

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

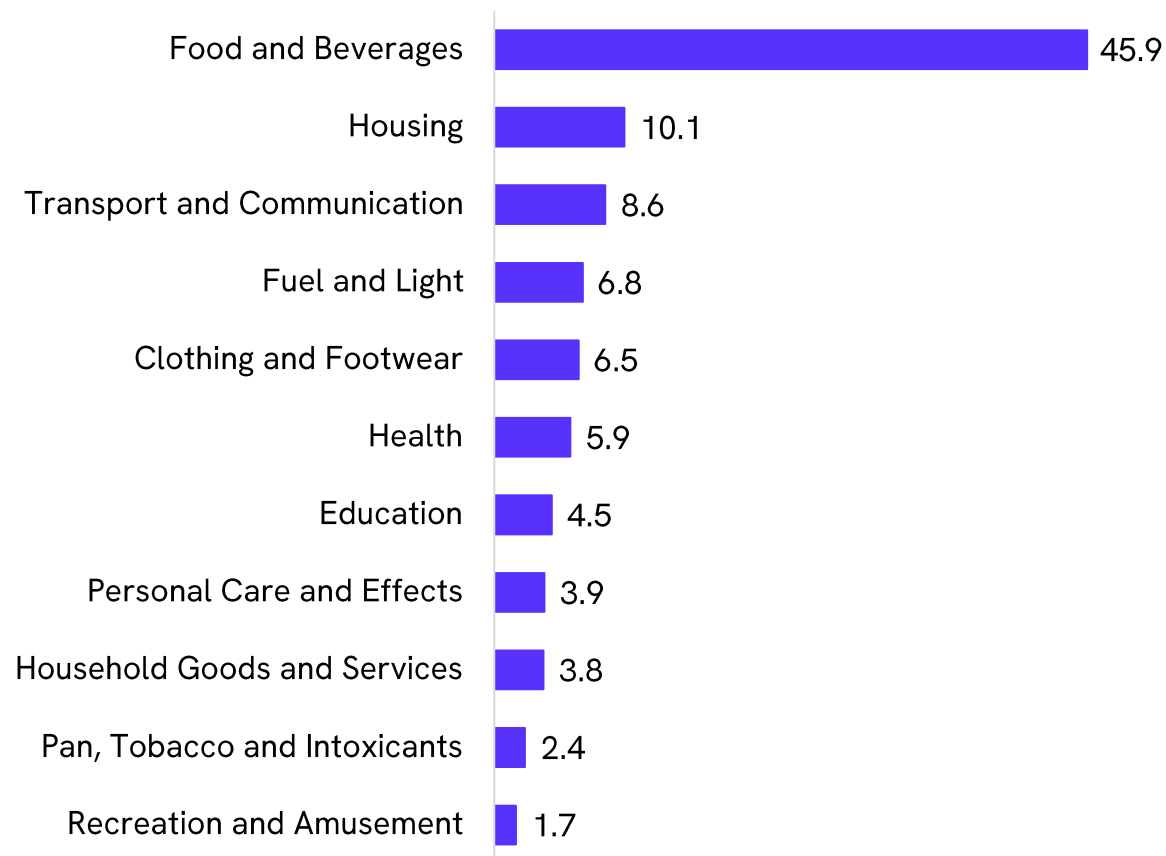
Inflation is moderate across most categories, except for the personal care+ segment, which is lifted by precious metal prices

