

TRENDS & TIDES

India's retail inflation rises to
2.75% YoY in January 2026
under the new series



Inflation prints at 2.75% in Jan'26 (new series), up from 1.33% in Dec'25

Inflation is moderate across most categories, except for the personal care+ segment, which is lifted by precious metal prices

asset
360
ONE

Division Name	Inflation %YoY		
	Rural	Urban	Combined
Food and Beverages	2.0	2.4	2.1
Paan, Tobacco and Intoxicants	2.7	3.2	2.9
Clothing and Footwear	3.4	2.3	3.0
Housing, Water, Electricity, Gas and Other Fuels	1.3	1.7	1.5
Furnishings, Household Equipment and Maintenance	1.6	1.3	1.5
Health	2.1	2.3	2.2
Transport	0.1	0.1	0.1
Information and Communication	0.2	0.1	0.2
Recreation, Sport and Culture	2.1	2.6	2.3
Education Services	3.1	3.5	3.4
Restaurants and Accommodation Services	2.0	3.7	2.9
Personal Care, Social Protection and Others	19.6	18.3	19.0
All India	2.73	2.77	2.75

Source: MOSPI, 360 ONE Asset Research

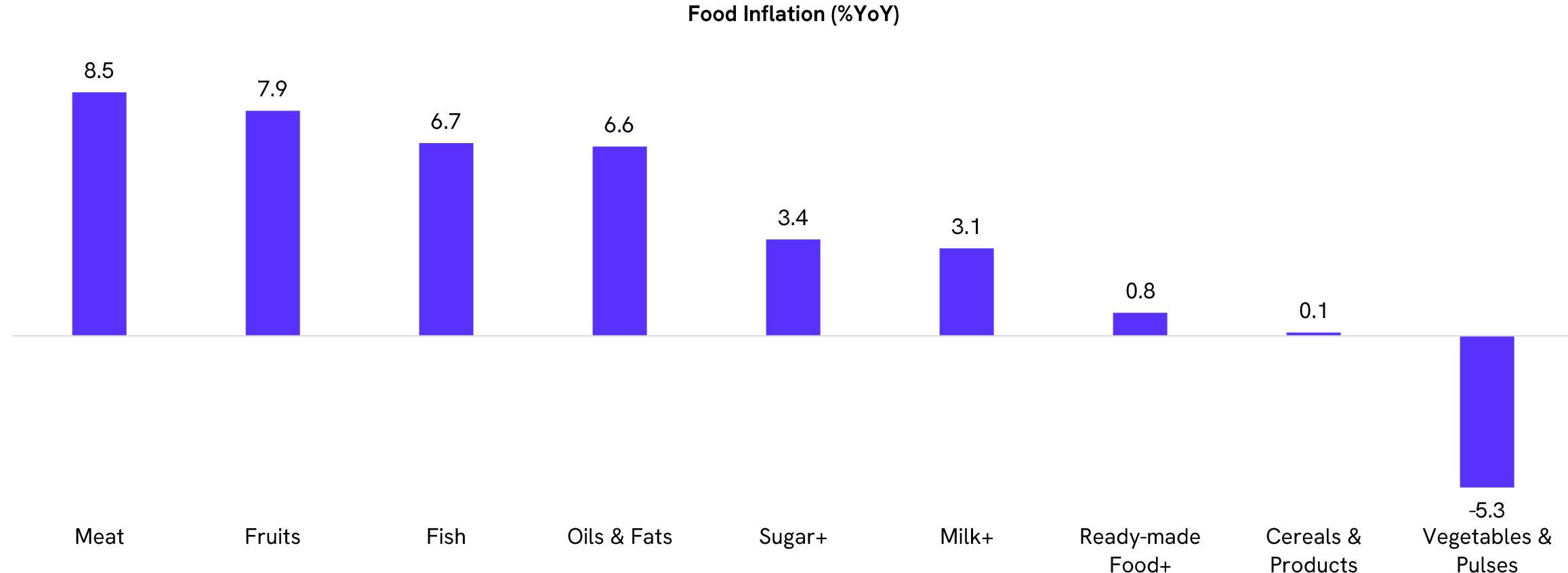
Weight of 'Food & Beverages' has declined by ~9% pp in the new series

Services now carry more weight, with separate heads for 'information & communication' and 'restaurants & accom.'



