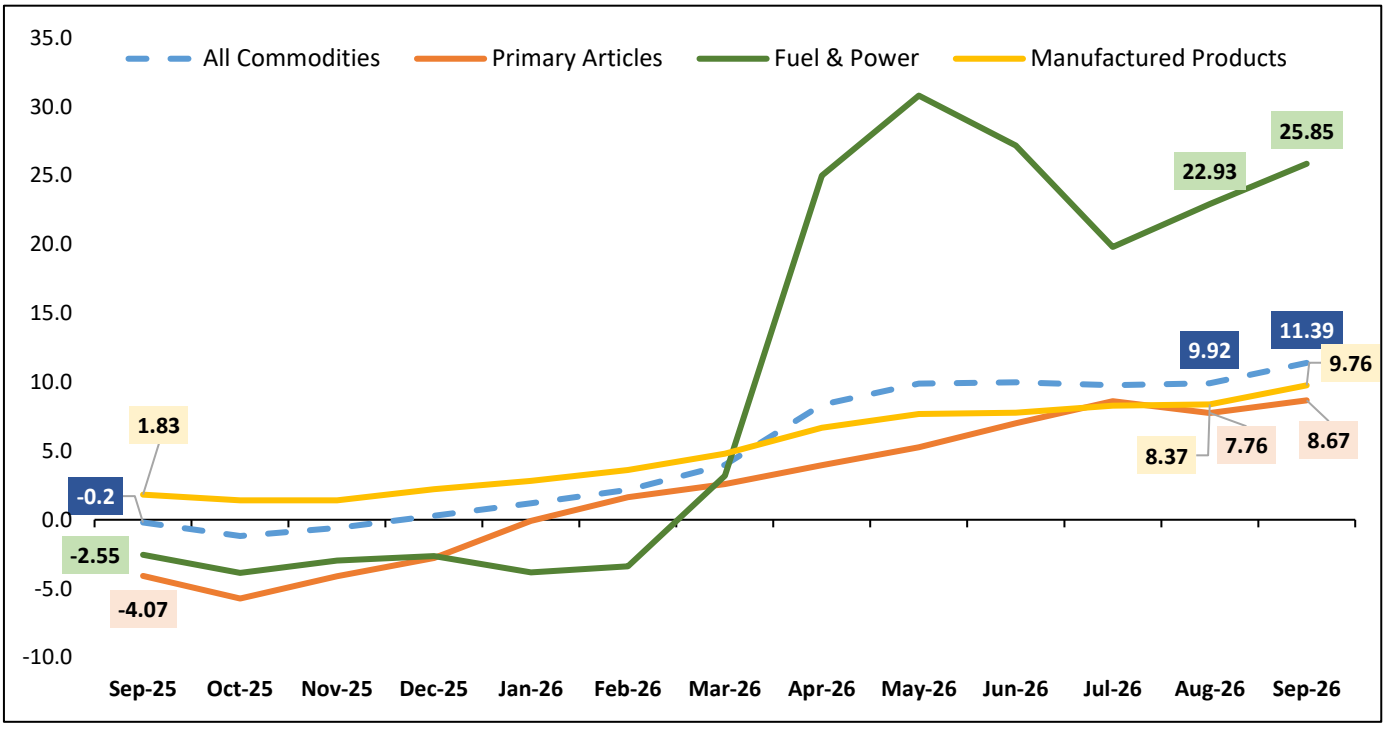
WPI inflation increases to 11.39% in Sep'26

Wholesale Price Index inflation rose to 11.39% in September 2026 from 9.92% in August 2026.

Highlights

- Wholesale price pressures rose significantly in Sep'26, driven by rising prices of fuel and power, food items and manufactured products.
- Inflation in Food Index increased by 161 bps to 8.66% in Sep'26 from 7.05% in Aug'26.
- Inflation in Fuel & Power accelerated to 25.85% in September 2026 from 22.93% in the previous month, reflecting heightened energy price pressures.
- Inflation in Manufactured Products, the largest component of the WPI basket, rose to a high of 9.76% in Sep'26 from 8.37% in Aug'26.

Trend of Wholesale Price Index (% YoY Change)



