

Inflation Monitor

November 2009



State Bank of Pakistan

Economic Analysis Department

ISSN 1992-8327 (print)

ISSN 1992-8335 (online)

The analysis in this document is based on data provided by
Federal Bureau of Statistics, Pakistan.

http://www.sbp.org.pk/publications/Inflation_Monitor

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Overview

The underlying inflationary pressures in the domestic economy surfaced again during November 2009 as inflation measured by all price indices, i.e., CPI, WPI and SPI increased compared to previous month. The YoY inflation rates for all price indices, however, were still lower compared to the same month last year.

Headline CPI inflation (YoY), after falling to single digit during October 2009 (8.9 percent), bounced back to 10.5 percent during November 2009; though still lower than 24.7 percent in November 2008. Inflation on MoM basis increased to 1.4 percent during November 2009; an increase of 0.4 percentage points compared to October 2009.

Table 1.1: Inflation (YoY)

| | CPI | | | Core Inflation | | WPI | SPI** |
|--------|---------|------|----------|----------------|---------|------|---------|
| | General | Food | Non-food | NFNE * | Trimmed | | percent |
| Nov-08 | 24.7 | 30.4 | 20.2 | 18.9 | 21.3 | 19.9 | 28.8 |
| Dec-08 | 23.3 | 27.9 | 19.8 | 18.8 | 21.7 | 17.6 | 25.7 |
| Jan-09 | 20.5 | 21.6 | 19.7 | 18.9 | 19.6 | 15.7 | 21.3 |
| Feb-09 | 21.1 | 22.9 | 19.6 | 18.9 | 20.8 | 15.0 | 23.9 |
| Mar-09 | 19.1 | 19.7 | 18.5 | 18.5 | 19.3 | 11.1 | 19.8 |
| Apr-09 | 17.2 | 17.0 | 17.3 | 17.7 | 17.6 | 8.3 | 15.0 |
| May-09 | 14.4 | 12.1 | 16.3 | 16.6 | 16.7 | 4.7 | 11.0 |
| Jun-09 | 13.1 | 10.5 | 15.4 | 15.9 | 15.5 | 4.1 | 10.8 |
| Jul-09 | 11.2 | 10.7 | 11.6 | 14.0 | 13.9 | 0.5 | 9.4 |
| Aug-09 | 10.7 | 10.6 | 10.8 | 12.6 | 13.1 | 0.3 | 7.8 |
| Sep-09 | 10.1 | 10.0 | 10.2 | 11.9 | 12.4 | 0.7 | 8.5 |
| Oct-09 | 8.9 | 7.5 | 10.0 | 11.0 | 10.6 | 3.8 | 6.7 |
| Nov-09 | 10.5 | 11.1 | 10.0 | 10.6 | 10.5 | 12.5 | 10.0 |

* NFNE is Non-food non-energy inflation; ** SPI for all income groups combined.

Both measures of core inflation, i.e., non-food non-energy (NFNE) and 20% trimmed mean, witnessed a decrease during November 2009 compared to the previous month as well as the same month last year. NFNE inflation (YoY) dropped to 10.6 percent during the month under review compared to 18.9 percent in November 2008, and 11.0 percent in October 2009. Core inflation (YoY) measured by 20% trimmed mean also dropped and was recorded 10.5 percent compared to 21.3 percent in November 2008, and 10.6 percent in the previous month (see **Table 1.1**).

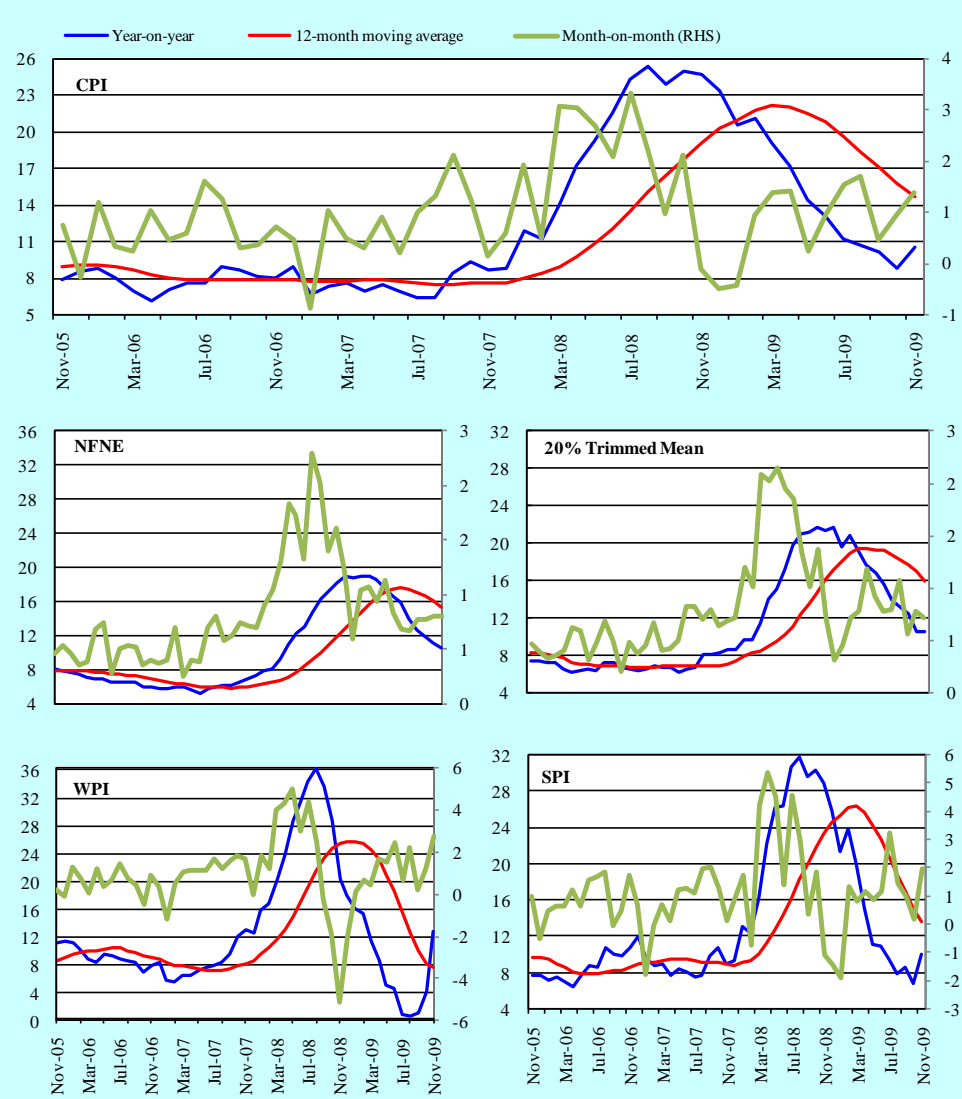
| Table 1.2: Different Dimensions of Inflation (percent) | | | | | |
|---|---------------|---------------|---------------|---------------|-----------------|
| | Nov-07 | Nov-08 | Oct-09 | Nov-09 | average# |
| Year-on-year | | | | | |
| Overall CPI | 8.7 | 24.7 | 8.9 | 10.5 | 11.7 |
| Food group | 12.5 | 30.4 | 7.5 | 11.1 | 14.6 |
| Non-food group | 5.9 | 20.2 | 10.0 | 10.0 | 9.6 |
| WPI | 12.6 | 19.9 | 3.8 | 12.5 | 11.4 |
| Food group | 15.3 | 29.2 | 5.8 | 9.6 | 14.1 |
| Non-food group | 10.7 | 12.8 | 2.2 | 14.9 | 9.4 |
| SPI | 9.0 | 28.8 | 6.7 | 10.0 | 13.2 |
| Core Inflation | | | | | |
| NFNE* | 6.9 | 18.9 | 11.0 | 10.6 | 9.3 |
| Trimmed | 8.6 | 21.3 | 10.6 | 10.5 | 10.4 |
| Period average | | | | | |
| Overall CPI | 7.8 | 24.7 | 10.2 | 10.3 | 11.7 |
| Food group | 11.5 | 31.9 | 9.7 | 10.0 | 14.9 |
| Non-food group | 5.2 | 19.1 | 10.6 | 10.5 | 9.3 |
| WPI | 9.9 | 30.1 | 1.3 | 3.4 | 13.3 |
| Food group | 13.6 | 31.7 | 7.6 | 8.0 | 14.4 |
| Non-food group | 7.2 | 29.0 | -3.4 | -0.1 | 12.5 |
| SPI | 8.9 | 30.2 | 8.1 | 8.5 | 13.8 |
| Core Inflation | | | | | |
| NFNE* | 6.3 | 17.1 | 12.4 | 12.0 | 8.8 |
| Trimmed | 7.8 | 21.0 | 12.6 | 12.2 | 10.2 |
| 12-month moving average | | | | | |
| Overall CPI | 7.6 | 19.1 | 15.8 | 14.6 | 10.2 |
| Food group | 10.8 | 26.3 | 16.1 | 14.6 | 13.2 |
| Non-food group | 5.3 | 13.7 | 15.6 | 14.7 | 8.0 |
| WPI | 7.9 | 25.0 | 7.8 | 7.4 | 11.7 |
| Food group | 11.2 | 26.6 | 14.9 | 13.4 | 12.8 |
| Non-food group | 5.5 | 23.7 | 2.5 | 2.8 | 10.9 |
| SPI | 9.0 | 23.3 | 15.0 | 13.6 | 12.0 |
| Core Inflation | | | | | |
| NFNE* | 5.9 | 12.9 | 16.0 | 15.3 | 7.7 |
| Trimmed | 7.1 | 16.1 | 17.0 | 16.0 | 8.8 |
| Monthly | | | | | |
| Overall CPI | 0.1 | -0.1 | 1.0 | 1.4 | 0.5 |
| Food group | -0.6 | -1.5 | 1.1 | 1.8 | 0.5 |
| Non-food group | 0.7 | 1.1 | 0.8 | 1.0 | 0.6 |
| WPI | 1.6 | -5.1 | 1.2 | 2.8 | -0.4 |
| Food group | 0.9 | -1.6 | 0.9 | 1.9 | 0.3 |
| Non-food group | 2.2 | -7.9 | 1.4 | 3.5 | -1.0 |
| SPI | 0.1 | -1.1 | 0.2 | 1.9 | 0.7 |
| Core Inflation | | | | | |
| NFNE* | 0.7 | 1.2 | 0.8 | 0.8 | 0.7 |
| Trimmed | 0.7 | 0.7 | 0.8 | 0.7 | 0.6 |

5-year average for the month of November in the previous years

Annual CPI inflation measured by 12-month moving average continued on its declining trend witnessed since March 2009 and was recorded 14.6 percent as against 15.8 percent in October 2009, and 19.1 percent during November 2008. Similarly, annualized inflation in CPI food group recorded lower inflation during November 2009 compared to both the previous month as well as the same month last year. On the other hand, although CPI non-food group registered lower inflation compared to October 2009, it was still higher compared to November 2008 (see **Table 1.2**).

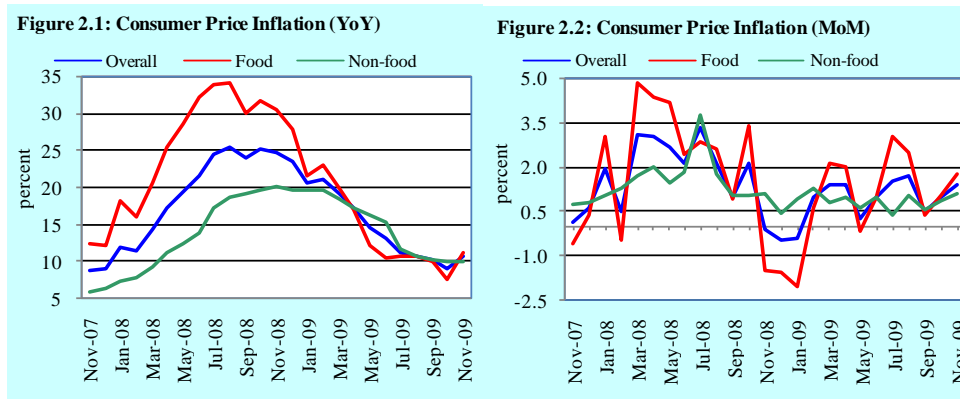
Wholesale price index (WPI) inflation (YoY) witnessed a sharp rise from 3.8 percent in the previous month to 12.5 percent during November 2009, though this was lower compared to November 2008. Though both food and non-food groups of WPI contributed to this uptrend, increase in the non-food group was more pronounced. Inflation (YoY) measured by sensitive price indicator (SPI) reached 10.0 percent during November 2009 compared to 6.7 percent in October 2009, and 28.8 percent in November 2008 (see **Figure 1.1**).

Figure 1.1: Movements in Price Indices (percent change)



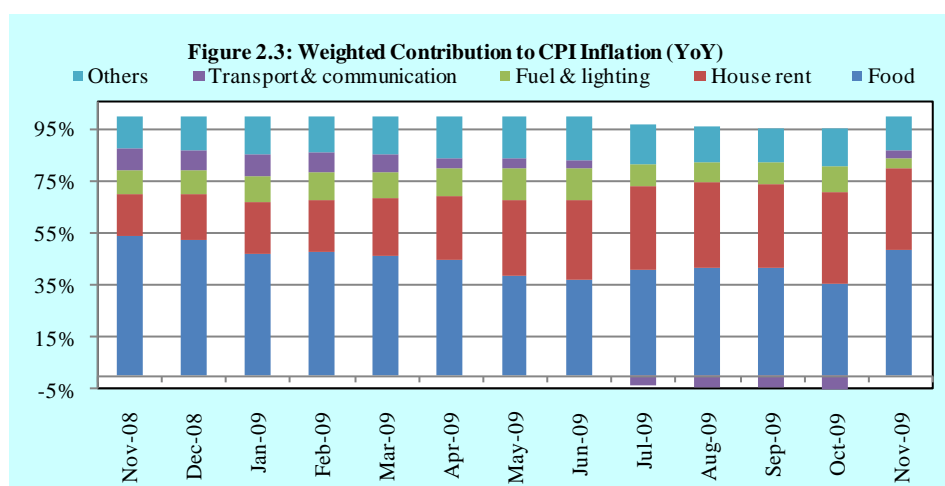
2. Consumer Price Index

CPI inflation (YoY) increased from 8.9 percent in October 2009 to 10.5 percent during November 2009; yet lower compared to 24.7 percent during the same month last year. This 1.6 percentage points increase compared to previous month was mainly contributed by food inflation (see **Figure 2.1**).



Following the YoY trend, CPI inflation on MoM basis also increased, reaching 1.4 percent during November 2009 compared to 1.0 percent in the previous month. This increase was contributed by both food and non-food groups (see **Figure 2.2**).

The weighted contribution of food group to overall CPI inflation increased during November 2009 (48.6 percent) compared with the previous month (39.5 percent). However, this was lower compared to the same month last year (54.1 percent).