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

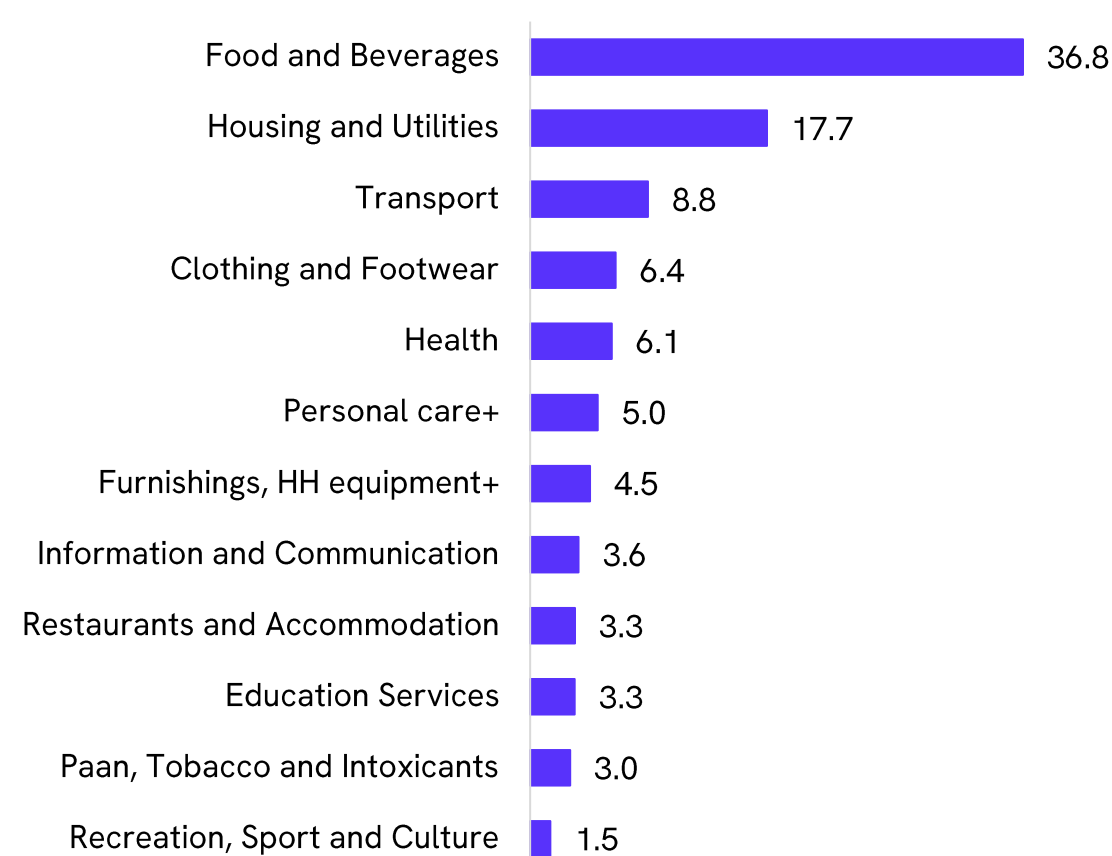
Weight of 'Food & Beverages' has declined by ~9% pp in the new series

