

# TRENDS & TIDES

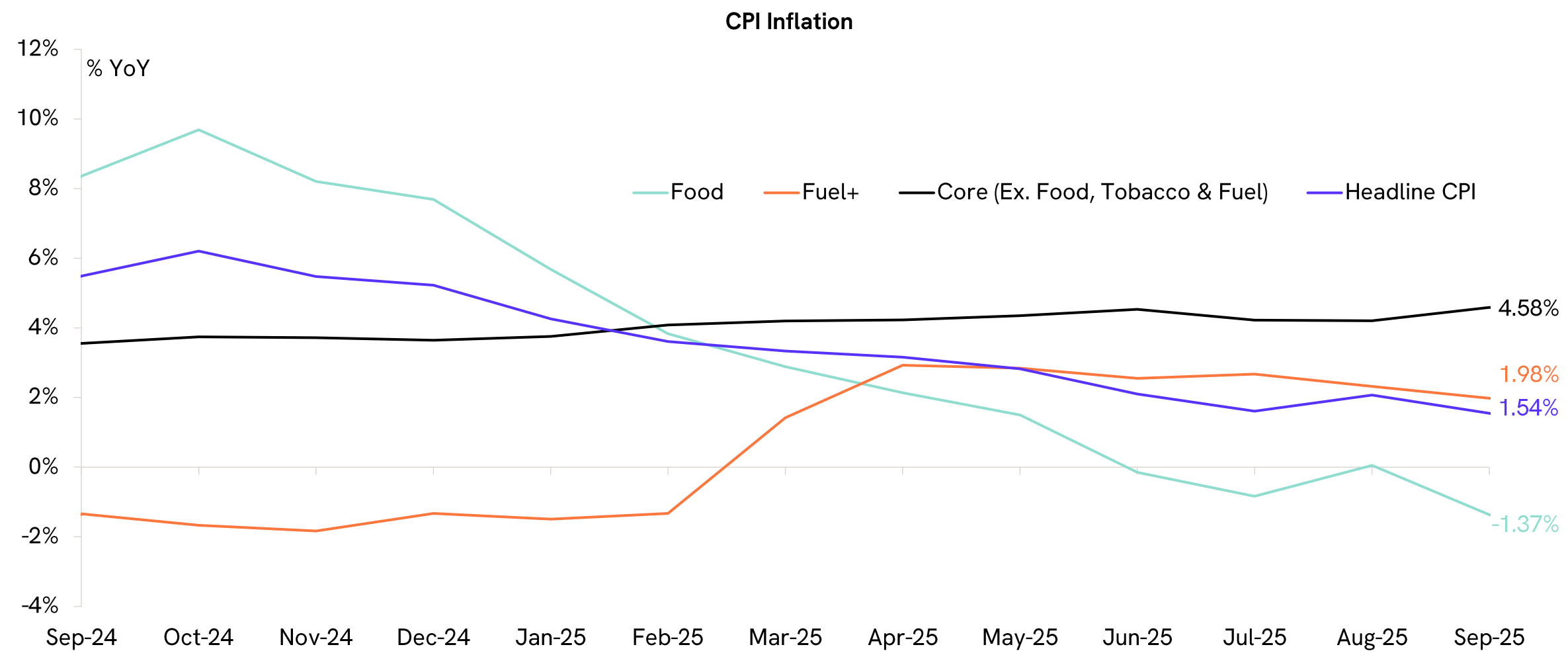
**India's retail inflation eases  
to 1.54% YoY in  
September 2025,  
the lowest since June 2017**



# CPI inflation falls to 1.54% YoY in Sep'25, driven by deflation in food prices

Food inflation prints at -1.37% YoY in Sep'25, down from 0.05% YoY in Aug; core inflation picks up to 4.58% YoY