Weighted contribution of non-food group decreased during the month under review (51.4 percent) compared to the previous month (60.5 percent) while it

remained high when looked against November 2008 (45.9 percent). Within non-food group, weighted contribution of *house rent index* dropped to 31.0 percent during November 2009 from 38.3 percent in October 2009. This was still higher than 15.7 percent during the same month last year.). Only *transport & communication* component of non-food group showed acceleration during the month under review (3.2 percent during November 2009) compared to the previous month (-) 5.2 percent in October 2009) but it was still lower when compared to the same month last year (8.1 percent in November 2008) (see **Figure 2.3**).

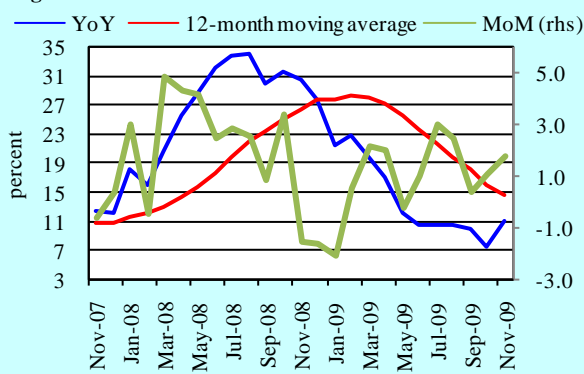
2.1 Food Inflation

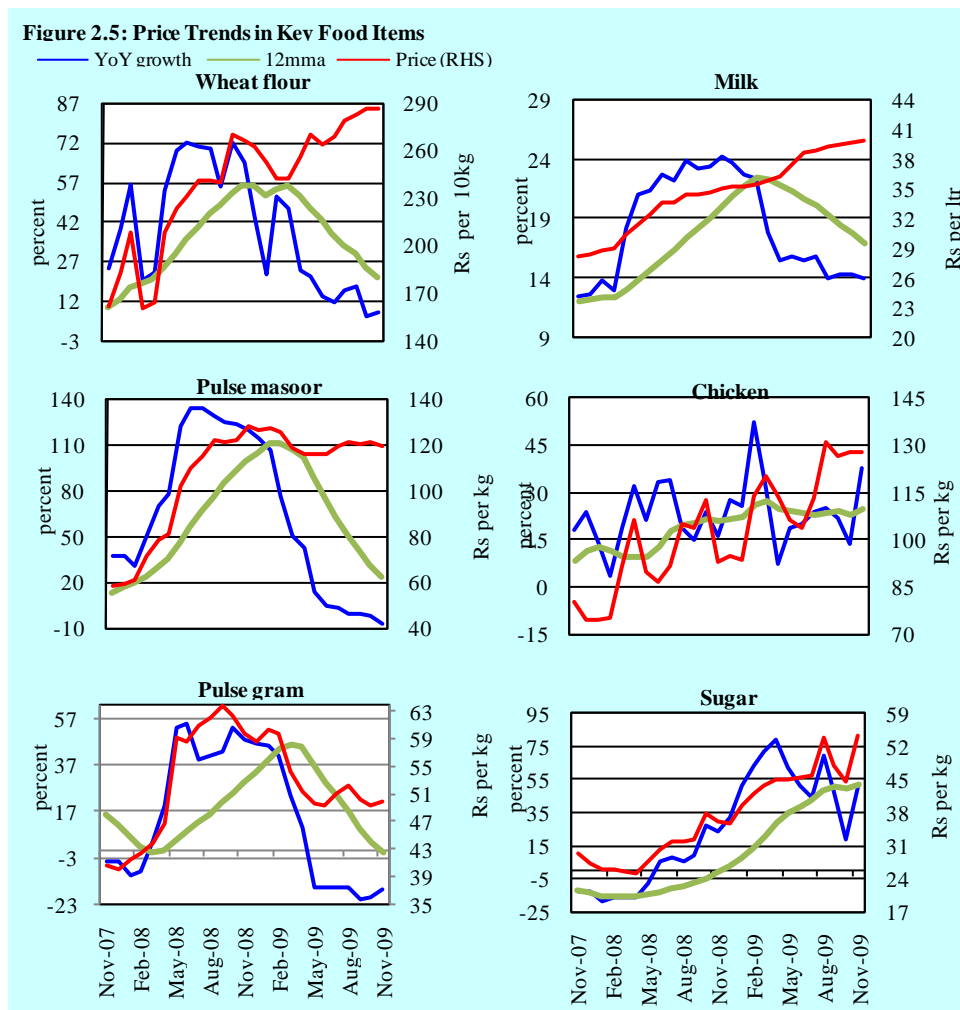
CPI food inflation (YoY) increased to 11.1 percent in November 2009, compared to 7.5 percent in the previous month. The same was 30.4 percent during the corresponding month last year (see **Figure 2.4**).

Out of the top ten commodities contributing to overall CPI inflation, seven were from the food group, having a weighted contribution of 37.3 percent. These items were fresh milk, sugar, meat, vegetables, wheat flour, chicken, and fresh fruits. Of these, only four items i.e., fresh milk, meat, sugar, and vegetables contributed 55.6 percent to CPI food inflation (YoY) (see **Table A3** in **Annexure A**).

Detailed item-wise analysis of price changes show that out of the reported 113 commodities in food group, only 7 items showed no change, 20 items showed decline in prices during November 2009. The latter include pulses, different types of rice, cooking oil, mustard oil and vegetable ghee. Only 12 items showed subdued (from 0 to 5 percent) rise in prices and 18 items recorded moderate (from 5 to 10 percent) price change during November 2009. On the other hand, 56 items including garlic (215.3 percent), gur (87.7 percent), green chilies (61.6 percent), peas (61.6 percent), pulse mash (58.4 percent), sugar (50.1 percent) recorded more than 10 percent price change (see **Figure 2.5** & **Table A2**).

Figure 2.4: CPI Food Inflation





CPI food inflation on MoM basis also increased during the month under review and was recorded at 1.8 percent compared to 1.1 percent in October 2009. CPI food inflation (MoM) showed acceleration when compared to the same month last year ((-) 1.5 percent in November 2008). Among the top-ten weighted contributions to CPI inflation (MoM), seven were from the food group. These were sugar, vegetables, potatoes, eggs, meat, tea, and fresh milk.

Significant increase in CPI food inflation (YoY) during November 2009 compared to October 2009 was also observed in perishable and non-perishable categories of CPI food basket. Inflation in perishable items increased to 17.9 percent compared with 12.7 percent during the previous month, though this was lower than 21.3

percent seen in November 2008. Inflation in non-perishable category of food group also increased to 10.1 percent during November 2009 compared to 6.7 percent during the preceding month and 32.0 percent during the same month last year (see **Figure 2.6**). CPI food inflation (MoM) in perishable items declined to 1.5 percent during November 2009 which was lower than 3.1 percent in October 2009. CPI food inflation (MoM) in non-perishable items increased to 1.9 percent in the month under review as against 0.8 percent during October 2009 (see **Figure 2.7**).

Figure 2.6: Non-perishable & perishable food items Inflation (YoY)

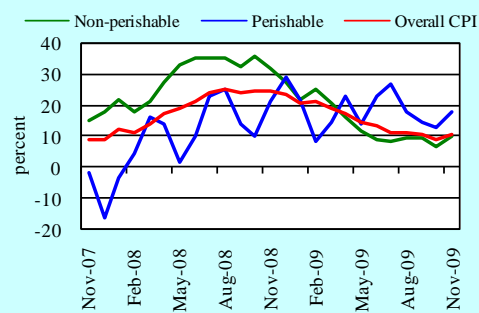
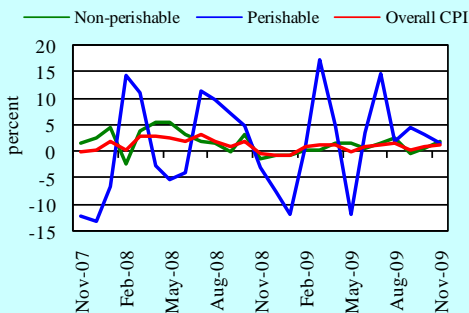


Figure 2.7: Non-perishable & perishable food items Inflation (MoM)



2.2 Non-food Inflation

Non-food inflation (YoY) remained unchanged at 10.0 percent during November 2009 compared to the previous month. It was 20.2 percent in November 2008. The lower CPI non-food inflation in November 2009 relative to the corresponding month last year was contributed by all sub-groups of CPI non-food group. CPI non-food inflation (MoM) during the current month showed increase of 0.2 percentage points (see **Figure 2.8**). The slowdown in *house rent index* inflation (YoY) was not much significant during November 2009 (15.1 percent) compared

Figure 2.8: CPI Non-food Inflation

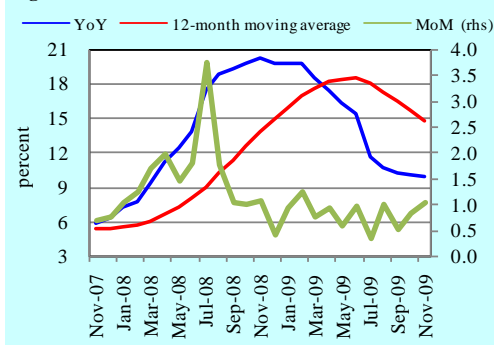
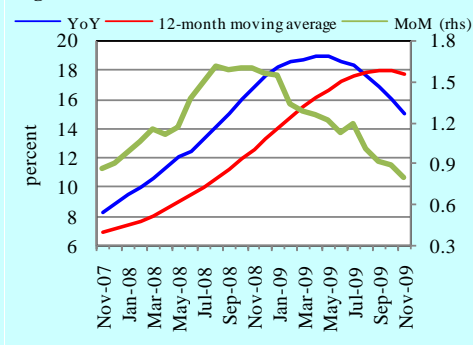


Figure 2.9: House Rent Inflation



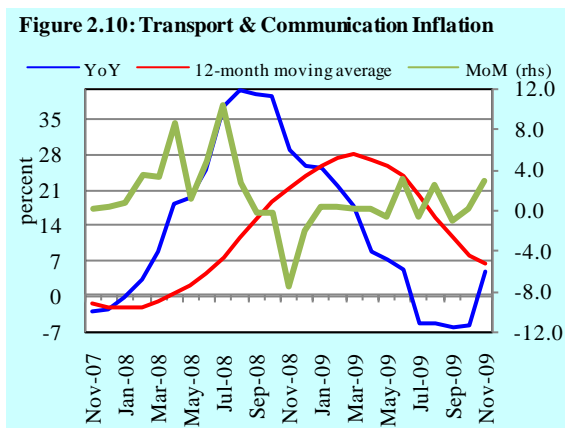
to the same month last year (16.8 percent) (see **Figure 2.9**). However when compared to previous month, out of nine sub-groups of CPI non-food group, three sub-groups showed acceleration while the other six declined during November 2009.

Transport & communication sub-group inflation (YoY) increased to 4.7 percent during November 2009 from (-) 5.9 percent in October 2009. It was, however, still lower than 28.6 percent in November 2008. The same trend was observed in month-on-month inflation in this sub-group (see **Figure 2.10**).

Similarly, CPI non-food inflation YoY in *cleaning & laundry* and *recreation & entertainment* sub-groups also increased during November 2009 compared to the preceding month but stayed lower compared to the same month last year. Inflation (YoY) in the remaining six sub-groups of non-food group, i.e., *apparel, textile & footwear, house rent, household furniture, education and medicare* declined during November 2009 compared to both the same month last year and the previous month (see **Figure A1** in **Annexure A**).

An analysis of price changes in CPI non-food basket during November 2009 reveals that out of 250 non-food commodities included in the CPI basket, 50 items witnessed a double-digit price change on YoY basis. These commodities included postal envelope domestic, textbooks, some medicines, petrol, diesel, kerosen oil, and gold (tezabi). Another 68 commodities

witnessed a moderate price change (between 5-10 percent), while 68 commodities showed subdued price change (between 0-5 percent). The remaining 64 commodities either recorded no change or saw a decline in price.



2.3 City-wise Inflation

City-wise data reveals that inflation (YoY) in five major cities of the country was lower than the overall YoY inflation during November 2009. Inflation on month on month basis in these cities except Islamabad and Lahore was higher than overall CPI MoM inflation (see **Table 2.1**).

| Table 2.1: City-wise Inflation of Selected Cities percent | | | | | | |
|--|---------------|-------------|---------------|------------|---------------|-------------|
| | Nov-08 | | Oct-09 | | Nov-09 | |
| | MoM | YoY | MoM | YoY | MoM | YoY |
| Over all CPI | -0.1 | 24.7 | 1.0 | 8.9 | 1.4 | 10.5 |
| Islamabad | -0.6 | 21.0 | 0.4 | 8.1 | 0.6 | 9.5 |
| Lahore | -0.1 | 22.5 | 0.4 | 8.4 | 1.0 | 9.7 |
| Karachi | -0.5 | 24.2 | 0.7 | 7.5 | 1.5 | 9.7 |
| Quetta | -0.6 | 26.9 | 0.9 | 6.5 | 1.5 | 8.7 |
| Peshawar | -1.1 | 27.8 | 0.7 | 5.2 | 1.8 | 8.3 |

Data analysis of 35 cities shows that 21 cities recorded higher inflation than overall inflation (YoY), while 14 cities registered lower than average inflation during November 2009. The highest inflation (YoY) was recorded in Bahawalnagar at 12.8 percent, while Bannu registered the lowest inflation (YoY) of 5.6 percent. The highest food inflation was 16.8 percent in Bahawalpur and lowest food inflation of 3.1 percent was witnessed in Bannu during the month under review. Bahawalnagar registered the highest non-food inflation of 13.1 percent, while lowest non-food inflation of 7.7 percent was observed in Bannu (see **Table 2.2**).

