Chhavi Sachdeva, Economic Intelligence Cell

Macro Insights

13th July 2026

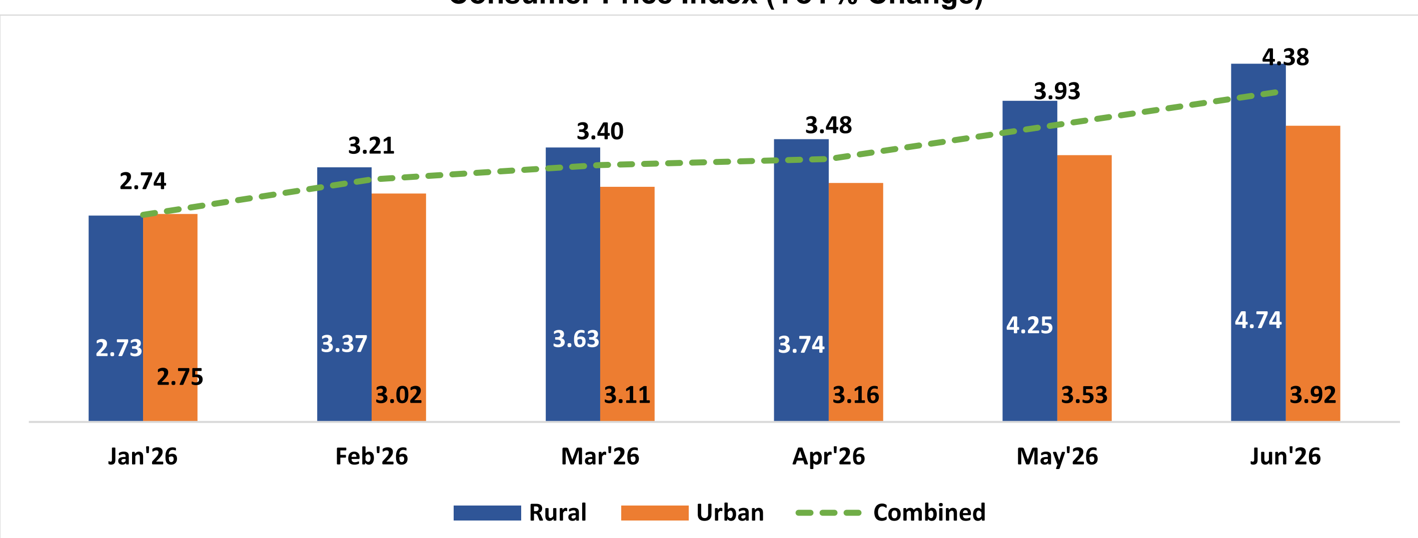
CPI inflation escalates in Jun'26

India's consumer inflation **rose to 4.38% in June'26**, up by 45 bps from 3.93% in May'26

Highlights:

- Rural Inflation has increased to 4.74% in June'26 as compared to 4.25% in the previous month, while Urban inflation has increased to 3.92% as compared to 3.53% for the same period.
- Food Inflation has accelerated to 5.32% in June'26 as compared to 4.78% for May'26.
- Housing inflation rate for the month of June'26 is 2.10% and the corresponding inflation rates for rural and urban are 2.66% and 1.90% respectively.
- Top 5 items which recorded highest inflation in the month of Jun'26 are Silver Jewellery, Ginger, Gold/Diamond/Platinum Jewellery, Tomato and Raisins & Monacca.
- Top five States (having more than 50 lakhs population as per Census 2011) with highest inflation in June'26 are Telangana, Andhra Pradesh, Tamil Nadu, Odisha and Madhya Pradesh. However, Telangana has remained the state with the highest inflation since Jan'26.

Consumer Price Index (YoY% Change)



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National Level Division Wise Inflation Rate (%)

Sectors	May'26(%)	Jun'26(%)
Personal Care, Social Protection and miscellaneous goods & services	18.46	16.72
Restaurant & accommodation	5.75	6.91
Food & Beverages	4.55	5.05
Pan, Tobacco & intoxicants	4.83	4.83
Transport	1.75	4.31
Education Services	2.99	3.34
Clothing & Footwear	2.98	3.23
Furnishing, Household equipment	1.89	2.19
Housing, water, electricity, gas & other fuels	1.73	1.99
Recreation, sports culture	1.98	1.75
Health	1.49	1.42
Information & Communication	0.30	0.43

Views & Analysis

- The latest consumer price index (CPI) reading crossed the Reserve Bank of India's medium-term inflation target of 4% for the first time in 17 months, marking the end of an extended phase of relatively subdued inflation.
- Headline inflation rose as higher food and fuel prices escalated due to prolonged geopolitical tensions in West Asia, pass-through effects of diesel and petrol price hikes, and concerns over an uneven monsoon kept price pressures elevated.
- Uptick in sectors like Restaurant & accommodation, Food & Beverages, Transport, Education Services, Clothing & Footwear and Furnishing, Household equipment.
- The inflation data continues its uptrend, with much of the increase being led by higher food prices and partial impact of the pass through of the fuel price hike.
- In addition to food items, the non-food component may also put pressure on the headline CPI print, partly due to the pass-through of higher fuel prices to other items.
- Going forward, diesel and petrol price hikes may continue to exert cascading inflationary pressure. However, if the West Asia crisis eases or crude prices remain around $70 per barrel, inflation may cool down in the coming months.

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