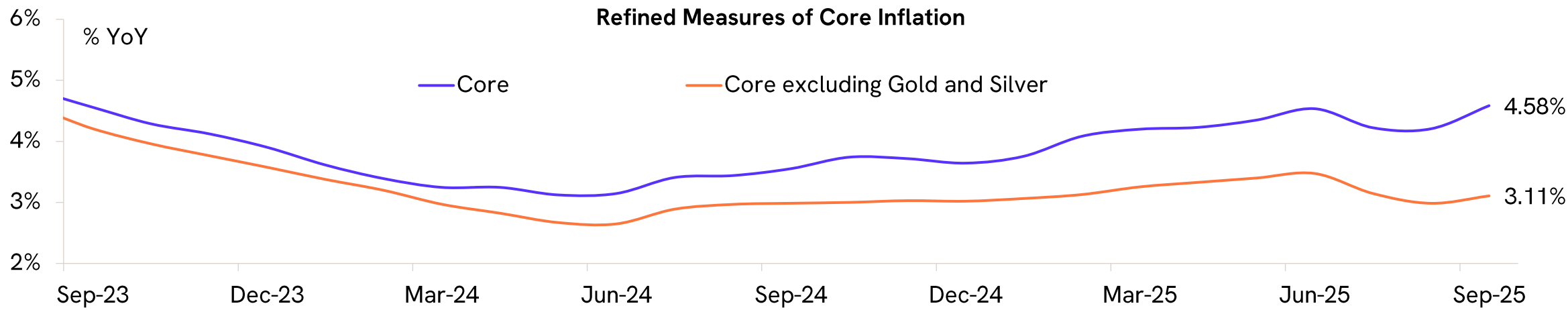
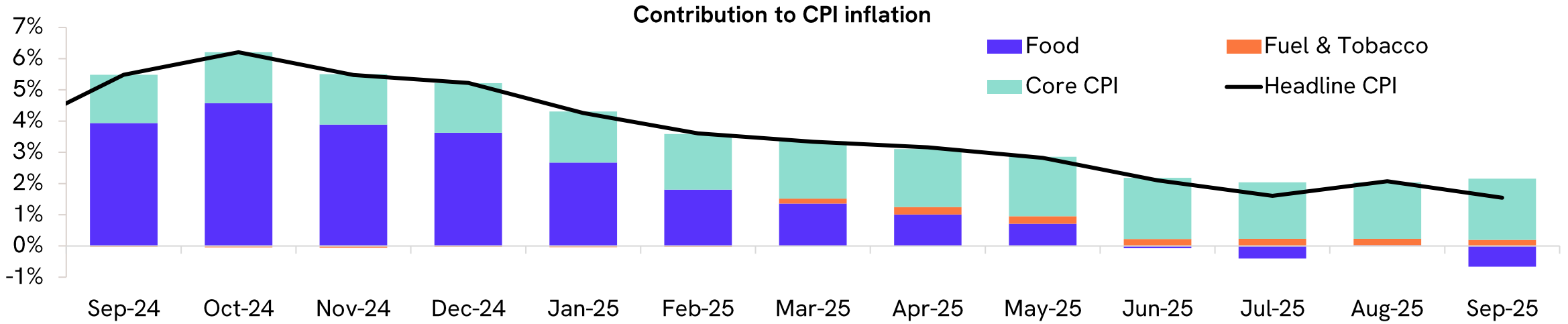
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Source: MOSPI, 360 ONE Asset Research

# A decline in the contribution from food leads to a decrease in inflation

Core inflation is primarily led by higher gold prices; core inflation excluding gold & silver stands at 3.1% YoY in Sep