Table 2.2: City-wise Inflation in CPI (YoY) November 2009

| | High inflation cities | | | | Low inflation cities | | |
|--------------|------------------------------|-------------|-----------------|------------|-----------------------------|-------------|-----------------|
| | General | Food | Non-food | | General | Food | Non-food |
| Bahawalnagar | 12.8 | 12.5 | 13.1 | Turbat | 10.4 | 9.4 | 11.2 |
| Samundari | 12.7 | 14.7 | 11.1 | Gujranwala | 10.2 | 12.0 | 8.7 |
| Bahawalpur | 12.6 | 16.8 | 9.1 | Karachi | 9.7 | 8.2 | 10.9 |
| Sialkot | 12.4 | 14.9 | 10.2 | Lahore | 9.7 | 10.8 | 8.7 |
| Vehari | 12.3 | 15.0 | 10.1 | Khuzdar | 9.6 | 10.8 | 8.7 |
| Kunri | 12.2 | 15.1 | 9.9 | Islamabad | 9.5 | 11.2 | 8.2 |
| Multan | 12.0 | 15.2 | 9.4 | Loralai | 9.5 | 8.3 | 10.4 |
| Mianwali | 12.0 | 15.6 | 9.2 | Abbotabad | 9.4 | 8.3 | 10.4 |
| Faisalabad | 11.9 | 14.2 | 9.9 | Sukkur | 8.7 | 6.2 | 10.8 |
| Okara | 11.9 | 12.9 | 11.0 | Quetta | 8.7 | 6.6 | 10.6 |
| Shahdadpur | 11.8 | 11.8 | 11.8 | D.I.Khan | 8.3 | 5.9 | 10.4 |
| Mirpur Khas | 11.7 | 12.6 | 11.1 | Peshawar | 8.3 | 6.4 | 9.9 |
| Attock | 11.6 | 12.3 | 11.0 | Mardan | 7.3 | 5.9 | 8.4 |
| Jhang | 11.5 | 14.6 | 9.1 | Bannu | 5.6 | 3.1 | 7.7 |
| Nawabshah | 11.3 | 11.3 | 11.4 | | | | |
| Sargodha | 11.2 | 11.9 | 10.6 | | | | |
| Larkana | 11.1 | 12.0 | 10.4 | | | | |
| Hyderabad | 11.1 | 11.4 | 10.8 | | | | |
| D.G. Khan | 11.0 | 11.9 | 10.3 | | | | |
| Rawalpindi | 10.9 | 13.3 | 9.0 | | | | |
| Jhelum | 10.7 | 12.3 | 9.4 | | | | |

Note: High inflation refers to above average inflation, and low inflation refers to below average inflation

2.4 Income Group-wise Inflation

Income group-wise data shows that CPI inflation (YoY) was higher for the highest income group (having monthly income of Rs 12000 and above). For all other income groups, inflation was lower than the overall inflation (YoY) (see **Table 2.3**). Food inflation incidence was highest for the highest and lowest income groups compared to other income groups.

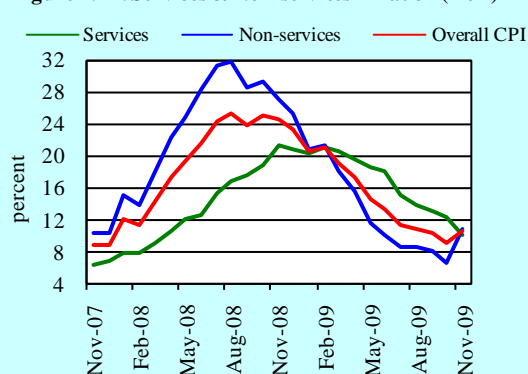
| Table 2.3: Income Group-wise CPI Inflation | | | | | | | | |
|---|------------------|--------|----------------------|--------|-----------------------|--------|------------------------|--------|
| | Upto 3000 | | Rs. 3001-5000 | | Rs. 5000-12000 | | Above Rs. 12000 | |
| | Nov-08 | Nov-09 | Nov-08 | Nov-09 | Nov-08 | Nov-09 | Nov-08 | Nov-09 |
| <i>Year on Year (November over November)</i> | | | | | | | | |
| General | 27.3 | 10.5 | 27.4 | 10.3 | 26.1 | 10.3 | 22.5 | 10.8 |
| CPI Food | 33.0 | 11.2 | 32.4 | 11.0 | 31.2 | 11.0 | 28.5 | 11.3 |
| CPI Non-food | 22.9 | 10.0 | 23.7 | 9.7 | 22.2 | 9.7 | 17.7 | 10.3 |
| <i>Month on Month (November over October)</i> | | | | | | | | |
| General | -0.4 | 1.5 | 0.1 | 1.5 | 0.1 | 1.4 | -0.5 | 1.4 |
| CPI Food | -1.5 | 2.0 | -1.7 | 1.9 | -1.5 | 1.8 | -1.4 | 1.7 |
| CPI Non-food | 0.6 | 1.2 | 1.6 | 1.1 | 1.6 | 0.9 | 0.3 | 1.2 |

City and income-wise data shows that the highest inflation was recorded in Bahawalpur for all income groups except the highest income group. Khuzdar observed highest inflation for the highest income group. Bannu recorded the lowest inflation for all income groups. On MoM basis, Larkana recorded highest inflation for all income groups except highest income group. Again khuzdar recorded highest inflation (MoM) for the highest income group; while Bannu experienced lowest inflation for income groups of up to Rs. 3000 and between Rs. 3001-5000. Islamabad recorded lowest inflation for income groups of between Rs. 5000 – 12000 and above Rs 12000 during November 2009 (see **Table A5** in **Annexure A**).

2.5 Services and Non-services Inflation

Inflation (YoY) in services and non-services sectors declined during November 2009 compared to the same month last year whereas only non-services sector's inflation increased compared to the previous month. Inflation in services sector was 10.1 percent compared to 12.3 percent in the preceding month and 21.3 percent during the corresponding month last year.

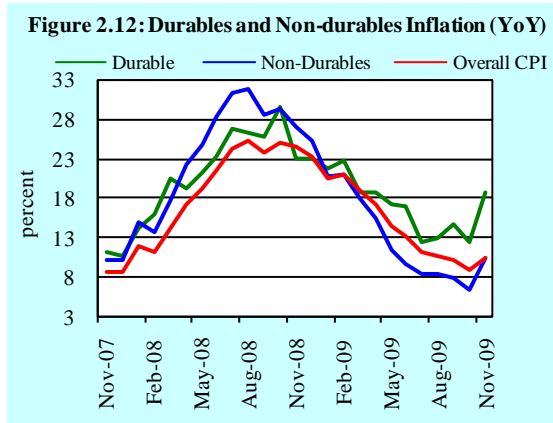
Figure 2.11: Services & Non-services Inflation (YoY)



Inflation in non-services sector was 10.8 percent compared to 6.6 percent during October 2009 and 27.1 percent during November 2008 (see **Figure 2.11**). Similarly, on MoM basis inflation in services sector declined while in non-services sector it increased during November 2009 compared to October 2009.

Within non-services sector, inflation (YoY) in durable and non-durable items showed decline during the month under review compared to the same month last year while it increased compared to the previous month. Inflation in durable items was 18.7 percent against 22.9 percent during November 2008 and 12.5 percent during October 2009.

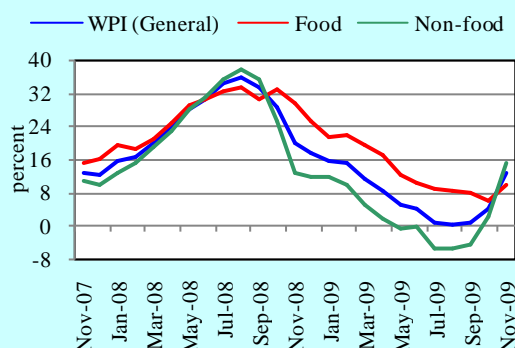
Inflation in non-durable was 10.6 percent compared to 27.2 percent in the November 2008 and 6.4 percent during October 2009. On MoM basis inflation in both durable and non-durable items showed acceleration during November 2009 compared to October 2009 (see **Figure 2.12**).



3. Wholesale Price Index

WPI inflation (YoY) showed significant surge during November 2009 marking the highest level in nine months. It reached 12.5 percent against 3.8 percent in the previous month; an increase of more than 8.6 percentage points. However, this was still lower than the 19.9 percent inflation (YoY) recorded during the same month last year (see **Figure 3.1**).

Figure 3.1: Wholesale Price Inflation (YoY)



During November 2009, WPI food inflation (YoY) increased to 9.6 percent from previous month's 5.8 percent. However it was significantly lower than 29.2 percent YoY inflation during November 2008 (see **Figure 3.2**).

Figure 3.2: WPI Food Inflation (percent)

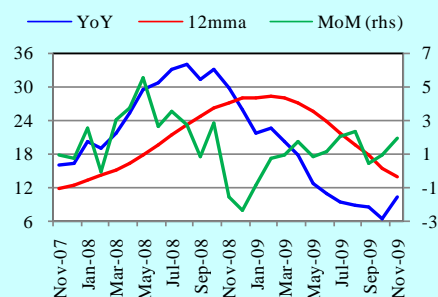
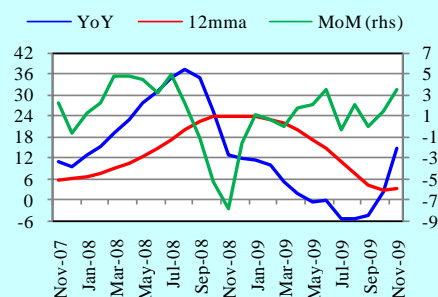


Figure 3.3: WPI Non-food Inflation (percent)



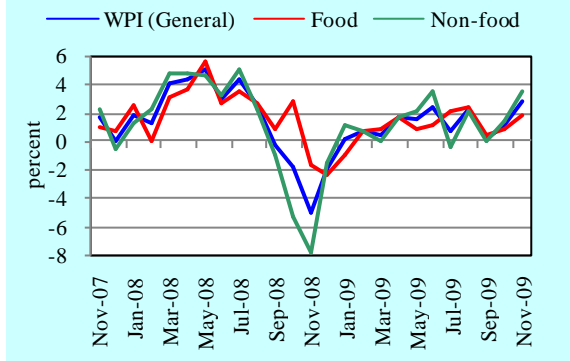
On the other hand, WPI non-food group inflation (YoY) marked greater rise than overall WPI and WPI food inflation as it increased by 12.7 percentage points to 14.9 percent on YoY basis compared to 2.2 percent during October 2009. This was highest WPI non-food inflation (YoY) in twelve months (see **Figure 3.3**).

On month-on-month (MoM) basis, WPI inflation reached to the highest level since July 2008. WPI inflation (MoM) in November 2009 reached 2.8 percent. This acceleration was contributed by both food and non-food components of WPI; however, inflation in the non-food component was more pronounced. WPI food inflation (MoM) was 1.9 percent in November 2009 compared to 0.9 percent during the previous month. WPI non-food inflation (MoM) reached 3.5 percent

during the month under review against 1.4 percent during October 2009 (see **Figure 3.4**).

Item-wise analysis of WPI food group reveals that out of 43 items, price change on YoY basis in 20 items witnessed double digit rise, 9 items showed subdued price change (between 0 to 5 percent), 5 items recorded price change between 5 to 10 percent, and the remaining 9 items either showed decline or no change during November 2009. Major items recording significant price hike (YoY) during November 2009 included gur (95.2 percent), pulse mash (60.3 percent), and sugar refined (51.1 percent) (see **Table A7**).

Figure 3.4: Wholesale Price Inflation (MoM)



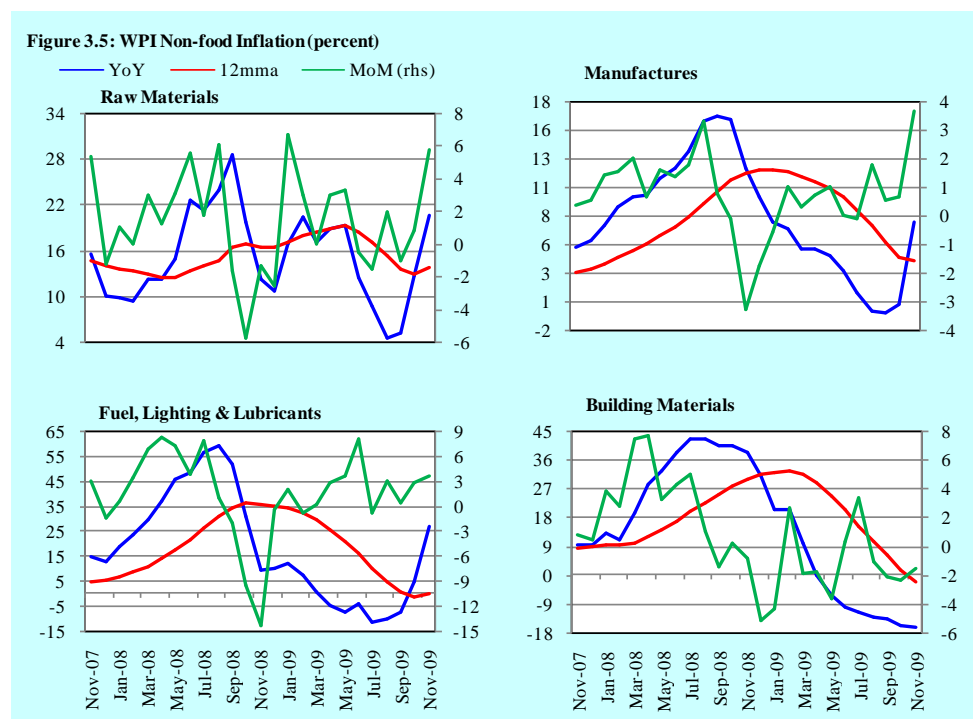
Within non-food group, out of 63 commodities, 17 witnessed double digit price rise (YoY) including furnace oil, glass products, sugar cane, cotton, diesel, and kerosene oils, during the month under review. Twelve commodities witnessed moderate inflation in the range of 5 to 10 percent. Twenty commodities witnessed less than 5 percent but greater than zero price change. The remaining 14 items either showed decline or no change during the month under review (see **Table A7**).

Among the sub-groups of WPI non-food group, all sub-groups, except *building materials* sub-group exhibited rise in inflation, on both YoY as well as MoM basis, during November 2009 compared to October 2009. However, a YoY comparison of November 2009 inflation in the sub-groups with November 2008 reveals that inflation recorded by manufacturers and building materials sub-group remained lower while inflation in other two sub-groups (raw materials and fuel, lighting, & lubricants) was higher.

Raw materials sub-group's inflation (YoY) reached 20.2 percent during November 2009, highest level in 13 months. This is against 12.1 percent in October 2009 and 11.7 percent in November 2008. On month-on-month basis, the sub-group's inflation rose to highest level since January 2009 to 5.8 percent during November 2009 compared to 0.8 percent in October 2009. Within the sub-group, cotton (28.6 percent), sugar cane (29.5 percent), and tobacco (12.9 percent) were the main contributors to the inflation.

Inflation (YoY) in *fuel, lighting & lubricants* sub-group reached highest level in 12 months and was recorded at 26.9 percent during November 2009. This was 17.9 percentage points higher than 9.0 percent in November 2008 and 22.1 percentage points higher than 4.7 percent in October 2009. Major items contributing to this hike in prices within this sub-group include furnace (102.0 percent), diesel (24.4 percent), and kerosene oils (20.5 percent), motor spirit (14.3 percent), and electricity (11.5 percent). Similarly on MoM basis, the sub-group recorded an increase in inflation reaching 3.7 percent in November 2009 from 2.8 percent during the previous month.

Manufactures sub-group registered 7.4 percent inflation (YoY) during November 2009 which is higher compared to 0.2 percent during the previous month, but lower than 12.2 percent in November 2008. Item-wise analysis reveals that commodities responsible for this significant rise in inflation within the sub-group included, glass products (47.3 percent), cotton yarn (27.9 percent), blended yarn (13.5 percent). Inflation (MoM) in this sub-group rose to 3.6 percent during the month under review, higher than 0.7 percent in October 2009.