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

Category Weights CPI Series 2012



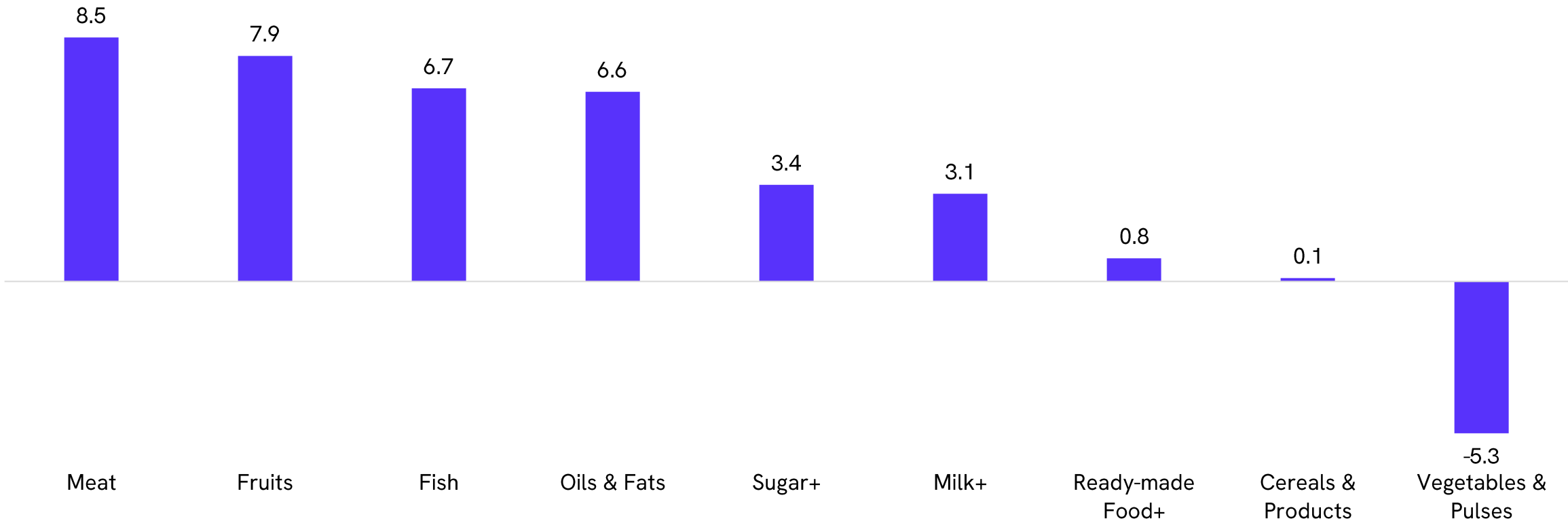
Category Weights CPI Series 2024



Vegetables & pulses prices remain in deflation in Jan'26

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

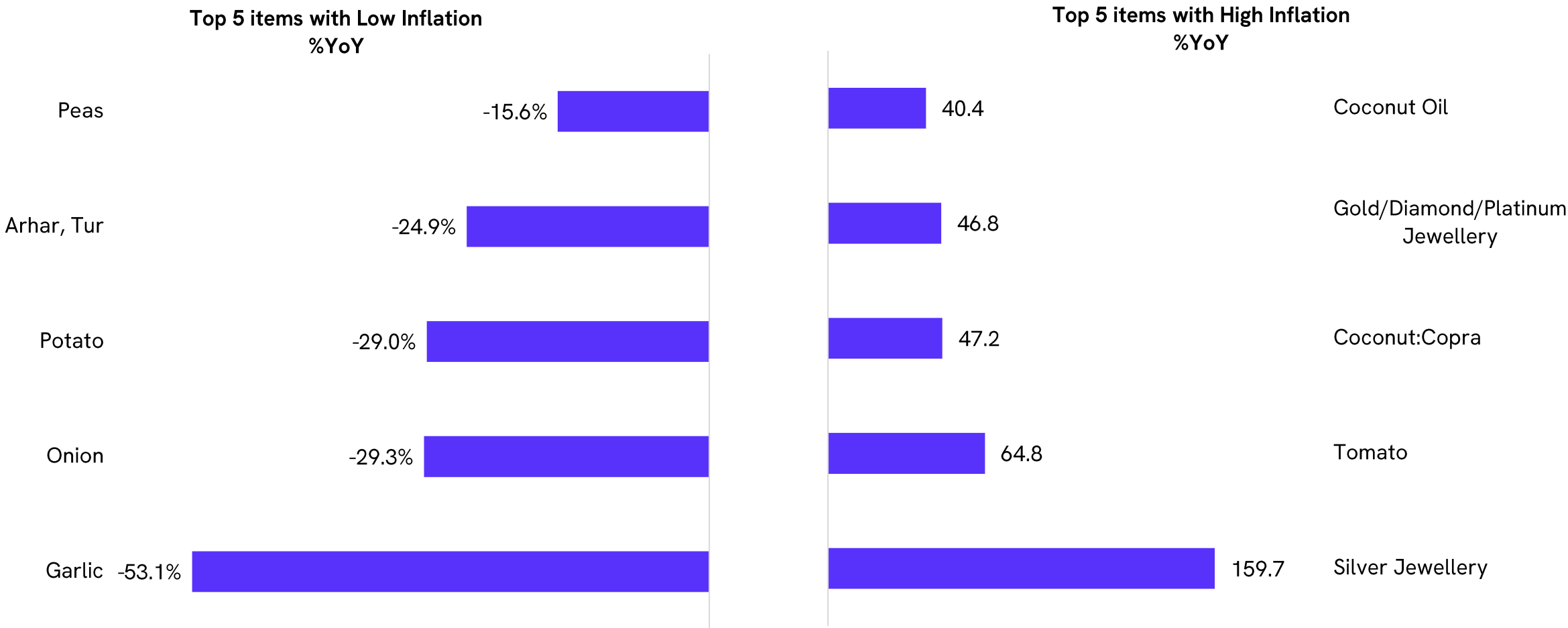
Food Inflation (%YoY)