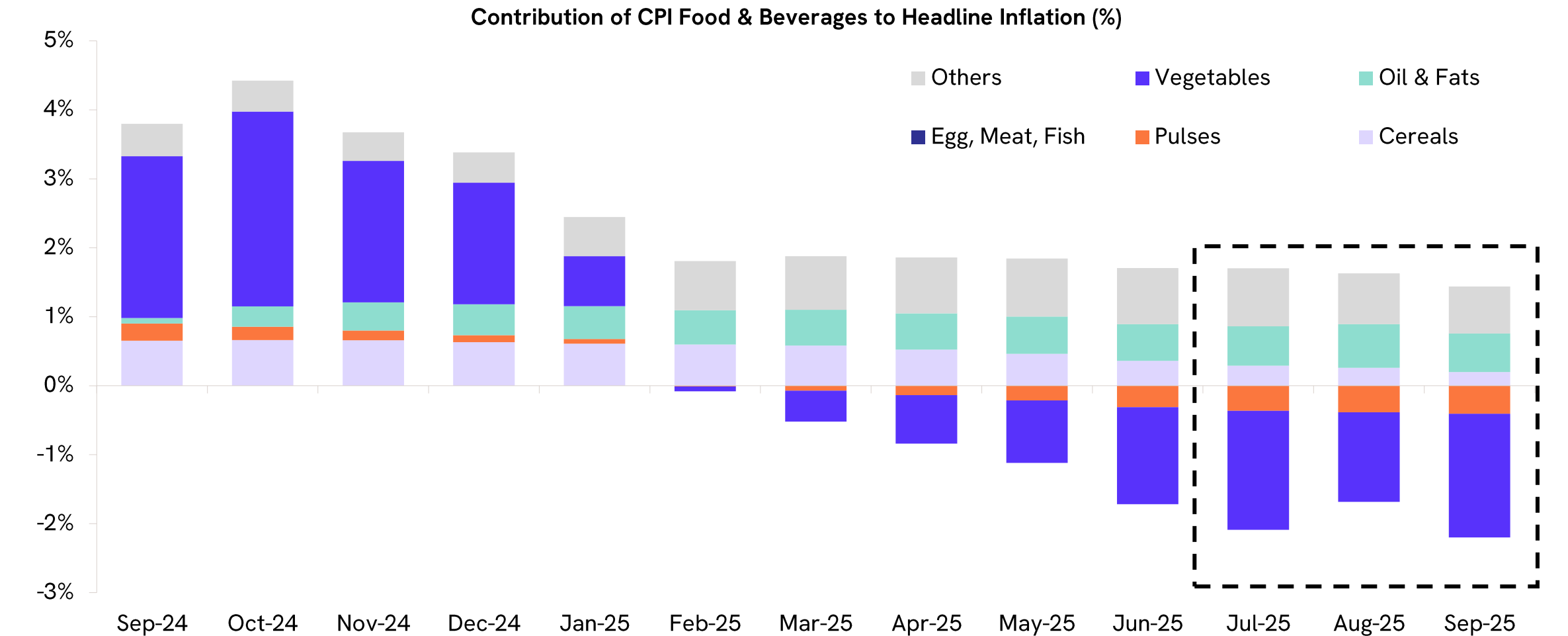


Source: CMIE, 360 ONE Asset Research

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# Within food, a fall in the contribution from vegetables drives inflation lower

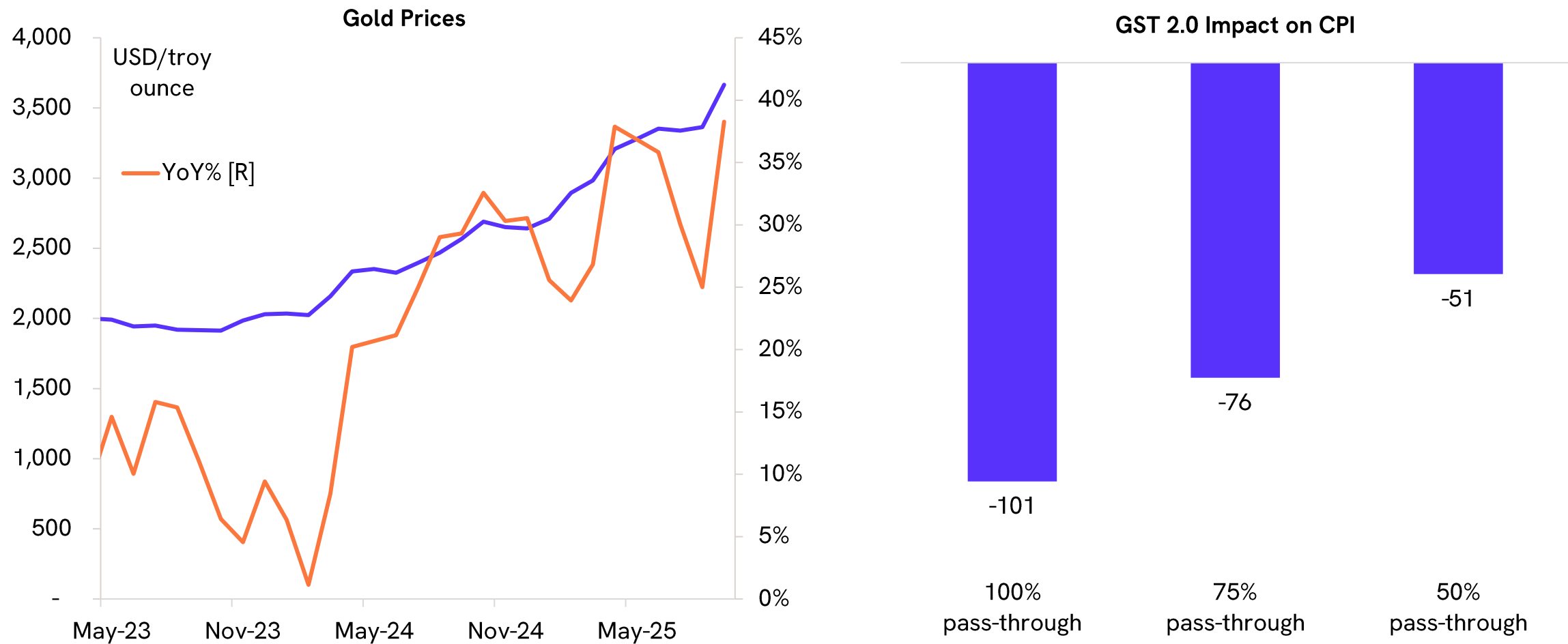
Vegetable inflation decreases to -21.4% YoY in Sep'25 from -15.9% YoY in the previous month



