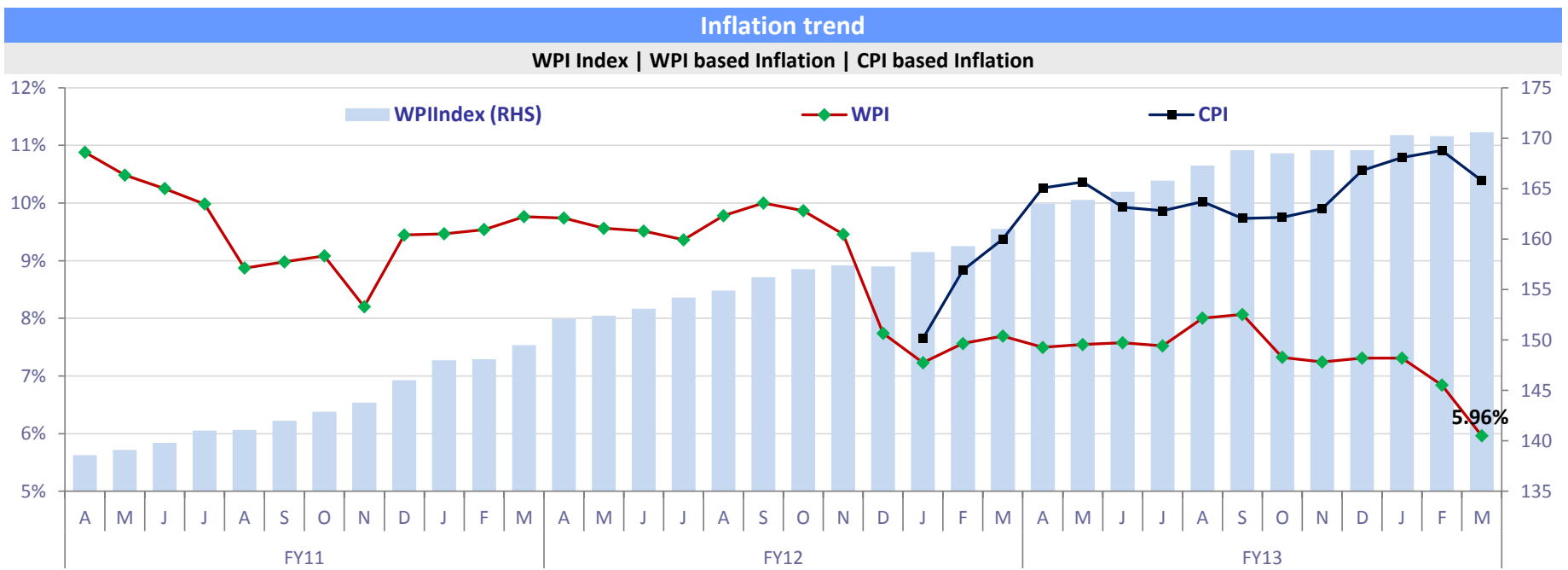


# WPI Inflation - March 2013

Inflation stood at its 40 months low @ 5.96% against expectations of 6.40%

Inflation for Jan'13 is revised upward by 70 bps from 6.61% to 7.31% | Food Inflation is ebbing

