

Wholesale inflation eases to lowest in 10 months



The wholesale inflation in goods in India have shrunk down to 2.76 percent for January, easing the burden on business by touching the lowest rate in past 10 months.

Centre has just released the figures for wholesale inflation, determined by Wholesale Price Index (WPI) and the data for January 2019 shows that the wholesale inflation has boiled down to 2.76 per cent from previous month having 3.8 percent. As per previous data, the wholesale inflation rate of January are the lowest in last ten months, which had rose to as much as 4.64 percent in November, as per the data provided by the Commerce and Industry Ministry.

This is seen as a positive sign for the consumers, especially after consumer inflation eased to its lowest level in 19 months in January and it will support the possibility of easing of the monetary policy by the central bank going forward. However, the inflation rate in wholesale food sector has rose from 0.07 percent to 1.84 percent in January, mirroring the price movements in food products at bulk traders end till in the shop-end prices.

To cut down the inflation, the RBI has been formulating a monetary policy by lowering the repo rate that is levied as key interest rates for short-term funds to commercial banks. The renewed repo rates lowered the interest rates by 0.25 percent to come down to "neutral" from "calibrated tightening" stance for the central bank ? which can help bulk buyers and manufacturers in reducing the overall costs of products for an end-to-end positive outlook.