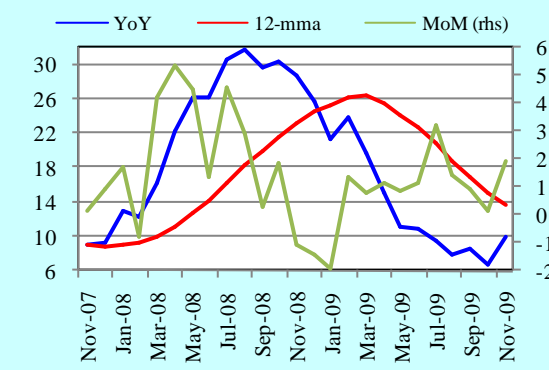
Building material sub-group inflation (YoY) continued with its declining trend witnessed since May 2009 dropping to (-) 16.7 percent during the month under

review against 38.3 percent inflation recorded during the same month last year. On MoM basis, deflation in the sub-group was recorded at (-) 1.5 percent during November 2009 compared to (-) 2.3 percent during October 2009 (see **Figure 3.6**). This negative trend in inflation in the sub-group is driven by two commodities, i.e., iron bars & sheets ((-) 19.9 percent) and cement ((-) 18.4 percent).

4. Sensitive Price Indicator

Like CPI and WPI, SPI inflation also increased during November 2009. SPI inflation on YoY basis was 10.0 percent during November 2009 compared 6.7 percent during October 2009 and 28.8 percent during the same month last year. The long run trend in SPI inflation, measured by 12-month moving average (12mma), dropped to 13.6 percent during November 2009 against 15.0 percent during October 2009 and 23.3 percent during the same month last year (see **Figure 4.1**).

Figure 4.1: SPI Inflation (percent)



An item-wise analysis shows that out of 53 items included in the SPI basket, prices of 19 items increased by double digit on YoY basis compared to 43 items in the same month last year. On the other hand, 15 commodities either showed decline or no change during November 2009 compared to only 3 commodities during November 2008 (see **Table 4.1**). The individual items mainly contributing to rise in SPI inflation (YoY) during November 2009 include mash pulse (60.1 percent), beef (20.1 percent), sugar (43.7 percent), and gur (79.1 percent) (see **Table A8**).

Table 4.1: Distribution of Price Changes of SPI Basket (YoY)

| Percent Change | Number of items | | | |
|----------------|-----------------|--------|--------|--------|
| | Nov-08 | Dec-08 | Jul-09 | Nov-09 |
| 0 or less | 3 | 5 | 14 | 15 |
| 0 to 5 | 2 | 2 | 6 | 9 |
| 5 to 10 | 5 | 3 | 4 | 10 |
| 10 or above | 43 | 43 | 29 | 19 |
| Minimum | -14.4 | -13.8 | -32.0 | -15.7 |
| Maximum | 118.3 | 112.2 | 95.5 | 206.7 |

On month-on-month basis SPI inflation surged to 1.9 percent during November 2009 from 0.2 percent in October 2009. The rise in month-on-month inflation was accentuated by double digit inflation in eight items included in SPI basket against a double digit inflation in only one item during October 2009 (see **Table A8** in

Figure 4.2: Weekly SPI Inflation



Annexure A).

Weekly SPI inflation (YoY) showed mixed trends during November 2009. Weekly SPI inflation in the second week of the month increased to 10.5 percent from the previous week inflation of 9.2 percent. Inflation in the third week slipped to 9.9 percent before rebounding to 10.5 percent in the last week of November 2009 (see **Figure 4.2**).

Income group-wise SPI data shows that SPI inflation (YoY) declined for all income groups during November 2009 compared to the same month last year. All income groups, except the highest income group, observed higher inflation (YoY) compared to the overall SPI inflation during November 2009. Similarly, on MoM basis, inflation for all income groups was higher than overall SPI inflation except the highest income group during the month under review (see **Table 4.2**).

Table 4.2 : Income Group-wise SPI Inflation (percent)

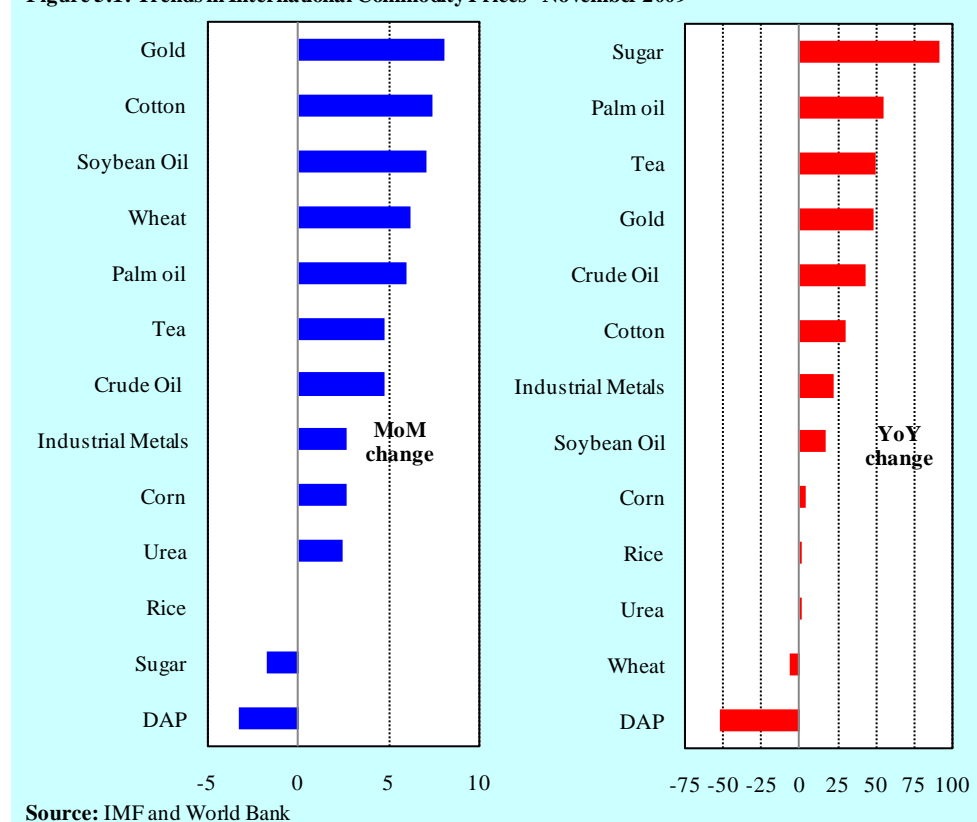
| | Nov-08 | | Oct-09 | | Nov-09 | |
|--------------------------|-------------|-------------|------------|------------|-------------|------------|
| | YoY | MoM | YoY | MoM | YoY | MoM |
| Up to Rs. 3000 | 29.8 | -1.3 | 6.6 | 0.4 | 10.7 | 2.5 |
| Rs. 3001-5000 | 29.4 | -0.9 | 7.6 | 0.4 | 11.1 | 2.4 |
| Rs. 5000-12000 | 29.5 | -0.7 | 7.8 | 0.3 | 10.8 | 2.1 |
| Above Rs. 12000 | 28.4 | -1.4 | 5.7 | -0.1 | 8.9 | 1.6 |
| All income groups | 28.8 | -1.1 | 6.7 | 0.2 | 10.0 | 1.9 |

5 Global Commodity Prices

Overview

Global commodity prices continued to witness a rising trend during November 2009 mainly due to strengthening fundamentals of the world economy. IMF commodity price index in November 2009 grew 20.4 percent compared to (-) 27.2 percent during November 2008. However, on MoM basis IMF commodity prices index grew by 4.3 percent during November 2009 against 5.6 percent in October 2009 (see **Figure 5.1**).

Figure 5.1: Trends in International Commodity Prices - November 2009



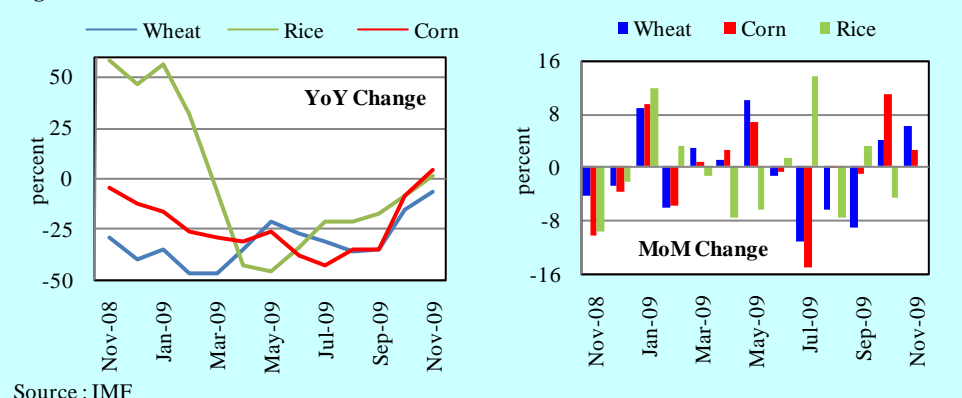
Food Group

Prices of most of the commodities in the food group increased during November 2009 as indicated by IMF food and beverage price index which rose by 14.1 percent during November 2009 on YoY basis compared to (-) 10.9 percent in November 2008. Likewise, on MoM basis the index rose by 3.1 percent during November 2009 compared to 1.1 percent in October 2009.

Among grains, wheat price grew by (-) 7.0 percent during November 2009 on YoY basis compared to (-) 29.5 percent in November 2008. Similarly, on MoM basis wheat prices showed an increase of 6.1 percent during November 2009, against 4.1 percent in October 2009 on signs of improved demand. Price of wheat was also boosted by fears of supply disruptions in the international markets, as bad weather conditions in Argentina and Australia are likely to curtail the global wheat production.

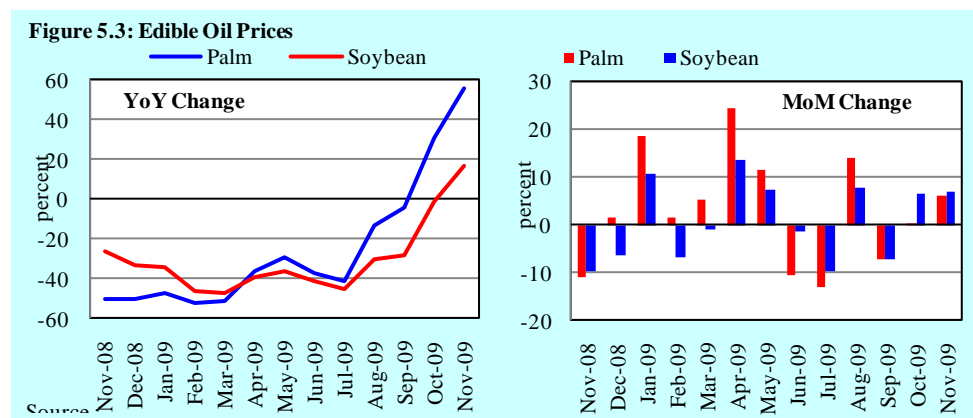
Corn prices increased by 4.5 percent during November 2009 on YoY basis, against (-) 4.0 percent in November 2008 on speculations that rain and snow are likely to reduce corn produce in the US, the biggest grower and exporter. On the other hand, corn prices on MoM basis rose by 2.6 percent during November 2009 against 11.1 percent in October 2009.

Figure 5.2: Prices of Grains



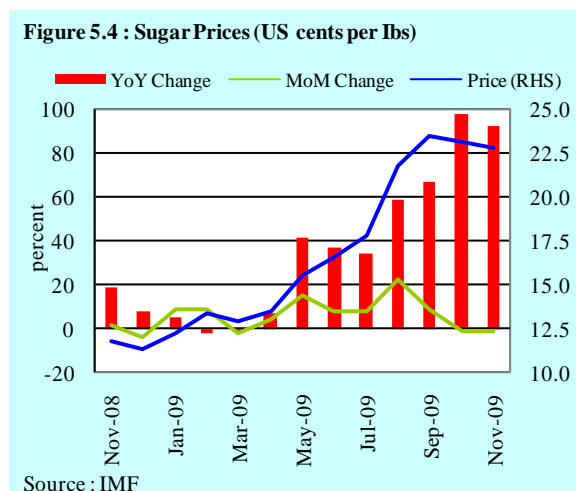
Rice prices remained unchanged during November 2009 on MoM basis against a (-) 4.6 percent growth witnessed in October 2009. Rice prices are getting strength due to production shortfall in India and Philippines; the two most important players in rice trade (see **Figure 5.2**). However, on YoY basis rice prices showed 0.5 percent growth during November 2009 against a 58.0 percent growth in November 2008.

Among edible oils, price of Malaysian palm oil increased 5.9 percent during November 2009 on MoM basis against almost zero growth witnessed in October 2009. Similarly, on YoY basis prices gained 55.7 percent during November 2009 against (-) 50.6 percent growth in November 2008. This trend in palm oil prices was mainly attributed to strong demand from China, world's largest consumer of edible oils. Moreover, forecasts of decline in production also boosted the prices of Malaysian palm oil.



Soybean prices rose 7.1 percent during November 2009 on MoM basis against 6.4 percent in October 2009. Similarly, it grew by 17.3 percent on YoY basis during November 2009, against (-) 26.3 percent recorded in November 2008. Rise in soybean prices was also accredited primarily to strong demand from China. Moreover, soybean demand in United States also increased as its use in making animal feed has increased by 8.3 percent during November 2009 compared to year ago level¹ (see **Figure 5.3**).

Among other food commodities, sugar prices registered 92.5 percent growth during November 2009 on YoY basis, against 19.5 percent in November 2008. Sugar prices remained strong since the start of 2009 due to global production shortfall. Recently India, the largest sugar consumer, revealed a sugar deficit of 7.0 million tons during 2009-10. Moreover, delays in harvesting of sugarcane in Brazil caused by rains also helped increasing prices. However, on MoM basis sugar prices recorded (-) 1.7 percent growth during November 2009 against (-) 1.2 percent in October 2009 (see **Figure 5.4**).



¹ National Oilseed Processors Association (Reported by Bloomberg on 20th November 2009)

Non-food group

Among non-food group, prices of most of the commodities increased during November 2009. Expectations of economic growth in 2010, strong demand along with the depreciation of the US dollar against other currencies have created bullish sentiments in the market which lifted commodity prices across the world.

Crude oil prices rose 43.5 percent during November 2009 on YoY basis compared to -40.8 percent during November 2008. Crude oil prices rose after US Energy Department reported that fuel supplies dropped in the country along with a drop in refinery production and imports. Fuel inventories decreased as refiners operated at the slowest pace for more than a year whereas, earlier it was expected that US inventories will increase this month. On MoM basis crude oil prices recorded 4.7 percent growth during November 2009, against 8.3 percent in October 2009 (see **Figure 5.5**).