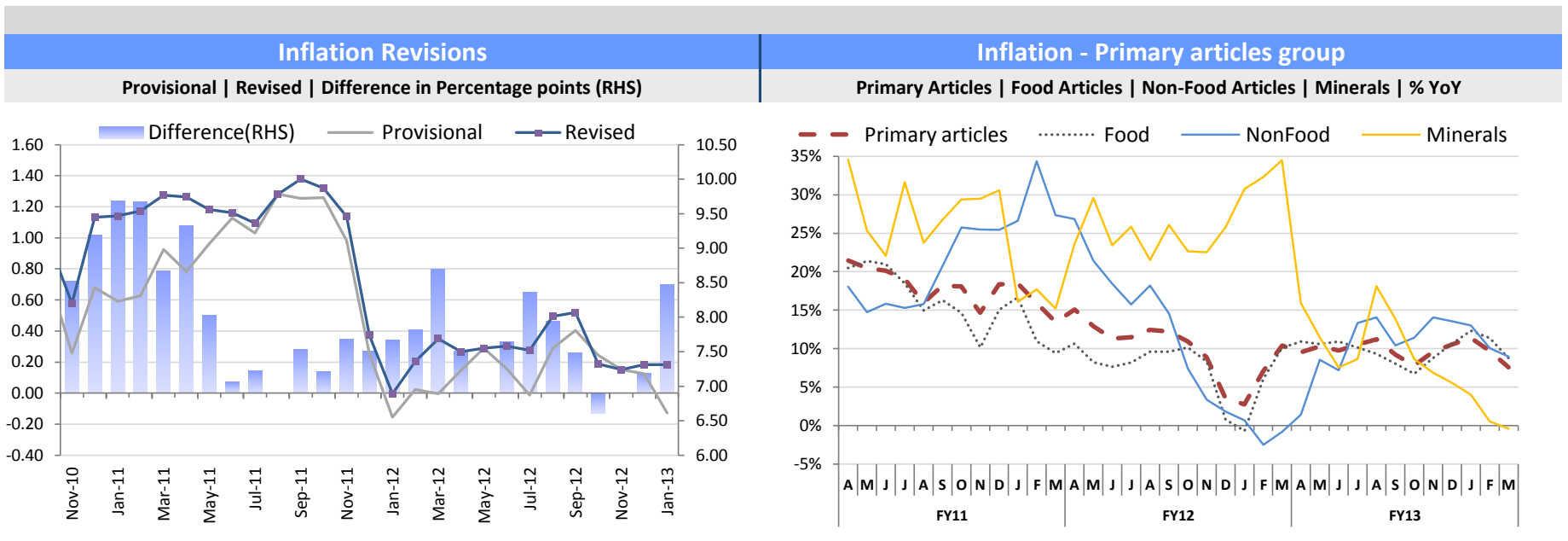


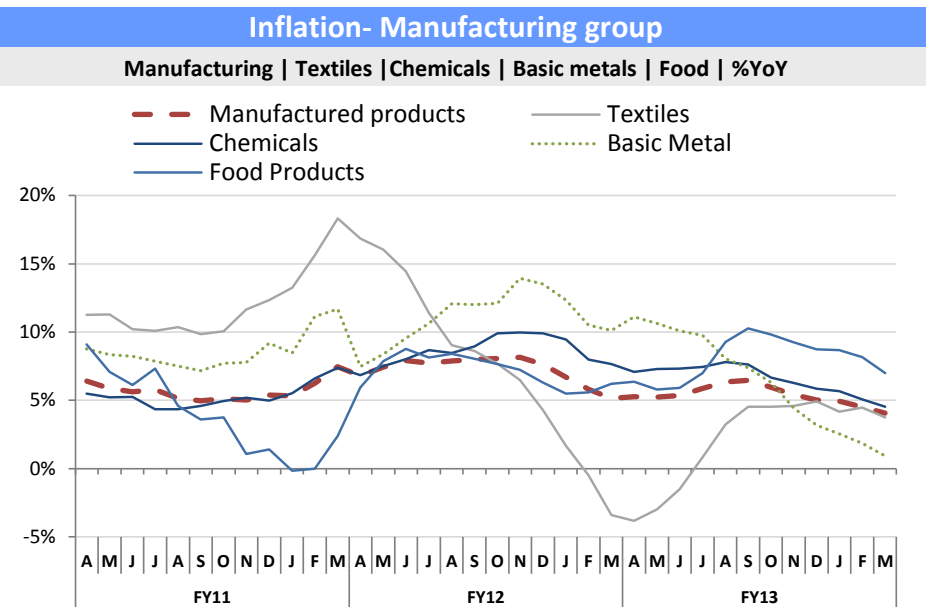
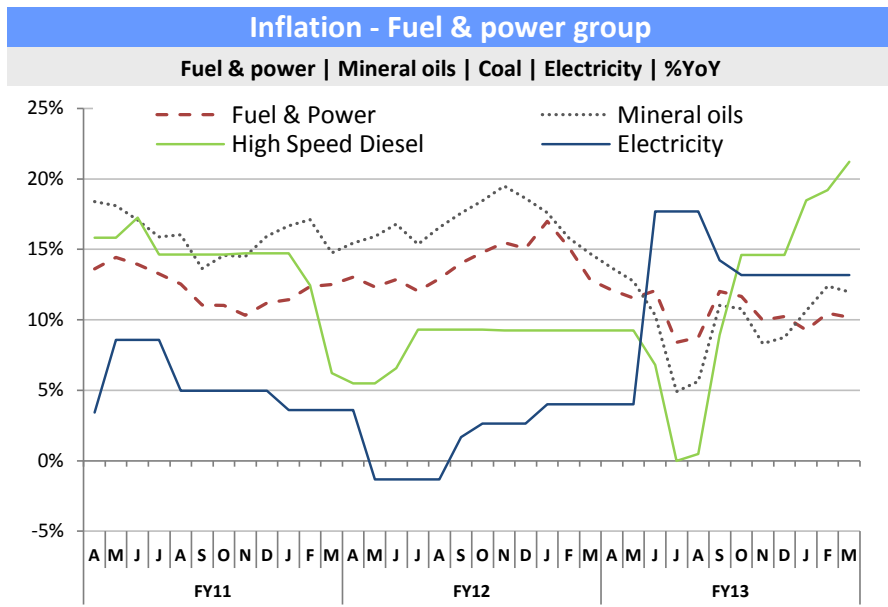
WPI based inflation stood at 40 months low at 5.96% in Mar'13 against expectations of 6.40%. Comparatively inflation stood at 6.84% in Feb'13 and 7.69% in Mar'12. Inflation in FY13 stood at 4.34% against 5.85% in FY12. Inflation for the month of Jan'13 has been revised upward by 70 bps from 6.61% to 7.31%.