Data Source: Office of Economic Adviser

A. Components of WPI

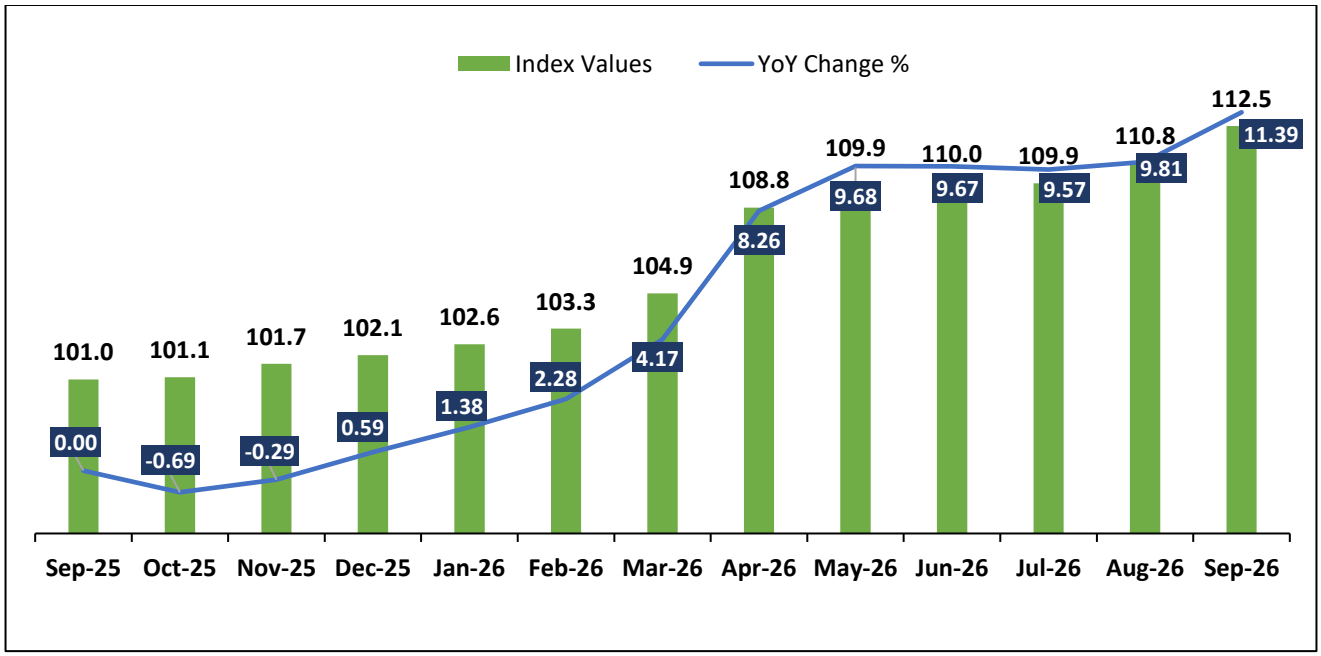
WPI Inflation YoY (%)	Primary Articles	Fuel & Power	Manufactured Products	Food Index *(Part of Primary Articles & Manufactured Products)*	All Commodities
Weights	**22.76%**	**14.11%**	**63.13%**	**24.99%**	**100%**
July	8.61	19.82	8.29	6.56	9.78
August	7.76	22.93	8.37	7.05	9.92
September	8.67	25.85	9.76	8.66	11.39

Data Source: Office of Economic Adviser

Producer Price Indices

B. Output Producer Price Index (OPPI)

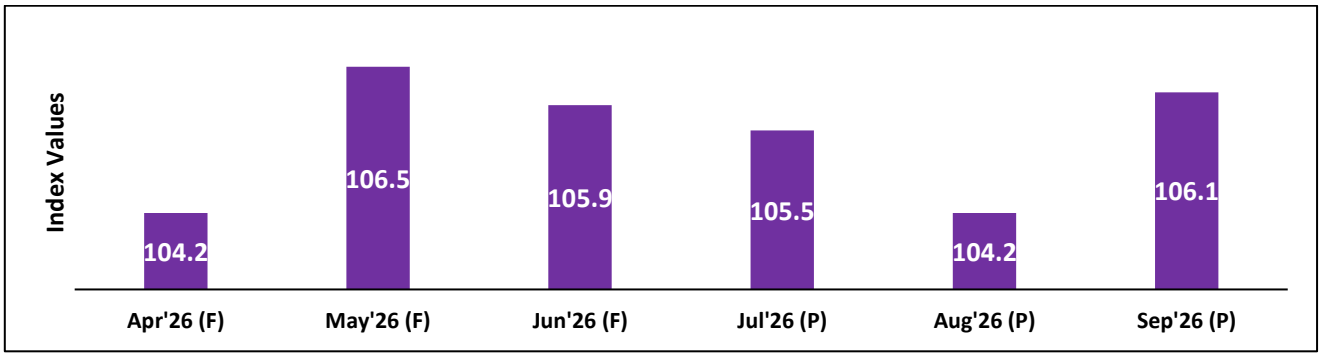
- All-India OPPI accelerated to 11.39% YoY in Sep'26 from 9.81% in Aug'26, reflecting a broad-based increase in prices across sectors. Manufacturing and mining recorded OPPI of 12.6% and 21.3%, respectively, indicating the continued pass-through of elevated crude petroleum, natural gas and other input costs.



Data Source: Office of Economic Adviser

C. Trial Input Producer Price Index (IPPI)

- The Trial IPPI for the manufacturing sector increased to 106.1 in Sep'26 from 104.2 in the previous month, registering a sequential increase of 1.82%.



F – Final; P – Provisional; Data Source: Office of Economic Adviser

Views:

- Elevated global commodity prices and the pass-through of input cost pressures pushed WPI inflation to a series-high in September 2026, with an unfavourable base effect further amplifying the increase.
- Persistently high global energy and commodity prices, amid escalating geopolitical tensions, continue to pose upside risks, with the Indian crude oil basket trading at $117–127 per barrel in October so far, adding to production and transportation costs.
- Uneven and below-normal monsoon rainfall has weakened the agricultural outlook, raising the risk of elevated food inflation through H2 FY2027, further compounded by adverse base effects.
- While recent RBI measures may help moderate demand-side pressures, elevated global crude oil prices, weather-related disruptions to agricultural output and rising input costs pose persistent supply-side risks, warranting mix of monetary and supply-side measures to contain inflation.
- The ongoing festive season is supporting manufacturing and supply activity to meet heightened demand, however, if elevated cost pressures persist, manufacturers may moderate production and supply, potentially weighing on industrial activity and overall growth prospects.
- Going forward, WPI inflation is expected to rise further in October 2026, reflecting hardening food prices, elevated energy costs and an unfavourable base effect.

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