Gold prices reached US\$ 1127.0 per troy ounce during November 2009, showing an increase of 48.1 percent on YoY basis against (-) 5.6 percent growth in November 2008. Similarly, on MoM basis

an increase of 8.0 percent has been witnessed during November 2009 against 4.7 percent in October 2009 (see **Figure 5.6**). Weaker dollar was the main driver of gold prices during the month as every slump in US dollar boosts the gold demand as an alternative investment. Moreover, gold buying by the central banks of several countries² also helped in increasing gold prices.

Figure 5.5 : Crude Oil

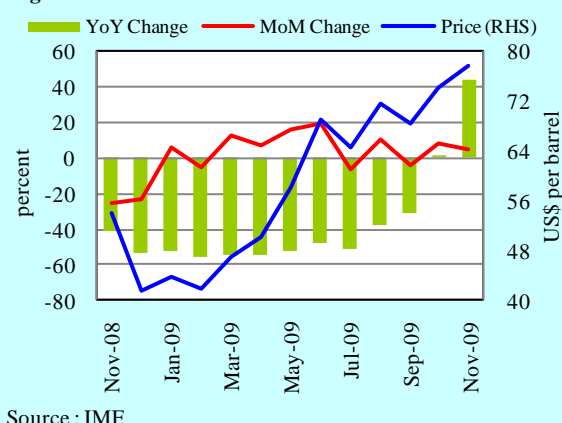
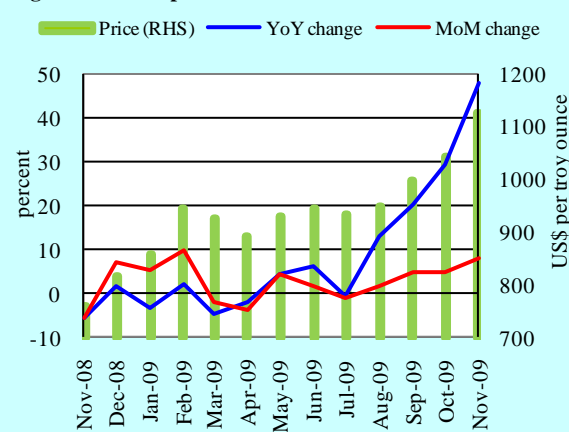


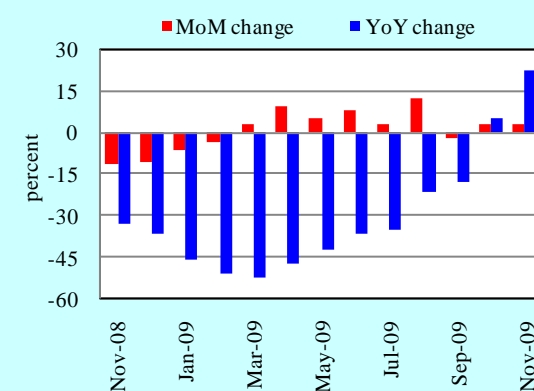
Figure 5.6: Gold prices



² India, Sri Lanka, Russia and Mauritius

Industrial metal prices rose during November 2009 as reflected in the IMF metal price index which gained 22.3 percent on YoY basis during November 2009 against (-) 32.8 percent growth witnessed in November 2008. Likewise, on MoM basis the index grew by 2.6 percent in November 2009 same as in October 2009 (see **Figure 5.7**). Among industrial metals, sharp increase in the prices of copper, aluminum, and zinc was counterbalanced by heavy declines in nickel, uranium, and tin prices and a slow growth in the prices of lead.

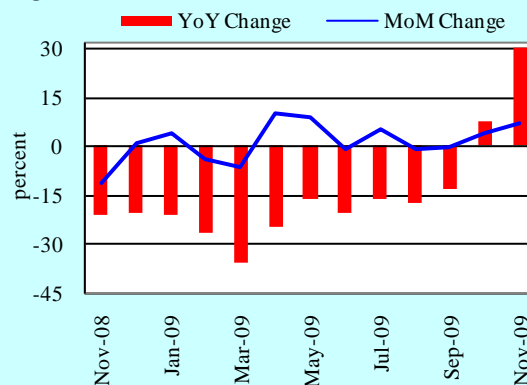
Figure 5.7: IMF Metal Price Index (2005=100)



Source : IMF

Cotton prices gained during November 2009 as indicated by Cotton outlook 'A' index which rose 30.4 percent during November 2009 against (-) 21.0 percent in November 2008. Similarly, on MoM basis a growth rate of 7.4 percent was recorded in November 2009 against 4.3 percent registered in October 2009 (see **Figure 5.8**). Cotton prices rose due to lower production in US and China, two largest producers of the world, creating a supply shortage of around 1.08 million bales worldwide³.

Figure 5.8: Cotton Outlook 'A' Index



Source : IMF

³ US Department of Agriculture (Reported by Bloomberg on November 6, 2009)

Annexure A

Table A1: CPI Inflation by Groups

| | Weights | MoM change | | | Yo Y change | | |
|---------------------------------|-------------|-------------|------------|------------|-------------|-------------|-------------|
| | | Nov-08 | Oct-09 | Nov-09 | Nov-08 | Oct-09 | Nov-09 |
| I. Food Group | 40.3 | -1.5 | 1.1 | 1.8 | 30.4 | 7.5 | 11.1 |
| II. Non-Food Group | 59.7 | 1.1 | 0.8 | 1.0 | 20.2 | 10.0 | 10.0 |
| Apparel, textile, etc. | 6.1 | 0.7 | 0.2 | 0.4 | 15.9 | 5.1 | 4.7 |
| House rent | 23.4 | 1.6 | 0.9 | 0.8 | 16.8 | 16.0 | 15.1 |
| Fuel & lighting | 7.3 | 9.5 | 1.4 | 0.9 | 31.9 | 14.1 | 5.1 |
| Household furniture & equipment | 3.3 | 1.3 | 0.4 | 0.8 | 15.0 | 6.2 | 5.7 |
| Transport & communication | 7.3 | -7.6 | 0.1 | 2.7 | 28.6 | -5.9 | 4.7 |
| Recreation & entertainment | 0.8 | 0.3 | 0.0 | 0.8 | 12.5 | 2.1 | 2.6 |
| Education | 3.5 | 0.7 | 0.5 | 0.5 | 16.3 | 13.7 | 13.4 |
| Cleaning, laundry, etc. | 5.9 | 1.2 | 1.5 | 1.6 | 20.4 | 10.7 | 11.1 |
| Medicare | 2.1 | 0.1 | 2.0 | 0.0 | 12.5 | 5.4 | 5.3 |
| Headline | 100 | -0.1 | 1.0 | 1.4 | 24.7 | 8.9 | 10.5 |

Table A2: Distribution of Price Changes of CPI Basket, November 2009 (YoY)

| Groups | % Changes | Total Number of Items | No. of Items in each Inflation Range | | | |
|------------------------------|-------------|-----------------------|--|-------------------------------|---------------------------------|-------------------------------------|
| | | | Decrease or no change (0 % or less) | Subdued increase (0 to 5%) | Moderate increase (5 to 10%) | Double digit increase (over 10%) |
| I. Food Group | 11.1 | 113 | 20 | 19 | 18 | 56 |
| II. Non-Food Group | 10.0 | 250 | 13 | 119 | 68 | 50 |
| Apparel, textile, etc. | 4.7 | 42 | | 18 | 20 | 4 |
| House rent | 15.1 | 1 | | | | 1 |
| Fuel & lighting | 5.1 | 15 | 2 | 5 | 4 | 4 |
| Household furniture & equipt | 5.7 | 44 | | 23 | 18 | 3 |
| Transport & communication | 4.7 | 43 | 8 | 22 | 10 | 3 |
| Recreation & entertainment | 2.6 | 16 | | 12 | 1 | 3 |
| Education | 13.4 | 24 | 2 | 5 | 5 | 12 |
| Cleaning, laundry, etc. | 11.1 | 36 | | 16 | 9 | 11 |
| Medicines | 5.3 | 29 | 1 | 18 | 1 | 9 |
| Overall | 10.5 | 363 | | | | |

Note: Prices of 11 seasonal items were not reported during the month.

Table A3: Top Ten Contribution to YoY CPI Inflation in November 2009

| Table A01: Top 10 Contribution to YoY Contribution in November 2009 | | | | | |
|---|------------------------|---------|------------|--------|-----------------------|
| Items | | Weights | YoY change | | Weighted Contribution |
| | | | Nov-08 | Nov-09 | |
| A. Ranked by Weighted Contribution | | | | | |
| 1 | House Rent Index | 23.43 | 16.80 | 15.05 | 30.99 |
| 2 | Milk Fresh | 6.66 | 24.16 | 13.97 | 9.63 |
| 3 | Sugar | 1.95 | 23.38 | 50.13 | 6.36 |
| 4 | Meat | 2.70 | 15.44 | 17.64 | 6.04 |
| 5 | Vegetables | 1.92 | 29.22 | 20.23 | 4.97 |
| 6 | Wheat Flour | 5.11 | 65.24 | 6.26 | 4.45 |
| 7 | Chicken Farm | 0.92 | 16.41 | 37.73 | 3.03 |
| 8 | Fresh Fruits | 1.62 | 12.94 | 19.35 | 2.79 |
| 9 | Petrol | 1.73 | 8.04 | 14.58 | 2.37 |
| 10 | Jewellery | 0.39 | 26.36 | 39.99 | 2.28 |
| Total | | 46.42 | | | 72.89 |
| B. Ranked by Percentage Change | | | | | |
| 1 | Gur | 0.07 | 11.19 | 87.72 | 0.47 |
| 2 | Pulse Mash | 0.20 | 7.36 | 58.41 | 0.98 |
| 3 | Sugar | 1.95 | 23.38 | 50.13 | 6.36 |
| 4 | Jewellery | 0.39 | 26.36 | 39.99 | 2.28 |
| 5 | Pulse Moong | 0.22 | -2.54 | 38.98 | 0.72 |
| 6 | Chicken Farm | 0.92 | 16.41 | 37.73 | 3.03 |
| 7 | Text Books | 0.69 | 25.43 | 34.50 | 1.89 |
| 8 | Bulb & Tube | 0.13 | 6.19 | 30.19 | 0.19 |
| 9 | Eggs | 0.41 | 18.36 | 29.10 | 1.42 |
| 10 | Diesel | 0.21 | 51.91 | 23.44 | 0.87 |
| Total | | 5.19 | | | 18.20 |
| C. Ranked by Weights | | | | | |
| 1 | House Rent Index | 23.43 | 16.80 | 15.05 | 30.99 |
| 2 | Milk Fresh | 6.66 | 24.16 | 13.97 | 9.63 |
| 3 | Wheat Flour | 5.11 | 65.24 | 6.26 | 4.45 |
| 4 | Electricity | 4.37 | 33.20 | 2.74 | 0.94 |
| 5 | Bakery & Confectionary | 2.98 | 14.48 | 4.32 | 0.90 |
| 6 | Meat | 2.70 | 15.44 | 17.64 | 6.04 |
| 7 | Vegetable Ghee | 2.67 | 13.01 | 1.14 | 0.35 |
| 8 | Tution Fees | 2.36 | 13.00 | 8.10 | 1.56 |
| 9 | Transport Fare/Charges | 2.12 | 53.12 | -2.92 | -0.81 |
| 10 | Natural Gas | 2.05 | 27.46 | 4.91 | 1.35 |
| Total | | 54.45 | | | 55.39 |

Note: Weighted contribution is estimated by multiplying the weights by the price change of an item; this is then reported as a share in YoY change in CPI, which is 10.5 percent in November 2009.

Table A4: Distribution of Price Changes (YoY)- Selected CPI Items, November 2009

| Groups | Decrease or no change | Subdued increase (upto 5%) | Moderate increase (5 to 10%) | Increase of over 10% |
|--|---|--|---|---|
| Food Group | Vegetable Ghee Tin, Rice Irri-6 (Sindh/Punjab), Mustard Oil Av.Qlty., Cooking Oil (Dalda), Rice Basmati Broken Av.Qlty, Pulse Gram, Rice Basmati 385/386 | Vegetable Ghee (Loose), Wheat Flour Fine/Superior, Wheat Cold Drink (Standard Size), Biscuits, Maida, Milk Powder | Wheat Flour Bag, Bananas, Bread Plain Medium Size, Cooked Dal, Biscuit-Bakery (Loose), Betel Leaves Gram Whole Yellow Av.Qlty, Turnip Milk Tetra Pack 1/2 Ltr. | Milk Fresh (Unboiled), Sugar Refined, Beef With Bone Av.Qlty. Mutton Av.Qlty., Chicken Farm Broiler (Live), Onion, Potatoes Garlic, Gur Av.Qlty |
| Apparel & Textile | Ladies Sandal Bata Child Shoe | Lawn Av.Qlty., Long Cloth Av.Qlty., Shirting Av.Qlty. | Nylon Jogger, Linen Av.Qlty, Heavy Wt. Suiting Law.Pur | Tailoring Shirt, Tailoring Suit Female, Tailoring Awami-Suit (Male) |
| House Rent Index | | | | House Rent Index |
| Fuel & Lighting | Gas Chrg 3.3719 - 6.7438 Mmb, Elect.Charges Upto 50 Units | Elect.Charges Above 1000 Units, Gas Chrg 6.7438 - 10.1157Mmb | Elect.Charges 301 - 1000 Units,Gas Cylinder Standard Size | Firewood Whole |
| Household Furniture & Equipment | | Quilt (Lihaf), Blanket (90" X 54"), Pedestal Fan 22" | Household Servant Female, Bedsheet Single Bed Sup.Qlty, Bucket Plastic Med.Size | Tea Set Pak. Chinaware 21 Pcs, Hand Stitching Needle M.Size, Thermos |
| Transport & Communication. | Telephone Charges Local Call, Tel Charges Out Side City, A/C Bus Fare Outside City, Bus Fare Outside City | Auto Rickshaw Fares, Motorcycle Yamaha 100CC. Motorcycle Honda CD-70, Bicycle With Tyres & Tubes | Car Service Charges, Tyre Car With Tube General, CNG Filling Charges, Car Suzuki 800 Cc (W/O. A/C) | Petrol Super, High Speed Diesel (HSD), Postal Envelope Domestic |
| Recreation & Entertainment | Tv.Licence Fee, Daily "Jang", Daily "Nawa-E- Waqt" | T.V. 20" Colored, Cinema A/C. Highest Class, Radio With C.D Player | Dry Cell 1.5 Volt(Local), | Monthly "Naunehal Digest", Weekly "Akhbar-E-Jahan" Weekly "Mag" |
| Education | Govt. College Fee Ist. Year, Govt. College Fee th. Year, Govt. University Fee MSc | Govt. Engg. College Fee I year, Computer With Printer & Speaker, Ball Pen (Local) | School Fee Secondry Eng.Med.,Govt. Medical College Fee MBBS | School Fee Primary Eng.Med.Maths Book Class Ix Or X |
| Cleaning & Laundry | Toilet Soap Lux 95 grams, Toilet Soap Lifebouy 140 grams, Shaving Cream Touchme | Washing Soap, Dry Cleaning Suit Coat Pant, Beauty Porlor Hair Style Charge | Surf (Medium) 160 grams, Washing Powder 1000 grams, Perfume Med.Size, Nail Polish | Haircut Charges For Men, Shampoo Plain Medora 200ml, Hair-Oil Amla/Chambeli, Gold Tezabi 24 Ct |
| Medicare | Dettol (Medium), Jouhar Joshanda Entox Tablets. | Doctor (MBBS) Clinic Fee, O.R.S. (Nimcol), Daonil Tab. 5mg. | Cotton Bandage 2" - 4" | Gripe-Water Woodwards, CaC. 1000 Tablets, Galxos-D (450 grams) |