Source: MOSPI, 360 ONE Asset Research

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

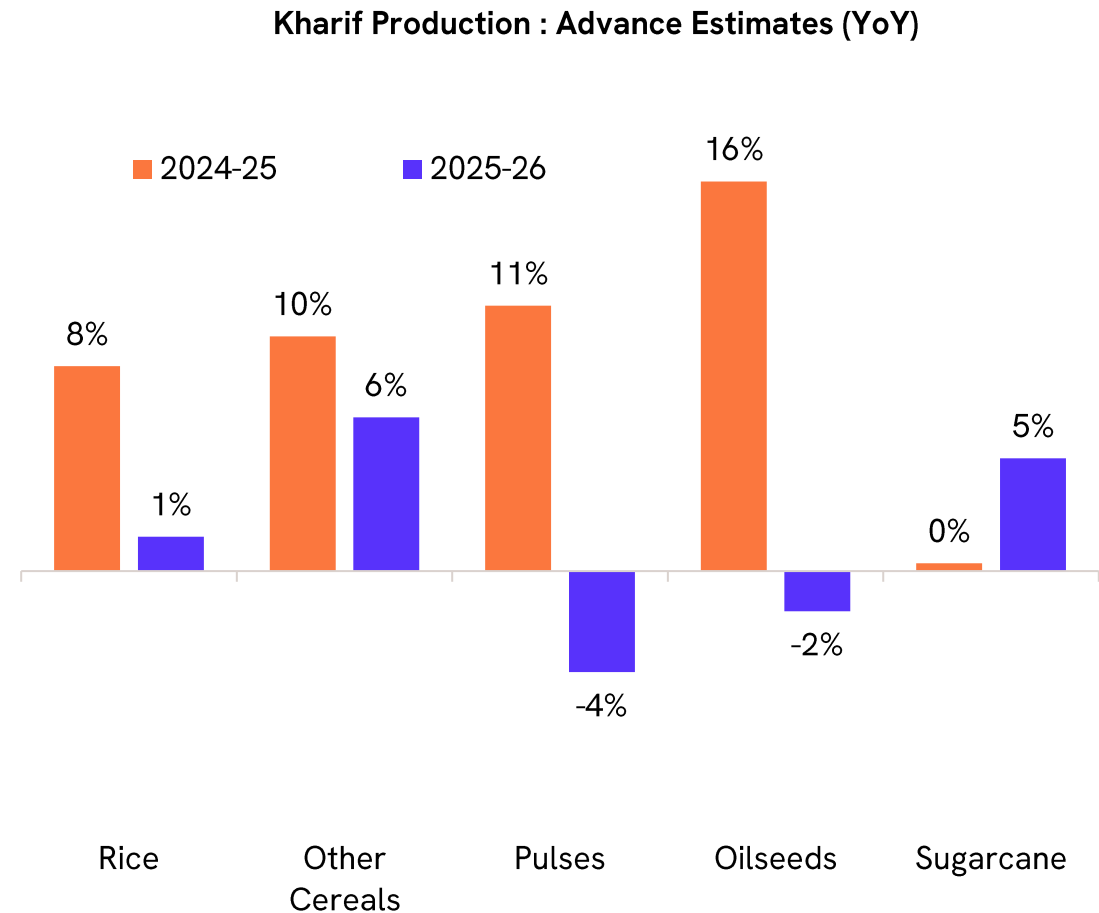
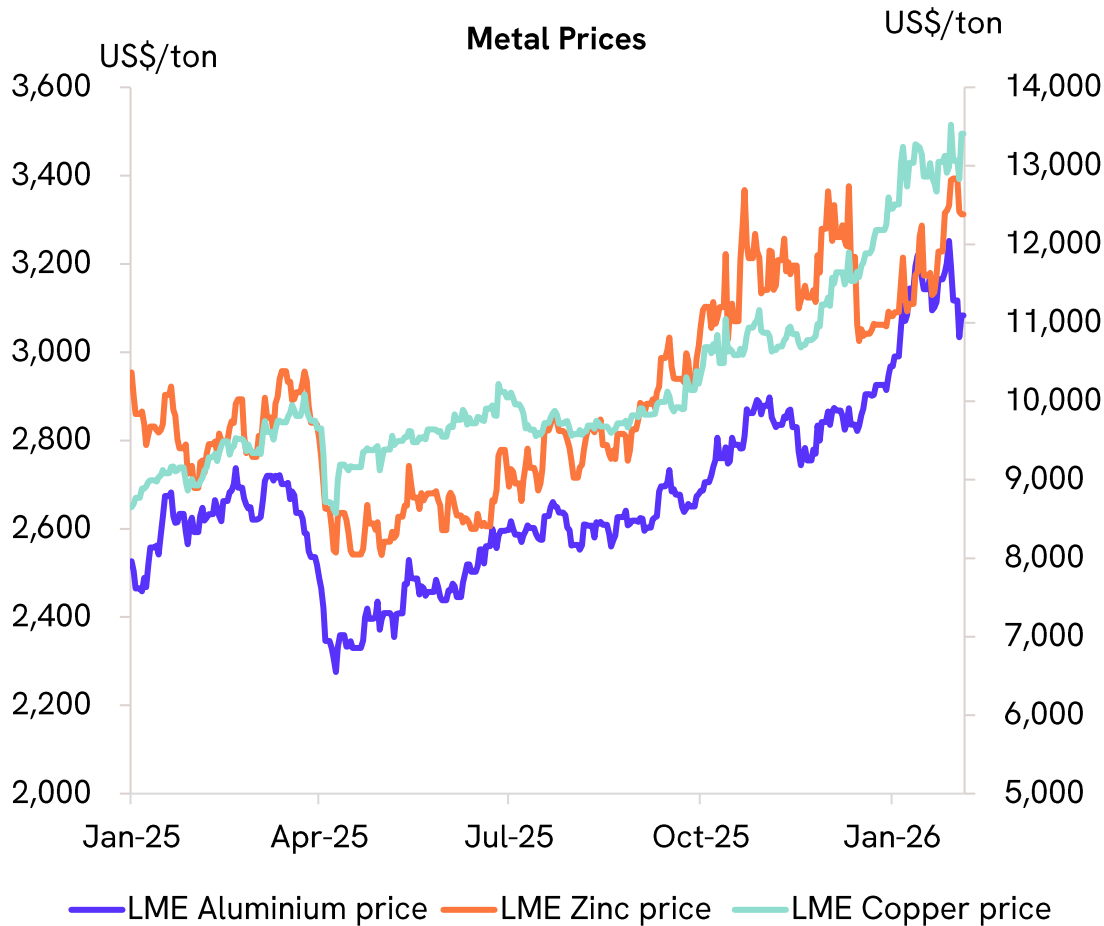
Rising gold and silver prices push jewellery costs higher



Source: MOSPI, 360 ONE Asset Research

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

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