Vegetables & pulses prices remain in deflation in Jan'26

However, various other categories such as meat, fish, fruits and edible oils witness high inflation



Onion and potato see a sharp year-on-year price drop

Rising gold and silver prices push jewellery costs higher

Top 5 items with Low Inflation
%YoY

Peas -15.6%

Top 5 items with High Inflation
%YoY

Coconut Oil 40.4

Arhar, Tur -24.9%

Gold/Diamond/Platinum Jewellery 46.8

Potato -29.0%

Coconut:Copra 47.2

Onion -29.3%

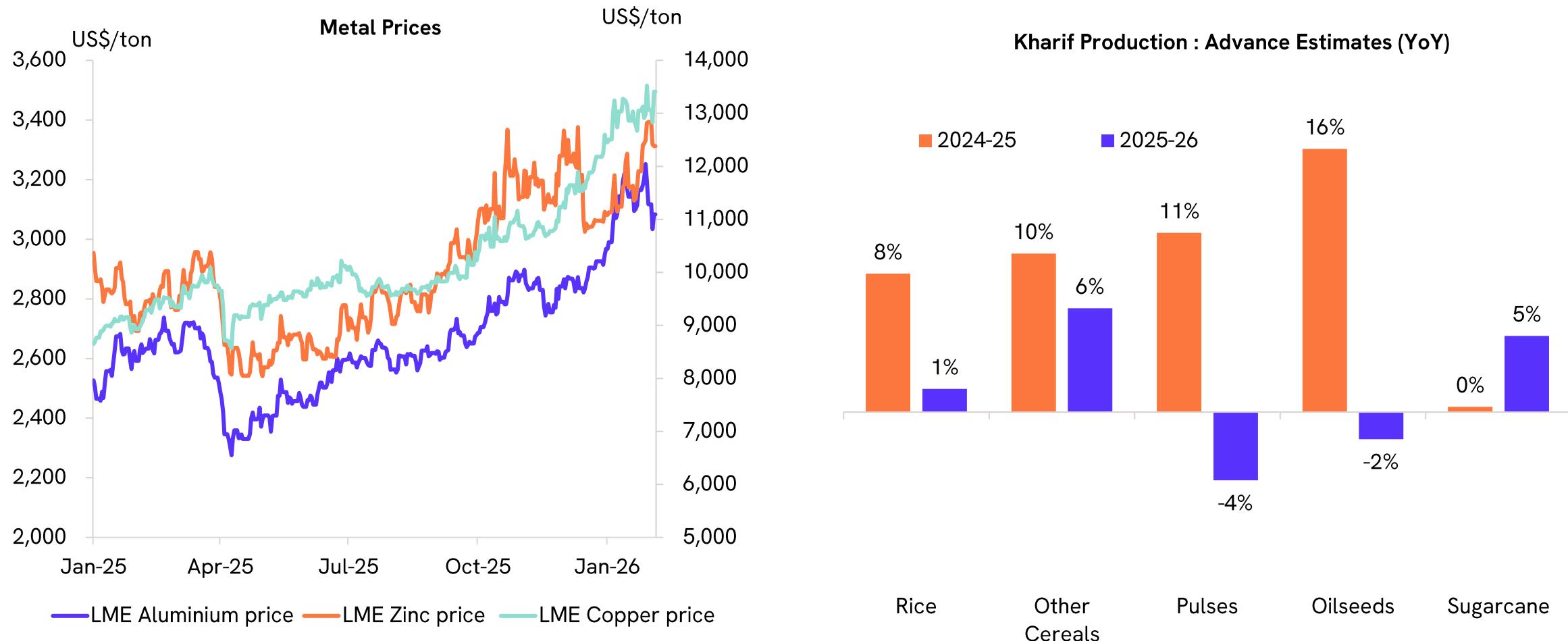
Tomato 64.8

Garlic -53.1%

Silver Jewellery 159.7

We expect inflation to remain anchored around 4% in FY27

However, a rise in commodity prices, weak kharif output, and a possible El Niño (negative for the monsoon) pose upside risks



Source: CMIE, Bloomberg, 360 ONE Asset Research

Disclaimer

This document constitutes confidential and proprietary material and may not be reproduced or further distributed in part or full to any other person without the written permission of 360 ONE AMC. This document is the property of 360 ONE AMC and must be returned to 360 ONE AMC or its affiliates upon request. This document is provided for assistance only and is not intended to be used for taking investment decisions or otherwise. This document is not investment, legal, tax, or accounting advice. The recipients should also inform themselves, and should take appropriate advice, on the legal requirements and shall not rely on this document for any subscription, purchase, holding, exchange, redemption or disposal of any investments. The opinions expressed herein are the personal opinions of the author. Past Performance is not an indicator/guarantee of future returns. Investment in securities are subject to market risk. Whilst every care has been taken in preparing this document, 360 ONE AMC and its affiliates and agents to the fullest extent permitted by applicable law disclaim any liability or responsibility for any error or omission or inaccuracy or mistake of any nature or any consequences of the use of the material/ information displayed on this document. Notwithstanding the aforesaid, nothing set out above shall exclude liability for any undertaking, representation, warranty or other assurance made fraudulently. The information given in this document is not exhaustive and is subject to change without notice. Statements/ opinions/recommendations in this communication which contain words or phrases such as "will", "expect", "could", "believe" and similar expressions or variations of such expressions are "forward – looking statements".



asset
360
ONE