Table A5: City-wise Inflation by Income Groups, November 2009

| | | Upto Rs:3000 | | | | | | Rs 3001-5000 | | | | | |
|----|------------|---------------|------|------|------|----------|------|----------------|------|------|------|----------|------|
| | | General | | Food | | Non-Food | | General | | Food | | Non-Food | |
| | | MoM | YoY | MoM | YoY | MoM | YoY | MoM | YoY | MoM | YoY | MoM | YoY |
| | | | | | | | | | | | | | |
| 1 | Lahore | 1.1 | 9.6 | 1.4 | 11.5 | 0.9 | 8.0 | 1.1 | 9.6 | 1.4 | 11.1 | 0.8 | 8.3 |
| 2 | Faisalabad | 0.8 | 12.0 | 1.1 | 13.9 | 0.6 | 10.4 | 0.8 | 11.9 | 1.0 | 13.8 | 0.6 | 10.3 |
| 3 | Rawalpindi | 0.6 | 10.8 | 0.7 | 14.1 | 0.6 | 8.2 | 0.6 | 10.7 | 0.8 | 13.9 | 0.5 | 8.2 |
| 4 | Multan | 1.9 | 12.4 | 2.8 | 14.5 | 1.3 | 10.7 | 1.9 | 12.0 | 2.8 | 14.4 | 1.1 | 10.0 |
| 5 | Gujranwala | 1.6 | 9.7 | 2.5 | 11.7 | 0.8 | 8.0 | 1.4 | 9.9 | 2.3 | 11.7 | 0.7 | 8.4 |
| 6 | Islamabad | 0.5 | 9.4 | 1.1 | 12.3 | 0.0 | 7.2 | 0.6 | 10.1 | 1.1 | 12.7 | 0.1 | 8.0 |
| 7 | Sargodha | 1.0 | 12.3 | 1.1 | 12.5 | 0.9 | 12.1 | 1.0 | 11.7 | 1.2 | 12.3 | 0.9 | 11.2 |
| 8 | Sialkot | 1.1 | 11.8 | 1.3 | 13.8 | 0.9 | 10.1 | 1.9 | 12.2 | 2.8 | 14.4 | 1.0 | 10.4 |
| 9 | Bahawalpur | 2.0 | 13.8 | 2.7 | 17.9 | 1.3 | 10.4 | 1.9 | 13.6 | 2.6 | 17.9 | 1.2 | 10.2 |
| 10 | Karachi | 2.0 | 8.8 | 2.4 | 8.4 | 1.6 | 9.1 | 1.8 | 8.2 | 2.2 | 7.2 | 1.4 | 9.0 |
| 11 | Hyderabad | 1.1 | 11.3 | 1.6 | 11.8 | 0.8 | 10.8 | 1.0 | 11.0 | 1.3 | 12.0 | 0.8 | 10.2 |
| 12 | Sukkur | 1.0 | 8.1 | 1.2 | 4.1 | 0.8 | 11.6 | 1.1 | 8.4 | 1.4 | 5.7 | 0.8 | 10.5 |
| 13 | Larkana | 2.9 | 13.4 | 4.5 | 14.1 | 1.6 | 12.8 | 3.0 | 12.2 | 4.6 | 13.5 | 1.6 | 11.1 |
| 14 | Peshawar | 1.8 | 7.9 | 2.7 | 6.5 | 1.1 | 9.1 | 1.6 | 6.8 | 2.2 | 4.9 | 1.1 | 8.3 |
| 15 | Bannu | 0.0 | 6.0 | -0.9 | 4.2 | 0.8 | 7.4 | 0.6 | 5.5 | -0.1 | 3.0 | 1.2 | 7.5 |
| 16 | Quetta | 2.2 | 8.5 | 3.2 | 7.9 | 1.3 | 9.1 | 1.7 | 7.8 | 2.6 | 7.2 | 0.9 | 8.4 |
| 17 | Khuzdar | 2.8 | 9.0 | 3.8 | 9.8 | 2.1 | 8.3 | 2.9 | 8.0 | 3.7 | 8.2 | 2.3 | 7.8 |
| | | Rs 5001-12000 | | | | | | above Rs 12000 | | | | | |
| | | General | | Food | | Non-Food | | General | | Food | | Non-Food | |
| | | MoM | YoY | MoM | YoY | MoM | YoY | MoM | YoY | MoM | YoY | MoM | YoY |
| | | | | | | | | | | | | | |
| 1 | Lahore | 0.9 | 9.5 | 1.1 | 10.8 | 0.6 | 8.3 | 1.1 | 9.8 | 0.9 | 10.6 | 1.2 | 9.1 |
| 2 | Faisalabad | 0.9 | 11.7 | 1.2 | 14.1 | 0.6 | 9.8 | 1.2 | 12.0 | 1.5 | 14.4 | 0.9 | 9.9 |
| 3 | Rawalpindi | 0.6 | 10.9 | 0.7 | 13.5 | 0.6 | 8.8 | 0.8 | 11.0 | -0.1 | 13.0 | 1.5 | 9.4 |
| 4 | Multan | 1.9 | 12.0 | 2.9 | 14.9 | 0.9 | 9.6 | 1.8 | 12.0 | 3.0 | 16.4 | 0.8 | 8.3 |
| 5 | Gujranwala | 1.3 | 10.2 | 2.2 | 12.0 | 0.5 | 8.8 | 1.0 | 10.4 | 1.7 | 12.6 | 0.4 | 8.6 |
| 6 | Islamabad | 0.5 | 9.3 | 1.2 | 11.5 | 0.0 | 7.5 | 0.7 | 9.6 | 0.3 | 11.1 | 0.9 | 8.3 |
| 7 | Sargodha | 1.1 | 11.2 | 1.3 | 11.9 | 1.0 | 10.7 | 1.3 | 10.8 | 1.2 | 11.4 | 1.4 | 10.2 |
| 8 | Sialkot | 2.1 | 12.5 | 3.3 | 14.7 | 1.0 | 10.4 | 1.8 | 12.4 | 2.9 | 15.0 | 0.9 | 10.0 |
| 9 | Bahawalpur | 1.6 | 12.9 | 2.4 | 16.8 | 0.9 | 9.7 | 1.2 | 11.2 | 1.5 | 15.4 | 1.0 | 7.6 |
| 10 | Karachi | 1.6 | 8.8 | 2.0 | 7.7 | 1.3 | 9.7 | 1.4 | 10.6 | 1.6 | 9.0 | 1.3 | 12.0 |
| 11 | Hyderabad | 0.9 | 10.9 | 1.1 | 11.3 | 0.8 | 10.6 | 1.0 | 11.5 | 0.7 | 11.2 | 1.2 | 11.6 |
| 12 | Sukkur | 1.1 | 8.8 | 1.4 | 6.3 | 0.8 | 10.8 | 0.9 | 8.8 | 0.8 | 6.2 | 0.9 | 10.9 |
| 13 | Larkana | 2.6 | 11.4 | 4.0 | 12.2 | 1.4 | 10.6 | 1.5 | 9.4 | 2.0 | 9.8 | 1.0 | 9.1 |
| 14 | Peshawar | 1.6 | 7.7 | 2.4 | 5.9 | 0.9 | 9.3 | 2.0 | 9.2 | 3.0 | 7.5 | 1.2 | 10.6 |
| 15 | Bannu | 1.0 | 5.5 | 0.2 | 2.9 | 1.7 | 7.7 | 1.1 | 5.8 | 0.4 | 3.3 | 1.8 | 7.9 |
| 16 | Quetta | 1.5 | 8.4 | 2.2 | 6.6 | 0.9 | 9.9 | 1.4 | 9.2 | 1.3 | 6.4 | 1.5 | 11.7 |
| 17 | Khuzdar | 2.6 | 8.1 | 3.6 | 7.2 | 1.8 | 9.0 | 2.7 | 12.7 | 3.4 | 12.2 | 2.1 | 13.2 |

| Table A6 : Income Group-wise Inflation | | | | | | percent | |
|--|--------|--------|--------|--|--------|---------|--------|
| | MoM | | | | YoY | | |
| | Nov-08 | Oct-09 | Nov-09 | | Nov-08 | Oct-09 | Nov-09 |
| <u>Up to Rs. 3000</u> | | | | | | | |
| General | -0.4 | 1.1 | 1.5 | | 27.3 | 8.4 | 10.5 |
| Food | -1.5 | 1.1 | 2.0 | | 33.0 | 7.4 | 11.2 |
| Non-food | 0.6 | 1.0 | 1.2 | | 22.9 | 9.3 | 10.0 |
| <u>Rs. 3001-5000</u> | | | | | | | |
| General | 0.1 | 1.2 | 1.5 | | 27.4 | 8.8 | 10.3 |
| Food | -1.7 | 1.1 | 1.9 | | 32.4 | 7.0 | 11.0 |
| Non-food | 1.6 | 1.2 | 1.1 | | 23.7 | 10.4 | 9.7 |
| <u>Rs. 5000-12000</u> | | | | | | | |
| General | 0.1 | 1.0 | 1.4 | | 26.1 | 9.0 | 10.3 |
| Food | -1.5 | 1.1 | 1.8 | | 31.2 | 7.4 | 11.0 |
| Non-food | 1.6 | 0.9 | 0.9 | | 22.2 | 10.4 | 9.7 |
| <u>Above Rs. 12000</u> | | | | | | | |
| General | -0.5 | 0.8 | 1.4 | | 22.5 | 8.7 | 10.8 |
| Food | -1.4 | 0.9 | 1.7 | | 28.5 | 7.9 | 11.3 |
| Non-food | 0.3 | 0.7 | 1.2 | | 17.7 | 9.4 | 10.3 |
| <u>All income groups</u> | | | | | | | |
| General | -0.1 | 1.0 | 1.4 | | 24.7 | 8.9 | 10.5 |
| Food | -1.5 | 1.1 | 1.8 | | 30.4 | 7.5 | 11.1 |
| Non-food | 1.1 | 0.8 | 1.0 | | 20.2 | 10.0 | 10.0 |

| Table A7: Distribution of Price Change (YoY) - WPI Items: November 2009 | | | | |
|---|---|--|---|---|
| Groups | Decrease or no change | Subdued increase (upto 5%) | Moderate increase (5 to 10%) | More than 10% increase |
| Food | Gram Split, Besan, Rice, Bajra, Maize, Mustard & Rapeseed Oil, Masoor, Beans, Powdered Milk | Cooking Oil, Sugar Confectionary, Maida, Cotton Seed Oil, Vegetables, Beverages, Spices, Oil Cakes, Condiments | Milk Food, Wheat, Jowar, Vegetable Ghee, Fresh Milk | Gram Whole, Mineral Water, Salt, Wheat Flour, Fruit, Prepared/Preserved, Vegetables Prepared/Preserved, Dry Fruits, Tea, Fish, Meat, Tomatoes, Fresh Fruits, Eggs, Onions, Potatoes, Moong, Chicken, Sugar Refined, Mash, Gur |
| Raw material | Pig Iron, Hides, Mustard/Rapeseeds, Skins | Wool | | Tobacco Cotton Seeds Cotton Sugar Cane |
| Fuel & lighting | Coke, Natural Gas, Elec. Agriculture Tariff-D | Coal, Mobil Oil | Fire Wood | Electricity Ind. Supply Tariff-B, Motor Sprit, Kerosine Oil, Diesel Oil, Furnace Oil |
| Manufactures | Fertilizers, Chemicals, Dying Materials, Paper, Matches | Tyres, Audio-Visual Instruments, Jute Manufactures, Machinery, Utensils, Hosiery, Tubes, Silk & Reyon Textiles, Transports, Soaps, Ready Made Garments | Mattresses, Plastic Products, Nylon Yarn, Cotton Textiles, Sole Leather, Drugs & Medicines, Cosmetics, Pesticides & Insecticised, Other Electrical Goods, Chrome Leather, Woolen Textiles | Foot Wear, Blended Yarn, Cigarettes, Cotton Yarn, Glass Products, Cigarettes |
| Building material | Iron Bars & Sheets Cement | Cement Blocks, Tiles, Bricks, Pipe Fittings, Timber, Wires And Cables | | Sanitary Wares, Glass Sheets, Paints & Varnishes |