Inflation amongst the broad sub-groups of manufacturing, fuel & power and primary articles stood at 4.07%, 10.18% and 7.60% respectively (4.51%, 9.70% and 10.47% in Feb'13). Food which constitutes 71.27% of primary articles is showing signs of easing from its elevated level (11.4% in Feb'13 to 8.7% in Mar'13) which resulted in moderation of the index. Primary articles, Fuel & Power and Manufactured products contributed 26.89%, 26.67% and 46.44% respectively towards the rise in WPI Index.

On M-O-M basis, the index rose by 0.24%. Primary articles, fuel & power and manufactured products grew by 0.40%, 0.36% and 0.13% respectively. CPI inflation for Mar'13 stood at 10.39% against 10.91% in Feb'13 which suggests moderation in inflation at retail level.

Overall, the macro scenario seems to be improving with inflation remaining below 6% and Industrial production growth reviving. All these factors would guide the RBI in its upcoming monetary policy meet on 3rd May 2013.





Y-O-Y Growth (%)	Weights	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Mar-12	Apr-Mar'13	Apr-Mar'12
<b>All Commodities</b>	<b>100</b>	<b>7.32%</b>	<b>7.24%</b>	<b>7.31%</b>	<b>7.31%</b>	<b>6.84%</b>	<b>5.96%</b>	<b>7.69%</b>	<b>4.34%</b>	<b>5.85%</b>
Primary Articles	20.12	7.81%	9.56%	10.56%	11.41%	9.70%	<b>7.60%</b>	10.41%	3.71%	5.59%
Fuel & Power	14.91	11.65%	9.97%	10.25%	9.27%	10.47%	<b>10.18%</b>	12.82%	9.56%	11.47%
Manufactured	64.97	5.95%	5.41%	5.04%	4.95%	4.51%	<b>4.07%</b>	5.16%	3.20%	4.39%
<b>Primary Articles</b>										
Food	14.34	6.72%	8.80%	10.63%	12.35%	11.38%	<b>8.73%</b>	10.11%	3.43%	5.51%
Non-Food	4.26	11.43%	14.04%	13.56%	13.00%	10.06%	<b>8.95%</b>	-0.78%	6.16%	-1.20%
Minerals	1.52	8.63%	6.88%	5.57%	4.03%	0.57%	<b>-0.39%</b>	34.48%	1.56%	18.18%
<b>Fuel &amp; Power</b>										
Coal	2.09	13.92%	13.92%	13.92%	0.14%	0.00%	<b>0.05%</b>	13.92%	0.05%	13.92%
Mineral oils	9.36	10.79%	8.31%	8.76%	10.64%	12.40%	<b>11.98%</b>	14.68%	11.05%	12.74%
Electricity	3.45	13.16%	13.16%	13.16%	13.16%	13.16%	<b>13.16%</b>	4.00%	13.16%	4.00%
<b>Manufactured</b>										
Food Products	9.97	9.82%	9.25%	8.74%	8.68%	8.16%	<b>7.01%</b>	6.20%	6.05%	5.40%
Textiles	7.32	4.52%	4.59%	4.91%	4.18%	4.47%	<b>3.75%</b>	-3.40%	3.11%	-4.41%
Chemicals	12.02	6.66%	6.27%	5.86%	5.66%	5.08%	<b>4.53%</b>	7.66%	3.71%	6.26%
Basic metals	10.75	6.32%	4.45%	3.18%	2.54%	1.85%	<b>0.92%</b>	10.11%	-0.66%	9.38%
<b>World Food Prices</b>	<b>Jul-12</b>	<b>Aug-12</b>	<b>Sep-12</b>	<b>Oct-12</b>	<b>Nov-12</b>	<b>Dec-12</b>	<b>Jan-13</b>	<b>Feb-13</b>	<b>Mar-13</b>	<b>Mar-12</b>
<b>FAO Index (y-o-y)</b>	-7.92%	-7.83%	-4.15%	-0.62%	-2.06%	0.01%	-1.16%	-2.31%	<b>-1.68%</b>	-6.89%
<b>FAO Index (m-o-m)</b>	6.24%	-0.18%	1.50%	-0.57%	-1.18%	-0.57%	-0.20%	0.15%	<b>0.80%</b>	0.17%

Research Analyst- Rahul Chandalia | Email: rahul.chandalia@spagroupindia.com | Tel.: 033-4011-4800

Research Analyst- Soumasree Banerjee | Email: s.banerjee@spagroupindia.com | Tel.: 033-4011-4800

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