Source: MOSPI, 360 ONE Asset Research

# A steady rise in gold prices may keep the core inflation elevated

However, GST reductions to exert downward pressure on inflation, though the extent of the impact remains uncertain

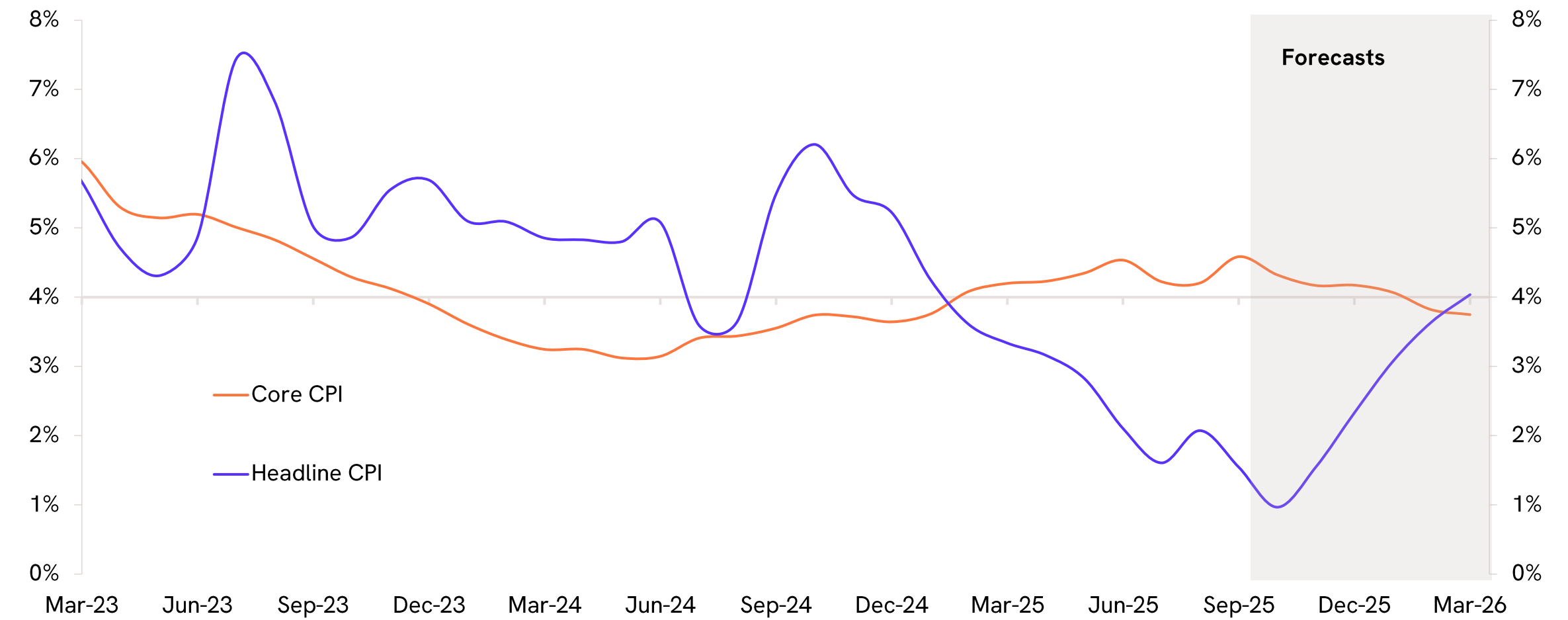


Source: CMIE, Kotak Institutional Equities, 360 ONE Asset Research

# Outlook: FY26 inflation likely to undershoot the RBI's latest projection of 2.6%

We expect additional monetary easing in the current cycle, with a 25-bps rate cut likely in the next policy meeting

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Source: MOSPI, 360 ONE Asset Research

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