Table A8: SPI Item-wise Price Movements

| S.No | Items | Unit | Price Nov 09 | Percentage change | |
|----------------|--------------------------|----------|-----------------|-------------------|-------------|
| | | | | YoY | Monthly |
| 1 | Wheat | Kg. | 25.7 | 2.2 | 1.2 |
| 2 | Wheat flour average qlt. | Kg. | 28.9 | 6.8 | 0.1 |
| 3 | Rice basmti.broken | Kg. | 43.0 | -12.2 | -2.6 |
| 4 | Rice irri-6 | Kg. | 33.3 | -15.4 | -3.7 |
| 5 | Masur pulse washed | Kg. | 121.4 | -6.0 | -0.6 |
| 6 | Moong pulse washed | Kg. | 68.5 | 36.8 | 19.1 |
| 7 | Mash pulse washed | Kg. | 120.0 | 60.1 | 9.0 |
| 8 | Gram pulse washed | Kg. | 49.6 | -15.7 | 0.8 |
| 9 | Beef | Kg. | 170.7 | 20.1 | 2.1 |
| 10 | Mutton | Kg. | 300.6 | 17.3 | 1.0 |
| 11 | Egg hen (farm) | Doz. | 81.7 | 22.0 | 16.2 |
| 12 | Bread plain | Each | 25.9 | 8.7 | 0.3 |
| 13 | Sugar | Kg. | 51.5 | 43.7 | 13.6 |
| 14 | Gur | Kg. | 70.7 | 79.0 | -1.5 |
| 15 | Milk fresh | Litr | 41.4 | 14.9 | 0.1 |
| 16 | Milk powdered nido | 400g | 180.0 | 5.9 | 0.0 |
| 17 | Curd | Kg. | 48.7 | 13.3 | 0.5 |
| 18 | Veg.ghee tin | 2.5k | 353.0 | -0.6 | 0.0 |
| 19 | Veg.ghee loose | Kg. | 106.5 | 4.1 | -0.3 |
| 20 | Mustard oil | Kg. | 130.0 | -10.5 | -0.3 |
| 21 | Cooking oil | 2.5l | 353.0 | -5.9 | -0.3 |
| 22 | Potatoes | Kg. | 31.2 | 12.9 | 14.9 |
| 23 | Onions | Kg. | 25.9 | 8.4 | 3.1 |
| 24 | Tomatoes | Kg. | 40.6 | 5.0 | 16.1 |
| 25 | Bananas | Doz. | 34.9 | 9.9 | -6.1 |
| 26 | Salt powdered | Kg. | 6.7 | 11.0 | 0.0 |
| 27 | Red chillies(powd) | Kg. | 152.8 | 6.3 | 20.7 |
| 28 | Garlic | Kg. | 135.5 | 206.7 | 19.6 |
| 29 | Tea packet | 250g | 122.5 | 17.3 | 6.6 |
| 30 | Tea (prepared) | Cup | 9.9 | 18.4 | 4.3 |
| 31 | Cooked beef plate | Each | 43.9 | 9.2 | 1.8 |
| 32 | Cooked dal plate | Each | 27.1 | 5.8 | 2.4 |
| 33 | Cigarettes k-2 | 10's | 11.0 | 23.0 | 5.2 |
| 34 | Coarse latha | Mtr. | 45.5 | 1.0 | 0.1 |
| 35 | Lawn (avg.+s.qlty) | Mtr. | 92.5 | 3.0 | -0.5 |
| 36 | Voil printed | Mtr. | 47.1 | 3.6 | -0.5 |
| 37 | Shirting | Mtr. | 80.6 | 2.2 | 0.2 |
| 38 | Sandel gents bata | Pair | 499.0 | 0.0 | 0.0 |
| 39 | Sandel ladies bata | Pair | 379.0 | 0.0 | 0.0 |
| 40 | Chappal spng. Bata | Pair | 129.0 | 0.0 | 0.0 |
| 41 | Kerosene | Litr | 68.6 | -3.1 | 0.0 |
| 42 | Firewood | 40kg | 290.3 | 9.9 | 2.4 |
| 43 | Elec. Bulb 60-wats | Each | 20.0 | 45.0 | 5.9 |
| 44 | Match box | Each | 1.0 | 0.0 | 0.0 |
| 45 | Washing soap | Cake | 12.6 | -0.3 | 0.0 |
| 46 | Bath soap lifebuoy | Cake | 22.0 | 0.0 | 0.0 |
| 47 | Chicken (farm) | Kg. | 124.6 | 32.5 | -5.2 |
| 48 | Gas chrg. All clb. Comb | D.mmbt | 286.3 | 4.6 | 0.0 |
| 49 | L.P.G .(cylinder 11kg.) | Each | 952.6 | 12.9 | 11.0 |
| 50 | Elec.chrg.all slabs comb | Bd. Unit | 7.0 | 13.8 | 1.7 |
| 51 | Petrol | Litr | 62.5 | -13.6 | 0.0 |
| 52 | Diesel | Litr | 65.4 | 3.5 | 0.0 |
| 53 | Telephone local | Call | 2.4 | 2.1 | 0.0 |
| Maximum | | | | 206.7 | 20.7 |
| Median | | | | 5.9 | 0.1 |
| Minimum | | | | -15.7 | -6.1 |

| Table A9: Consumer Price Index Numbers by Major Groups and Selected Commodities | | | | |
|--|-----------------|---------------|---------------|---------------|
| Item and Specification | Weights | Index | | |
| | | Nov-08 | Oct-09 | Nov-09 |
| GENERAL | 100.0007 | 191.85 | 209.11 | 212.02 |
| FOOD & BEVERAGES. | 40.3413 | 218.12 | 238.12 | 242.40 |
| 1 WHEAT | 0.4830 | 291.35 | 297.45 | 300.54 |
| 2 WHEAT FLOUR | 5.1122 | 280.65 | 298.44 | 298.21 |
| 3 MAIDA | 0.1059 | 271.20 | 280.45 | 281.96 |
| 4 BESAN | 0.1320 | 214.09 | 180.83 | 181.06 |
| 5 RICE | 1.3369 | 311.84 | 276.95 | 269.24 |
| 6 PULSE MASOOR | 0.2214 | 354.74 | 334.33 | 330.76 |
| 7 PULSE MOONG | 0.2230 | 166.95 | 186.91 | 232.02 |
| 8 PULSE MASH | 0.2017 | 167.03 | 245.31 | 264.60 |
| 9 PULSE GRAM | 0.4272 | 206.72 | 170.81 | 171.96 |
| 10 GRAM WHOLE | 0.1491 | 183.17 | 195.51 | 200.00 |
| 11 MUSTARD OIL | 0.0456 | 260.96 | 239.69 | 237.28 |
| 12 COOKING OIL | 0.6858 | 235.55 | 221.73 | 221.73 |
| 13 VEGETABLE GHEE | 2.6672 | 230.90 | 233.90 | 233.53 |
| 14 SUGAR | 1.9467 | 131.45 | 162.65 | 197.34 |
| 15 GUR | 0.0735 | 147.35 | 277.41 | 276.60 |
| 16 TEA | 1.2559 | 163.19 | 181.77 | 193.96 |
| 17 MILK FRESH | 6.6615 | 208.72 | 236.30 | 237.88 |
| 18 MILK POWDER | 0.1105 | 204.71 | 208.87 | 209.86 |
| 19 MILK PRODUCTS | 0.5607 | 195.49 | 221.24 | 222.19 |
| 20 HONEY | 0.0358 | 171.23 | 198.04 | 200.28 |
| 21 CEREALS | 0.0878 | 223.69 | 241.80 | 243.96 |
| 22 JAM,TOMATO,PICKLES & VINEGAR | 0.2472 | 161.65 | 175.69 | 178.96 |
| 23 BEVERAGES | 0.7286 | 163.33 | 177.13 | 177.19 |
| 24 CONDIMENTS | 0.3392 | 241.54 | 242.63 | 243.43 |
| 25 SPICES | 0.6008 | 209.02 | 186.90 | 194.87 |
| 26 DRY FRUIT | 0.2760 | 294.78 | 318.44 | 323.62 |
| 27 BAKERY & CONFECTIONARY | 2.9837 | 140.56 | 146.77 | 146.63 |
| 28 CIGARETTES | 0.9527 | 174.71 | 205.83 | 208.02 |
| 29 BETEL LEAVES & NUTS | 0.1851 | 166.83 | 174.23 | 175.09 |
| 30 READYMADE FOOD | 1.6833 | 218.42 | 239.26 | 243.87 |
| 31 SWEETMEAT & NIMCO | 0.3846 | 220.75 | 243.34 | 245.29 |
| 32 FISH | 0.2703 | 174.21 | 192.86 | 199.08 |
| 33 MEAT | 2.6981 | 255.97 | 294.97 | 301.12 |
| 34 CHICKEN FARM | 0.9158 | 176.87 | 243.38 | 243.61 |
| 35 EGGS | 0.4119 | 239.21 | 262.59 | 308.81 |
| 36 POTATOES | 0.5514 | 288.57 | 288.69 | 323.98 |
| 37 ONIONS | 0.5945 | 218.27 | 241.37 | 249.17 |
| 38 TOMATOES | 0.4541 | 181.41 | 238.17 | 208.50 |
| 39 VEGETABLES | 1.9249 | 258.72 | 294.43 | 311.05 |
| 40 FRESH FRUITS | 1.6157 | 180.02 | 229.00 | 214.85 |
| APPAREL, TEXTILE & FOOTWEAR. | 6.0977 | 152.74 | 159.31 | 159.95 |
| 41 COTTON CLOTH | 1.6197 | 155.34 | 160.06 | 159.43 |
| 42 SILK,LINEN,WOOLEN/CLOTH | 0.5766 | 150.90 | 158.74 | 160.35 |
| 43 TAILORING CHARGES | 0.8636 | 159.03 | 174.95 | 176.15 |
| 44 HOSIERY | 0.1528 | 161.91 | 172.64 | 172.91 |
| 45 READYMADE GARMENTS | 1.2038 | 140.01 | 146.24 | 147.68 |
| 46 WOOLEN READYMADE GARMENTS | 0.1485 | 169.56 | 179.12 | 184.11 |
| 47 FOOTWEAR | 1.5327 | 154.59 | 156.93 | 157.22 |
| HOUSE RENT. | 23.4298 | 177.22 | 202.29 | 203.90 |
| 48 HOUSE RENT INDEX (Combined) | 23.4298 | 177.22 | 202.29 | 203.90 |

(continued)

(continued)

| Table A9: Consumer Price Index Numbers by Major Groups and Selected Commodities | | | | |
|---|---------------|---------------|---------------|---------------|
| Item and Specification | Weights | Index | | |
| | | Nov-08 | Oct-09 | Nov-09 |
| FUEL AND LIGHTING. | 7.2912 | 203.62 | 212.12 | 213.97 |
| 49 KEROSENE | 0.1366 | 386.02 | 418.45 | 447.00 |
| 50 FIREWOOD | 0.4778 | 296.00 | 325.62 | 331.14 |
| 51 MATCH BOX | 0.1301 | 200.00 | 200.00 | 200.00 |
| 52 BULB & TUBE | 0.1311 | 99.31 | 129.29 | 129.29 |
| 53 ELECTRICITY | 4.3698 | 159.21 | 163.57 | 163.57 |
| 54 NATURAL GAS | 2.0458 | 271.66 | 281.60 | 285.01 |
| H.HOLD.FURNITURE & EQUIPMENT ETC. | 3.2862 | 159.08 | 166.77 | 168.10 |
| 55 UTENSILS | 0.3690 | 145.07 | 154.72 | 155.45 |
| 56 PLASTIC PRODUCTS | 0.1055 | 185.78 | 199.72 | 202.09 |
| 57 SUITCASE | 0.0470 | 148.09 | 160.43 | 162.77 |
| 58 HOUSE HOLD EQUIPMENTS | 0.0953 | 145.86 | 154.35 | 155.19 |
| 59 FURNITURE (Ready Made) | 0.3054 | 170.33 | 177.50 | 180.12 |
| 60 FURNISHING | 0.6362 | 151.51 | 159.29 | 160.17 |
| 61 ELECT. IRON FANS & WASHING MACHINE | 0.1889 | 156.91 | 160.98 | 160.77 |
| 62 SEWING MACHINE, CLOCK AND NEEDLES | 0.1270 | 136.22 | 144.33 | 145.28 |
| 63 REFRIGERATOR & AIRCONDITIONER | 0.1756 | 126.82 | 131.72 | 131.89 |
| 64 MARRIAGE HALL | 0.0445 | 180.22 | 196.40 | 197.98 |
| 65 HOUSE HOLD SERVANT | 1.1918 | 170.44 | 177.45 | 179.22 |
| TRANSPORT & COMMUNICATION. | 7.3222 | 188.88 | 192.39 | 197.68 |
| 66 PETROL | 1.7253 | 189.71 | 203.16 | 217.37 |
| 67 DIESEL | 0.2070 | 362.66 | 411.98 | 447.68 |
| 68 CNG. FILLING CHARGES | 0.1649 | 189.08 | 206.43 | 206.43 |
| 69 SERVICE CHARGES | 0.3835 | 160.83 | 172.15 | 174.13 |
| 70 VEHICLES | 0.2596 | 125.00 | 129.28 | 129.97 |
| 71 TYRE & TUBE | 0.2831 | 154.47 | 161.39 | 163.02 |
| 72 TRANSPORT FARE/CHARGES | 2.1236 | 265.48 | 256.93 | 257.74 |
| 73 TRAIN FARE | 0.1514 | 253.24 | 253.24 | 253.24 |
| 74 AIR FARE | 0.0983 | 342.93 | 342.93 | 342.93 |
| 75 COMMUNICATION | 1.9255 | 91.30 | 91.37 | 93.28 |
| RECREATION & ENTERTAINMENT. | 0.8259 | 119.47 | 121.69 | 122.61 |
| 76 RECREATION | 0.3399 | 128.36 | 131.89 | 134.04 |
| 77 ENTERTAINMENT | 0.4860 | 113.25 | 114.55 | 114.61 |
| EDUCATION. | 3.4548 | 161.90 | 182.80 | 183.65 |
| 78 TUTION FEES | 2.3629 | 164.04 | 177.33 | 177.33 |
| 79 STATIONERY | 0.3500 | 162.94 | 177.63 | 178.83 |
| 80 TEXT BOOKS | 0.6894 | 160.07 | 211.68 | 215.30 |
| 81 COMPUTER & ALLIED PRODUCTS | 0.0525 | 82.86 | 84.57 | 84.57 |
| CLEANING LAUNDRY & PER.APPEARANCE. | 5.8788 | 161.71 | 176.86 | 179.64 |
| 82 WASHING SOAP & DETERGENT | 1.5535 | 156.42 | 165.08 | 165.39 |
| 83 TOILET SOAP | 0.7436 | 186.50 | 186.50 | 186.50 |
| 84 TOOTH PASTE | 0.4036 | 112.34 | 114.79 | 115.19 |
| 85 SHAVING ARTICLES | 0.3480 | 144.17 | 151.29 | 152.21 |
| 86 COSMETICS | 1.4272 | 143.02 | 161.29 | 162.33 |
| 87 WATCHES | 0.0552 | 137.86 | 138.77 | 138.95 |
| 88 JEWELLERY | 0.3936 | 291.57 | 381.25 | 408.18 |
| 89 LAUNDRY CHARGES | 0.2207 | 175.94 | 182.01 | 183.82 |
| 90 HAIR CUT & BEAUTY PARLOUR CHARGES | 0.7334 | 147.45 | 160.28 | 164.18 |
| MEDICARE. | 2.0728 | 146.10 | 153.89 | 153.91 |
| 91 DRUGS & MEDICARES | 1.0752 | 113.31 | 124.63 | 124.67 |
| 92 DOCTOR'S FEE | 0.9976 | 181.45 | 185.43 | 185.43 |

| Table A10: Wholesale Price Index Numbers by major Groups and Selected Commodities | | | |
|--|---------------|---------------|---------------|
| Item and Specifications | Index | | |
| | Nov-08 | Oct-09 | Nov-09 |
| GENERAL | 196.50 | 215.01 | 220.98 |
| FOOD | 215.97 | 232.35 | 236.69 |
| 1 WHEAT | 291.76 | 304.12 | 307.03 |
| 2 WHEAT FLOUR | 264.32 | 294.00 | 294.05 |
| 3 MAIDA | 290.59 | 290.56 | 292.94 |
| 4 BESAN | 198.48 | 162.67 | 162.02 |
| 5 RICE | 370.02 | 317.60 | 303.58 |
| 6 MAIZE | 239.05 | 199.79 | 197.23 |
| 7 JOWAR | 201.77 | 218.70 | 215.10 |
| 8 BAJRA | 213.50 | 174.37 | 176.07 |
| 9 BEANS | 268.06 | 238.86 | 250.56 |
| 10 GRAM WHOLE | 190.38 | 209.15 | 211.07 |
| 11 GRAM SPLIT | 191.32 | 148.24 | 147.63 |
| 12 MASOOR | 376.38 | 351.16 | 331.24 |
| 13 MASH | 149.36 | 229.53 | 239.41 |
| 14 MOONG | 167.53 | 194.81 | 228.90 |
| 15 POTATOES | 240.39 | 264.97 | 324.08 |
| 16 ONIONS | 200.07 | 251.24 | 260.47 |
| 17 TOMATOES | 161.76 | 239.17 | 202.66 |
| 18 VEGETABLES | 322.01 | 322.67 | 330.21 |
| 19 FRESH FRUITS | 128.11 | 168.88 | 161.31 |
| 20 DRY FRUITS | 212.45 | 235.52 | 242.55 |
| 21 FRESH MILK | 188.92 | 202.47 | 204.52 |
| 22 POWDERED MILK | 222.19 | 221.74 | 221.74 |
| 23 MILK FOOD | 162.73 | 169.90 | 170.90 |
| 24 VEGETABLE GHEE | 233.47 | 251.54 | 249.30 |
| 25 MUSTARD & RAPESEED OIL | 301.09 | 259.88 | 262.32 |
| 26 COTTON SEED OIL | 257.73 | 258.63 | 260.34 |
| 27 COOKING OIL | 217.49 | 217.81 | 217.56 |
| 28 OIL CAKES | 293.71 | 305.57 | 306.99 |
| 29 GUR | 128.89 | 249.56 | 251.61 |
| 30 SUGAR REFINED | 131.46 | 164.38 | 198.60 |
| 31 CHICKEN | 178.19 | 260.11 | 255.59 |
| 32 EGGS | 251.39 | 269.88 | 318.75 |
| 33 FISH | 116.41 | 135.01 | 137.57 |
| 34 MEAT | 239.87 | 278.70 | 284.19 |
| 35 SPICES | 195.36 | 195.72 | 202.74 |
| 36 CONDIMENTS | 272.90 | 285.74 | 285.94 |
| 37 SALT | 151.68 | 167.44 | 168.67 |
| 38 TEA | 140.40 | 152.92 | 161.24 |
| 39 BEVERAGES | 136.75 | 141.02 | 140.97 |
| 40 MINERAL WATER | 114.24 | 125.87 | 126.74 |
| 41 FRUIT PREPARED/PRESERVED | 155.72 | 174.56 | 174.68 |
| 42 VEGETABLES PREPARED/PRESERVED | 155.95 | 175.33 | 175.64 |
| 43 SUGAR CONFECTIONARY | 99.90 | 100.46 | 100.46 |
| RAW MATERIAL | 173.65 | 197.29 | 208.71 |
| 44 COTTON | 134.02 | 157.33 | 172.32 |
| 45 COTTON SEEDS | 234.54 | 266.81 | 274.41 |
| 46 MUSTARD/RAPESEEDS | 314.92 | 269.70 | 268.25 |
| 47 TOBACCO | 191.18 | 215.81 | 215.81 |
| 48 SUGAR CANE | 227.37 | 280.70 | 294.37 |
| 49 WOOL | 141.45 | 142.90 | 142.86 |
| 50 HIDES | 161.30 | 132.08 | 134.23 |
| 51 SKINS | 114.31 | 104.82 | 104.82 |
| 52 PIG IRON | 393.24 | 323.33 | 321.93 |

(continued)

(continued)

Table A10: Wholesale Price Index Numbers by major Groups and Selected Commodities

| Item and Specifications | Index | | |
|-------------------------------------|---------------|---------------|---------------|
| | Nov-08 | Oct-09 | Nov-09 |
| FUEL & LIGHT | 232.07 | 283.96 | 294.39 |
| 53 COAL | 137.00 | 141.00 | 141.00 |
| 54 COKE | 832.77 | 624.58 | 624.58 |
| 55 DIESEL OIL | 353.27 | 409.47 | 439.35 |
| 56 MOTOR SPRIT | 188.00 | 200.72 | 214.97 |
| 57 MOBIL OIL | 193.33 | 199.00 | 199.00 |
| 58 FURNACE OIL | 181.07 | 354.09 | 365.78 |
| 59 Kerosine Oil | 352.86 | 392.72 | 425.10 |
| 60 NATURAL GAS | 218.73 | 217.12 | 217.12 |
| 61 ELECTRICITY IND. SUPPLY TARIFF-B | 160.81 | 179.27 | 179.27 |
| 62 ELEC. AGRICULTURE TARIFF-D | 177.78 | 177.78 | 177.78 |
| 63 FIRE WOOD | 250.15 | 267.74 | 273.61 |
| MANUFACTURE | 140.24 | 145.36 | 150.65 |
| 64 SOLE LEATHER | 128.74 | 131.99 | 137.13 |
| 65 CHROME LEATHER | 194.84 | 194.84 | 212.23 |
| 66 COTTON YARN | 100.30 | 115.73 | 128.24 |
| 67 BLENDED YARN | 128.35 | 140.89 | 145.63 |
| 68 NYLON YARN | 109.10 | 113.13 | 114.88 |
| 69 COTTON TEXTILES | 139.36 | 146.43 | 146.83 |
| 70 HOSIERY | 150.51 | 155.79 | 155.79 |
| 71 SILK & REYON TEXTILES | 142.74 | 146.35 | 148.10 |
| 72 WOOLEN TEXTILES | 127.86 | 138.26 | 139.69 |
| 73 JUTE MANUFACTURES | 121.87 | 123.97 | 123.97 |
| 74 MATTRESSES | 132.22 | 137.17 | 138.89 |
| 75 READY MADE GARMENTS | 113.22 | 118.27 | 118.87 |
| 76 UTENSILS | 144.82 | 148.79 | 148.79 |
| 77 PLASTIC PRODUCTS | 131.59 | 138.22 | 138.32 |
| 78 GLASS PRODUCTS | 122.00 | 179.65 | 179.65 |
| 79 CHEMICALS | 192.11 | 172.61 | 178.18 |
| 80 DYING MATERIALS | 88.36 | 88.36 | 87.20 |
| 81 SOAPS | 174.60 | 181.72 | 182.93 |
| 82 COSMETICS | 112.04 | 119.58 | 119.84 |
| 83 DRUGS & MEDICINES | 105.90 | 113.17 | 113.17 |
| 84 FERTILIZERS | 326.37 | 290.78 | 284.38 |
| 85 PESTICIDES & INSECTICISED | 136.29 | 147.16 | 147.16 |
| 86 MACHINERY | 171.43 | 175.23 | 175.32 |
| 87 TRANSPORTS | 123.99 | 124.15 | 128.99 |
| 88 TYRES | 207.52 | 208.57 | 208.57 |
| 89 TUBES | 180.46 | 185.99 | 187.13 |
| 90 AUDIO-VISUAL INSTRUMENTS | 90.80 | 92.28 | 92.28 |
| 91 OTHER ELECTRICAL GOODS | 121.01 | 130.56 | 131.07 |
| 92 CIGARETTES | 155.73 | 171.57 | 179.05 |
| 93 PAPER | 105.98 | 105.98 | 105.98 |
| 94 MATCHES | 124.26 | 124.26 | 124.26 |
| 95 FOOT WEAR | 172.91 | 177.36 | 192.15 |
| BUILDING MATERIAL | 224.81 | 190.23 | 187.33 |
| 96 CEMENT | 151.97 | 127.53 | 124.02 |
| 97 BRICKS | 233.80 | 236.42 | 239.05 |
| 98 CEMENT BLOCKS | 165.93 | 166.63 | 166.63 |
| 99 TILES | 99.17 | 99.67 | 99.67 |
| 100 IRON BARS & SHEETS | 290.47 | 236.12 | 232.66 |
| 101 PIPE FITTINGS | 176.85 | 181.03 | 180.95 |
| 102 TIMBER | 201.26 | 209.27 | 208.88 |
| 103 GLASS SHEETS | 152.63 | 172.95 | 172.95 |
| 104 PAINTS & VARNISHES | 128.15 | 146.05 | 146.05 |
| 105 SANITARY WARES | 143.43 | 151.56 | 159.33 |
| 106 WIRES AND CABLES | 249.62 | 262.08 | 262.08 |

Table A11: Price Indices - Base 2000-01=100

| Period | CPI | | | WPI | | | SPI * |
|-----------|---------|--------|----------|---------|--------|----------|--------|
| | Overall | Food | Non-food | Overall | Food | Non-food | |
| 2004-05 | 121.98 | 125.69 | 119.47 | 124.14 | 125.03 | 123.50 | 126.52 |
| 2005-06 | 131.64 | 134.39 | 129.78 | 136.68 | 133.78 | 138.78 | 136.43 |
| 2006-07 | 141.87 | 148.21 | 137.59 | 146.18 | 145.67 | 146.53 | 149.29 |
| 2007-08 | 158.90 | 174.36 | 148.44 | 170.15 | 173.27 | 167.88 | 170.55 |
| 2008-09 | 191.90 | 215.69 | 175.82 | 201.10 | 213.54 | 192.04 | 209.29 |
| 2007 Nov. | 153.87 | 167.22 | 144.84 | 163.93 | 167.14 | 161.59 | 163.89 |
| Dec. | 154.77 | 167.85 | 145.93 | 163.83 | 168.26 | 160.61 | 165.41 |
| 2008 Jan. | 157.73 | 172.96 | 147.43 | 166.75 | 172.50 | 162.57 | 168.24 |
| Feb. | 158.50 | 172.16 | 149.26 | 168.81 | 172.40 | 166.20 | 166.94 |
| Mar. | 163.38 | 180.52 | 151.79 | 175.55 | 177.57 | 174.08 | 173.96 |
| Apr. | 168.34 | 188.37 | 154.80 | 183.09 | 184.07 | 182.38 | 183.29 |
| May. | 172.87 | 196.28 | 157.04 | 192.19 | 194.26 | 190.68 | 191.49 |
| Jun. | 176.50 | 201.12 | 159.85 | 197.92 | 199.39 | 196.85 | 194.10 |
| Jul. | 182.39 | 206.85 | 165.85 | 206.53 | 206.37 | 206.65 | 202.94 |
| Aug. | 186.29 | 212.21 | 168.76 | 211.60 | 211.91 | 211.37 | 208.85 |
| Sep. | 188.10 | 214.13 | 170.50 | 211.02 | 213.63 | 209.12 | 209.52 |
| Oct. | 192.08 | 221.44 | 172.23 | 207.08 | 219.58 | 197.98 | 213.37 |
| Nov. | 191.85 | 218.12 | 174.09 | 196.50 | 215.97 | 182.33 | 211.03 |
| Dec. | 190.90 | 214.71 | 174.80 | 192.62 | 210.77 | 179.41 | 207.99 |
| 2009 Jan. | 190.09 | 210.33 | 176.40 | 192.91 | 208.80 | 181.35 | 204.02 |
| Feb. | 191.90 | 211.58 | 178.59 | 194.19 | 210.31 | 182.46 | 206.78 |
| Mar. | 194.53 | 216.13 | 179.92 | 195.00 | 212.16 | 182.51 | 208.40 |
| Apr. | 197.28 | 220.46 | 181.61 | 198.28 | 215.69 | 185.61 | 210.85 |
| May. | 197.74 | 220.04 | 182.66 | 201.29 | 217.50 | 189.49 | 212.62 |
| Jun. | 199.69 | 222.23 | 184.45 | 206.13 | 219.81 | 196.17 | 215.09 |
| Jul | 202.77 | 228.93 | 185.08 | 207.57 | 224.31 | 195.39 | 222.00 |
| Aug | 206.21 | 234.69 | 186.95 | 212.16 | 229.52 | 199.53 | 225.18 |
| Sep | 207.14 | 235.59 | 187.90 | 212.53 | 230.34 | 199.57 | 227.34 |
| Oct | 209.11 | 238.12 | 189.49 | 215.01 | 232.35 | 202.39 | 227.73 |
| Nov | 212.02 | 242.40 | 191.48 | 220.98 | 236.69 | 209.55 | 232.14 |

*: all groups combined

Table A12: International Commodity Prices/Indices

| | Nov-08 | Oct-09 | Nov-09 |
|----------------------------------|----------|----------|----------|
| Energy | | | |
| Crude Oil (US\$ per barrel)* | 54.0 | 74.1 | 77.6 |
| IMF Energy Index (2005 =100) | 113.7 | 134.4 | 140.4 |
| WB Energy Index (1990=100) @ | 207.2 | 248.9 | 261.5 |
| Food | | | |
| Rice (\$/MT) | 563.3 | 566.3 | 566.3 |
| Wheat (\$/MT) | 226.8 | 198.8 | 211.0 |
| Sugar (US cent / pound) | 11.8 | 23.2 | 22.8 |
| Palm Oil (\$/MT) | 433.1 | 636.6 | 674.3 |
| Soybean Oil (\$/MT) | 728.5 | 797.6 | 854.2 |
| Non-Food Non-Energy | | | |
| Cotton Outlook 'A' Index # | 121.1 | 147.3 | 158.1 |
| IMF Metal Price Index (2005=100) | 116.1 | 138.3 | 142.0 |
| Copper (\$/MT) | 3,729.2 | 6,306.0 | 6,682.4 |
| Aluminum (\$/MT) | 1,857.1 | 1,875.7 | 1,956.5 |
| Iron Ore (\$ cents/dry MT) | 140.6 | 101.0 | 101.0 |
| Tin (\$/MT) | 13,674.2 | 15,037.4 | 14,966.1 |
| Nickel (\$/MT) | 10,776.5 | 18,489.5 | 16,911.3 |
| Zinc (\$/MT) | 1,169.4 | 2,070.8 | 2,196.5 |
| Lead (\$/MT) | 1,286.4 | 2,227.7 | 2,303.4 |
| Uranium (\$/pound) | 50.5 | 46.1 | 44.8 |
| DAP (\$/MT) | 612.5 | 300.1 | 290.3 |
| Urea (\$/MT) | 245.8 | 239.0 | 244.8 |

\$/MT = US\$ per metric tonne.

* Crude Oil (petroleum), simple average of three spot prices; Dated Brent, West Texas Intermediate, and the Dubai Fateh

Middling 1-3/32 inch staple, Liverpool Index "A", average of the cheapest Cts/lb five of fourteen styles, CIF Liverpool (Cotton Outlook, Liverpool). From January 1968 to May 1981 strict middling 1-1/16 inch staple. Prior to 1968, Mexican 1-1/16. 2/

DAP: Diammonium Phosphate

@ World bank commodity index for low and middle income countries

Source: IMF and World Bank.

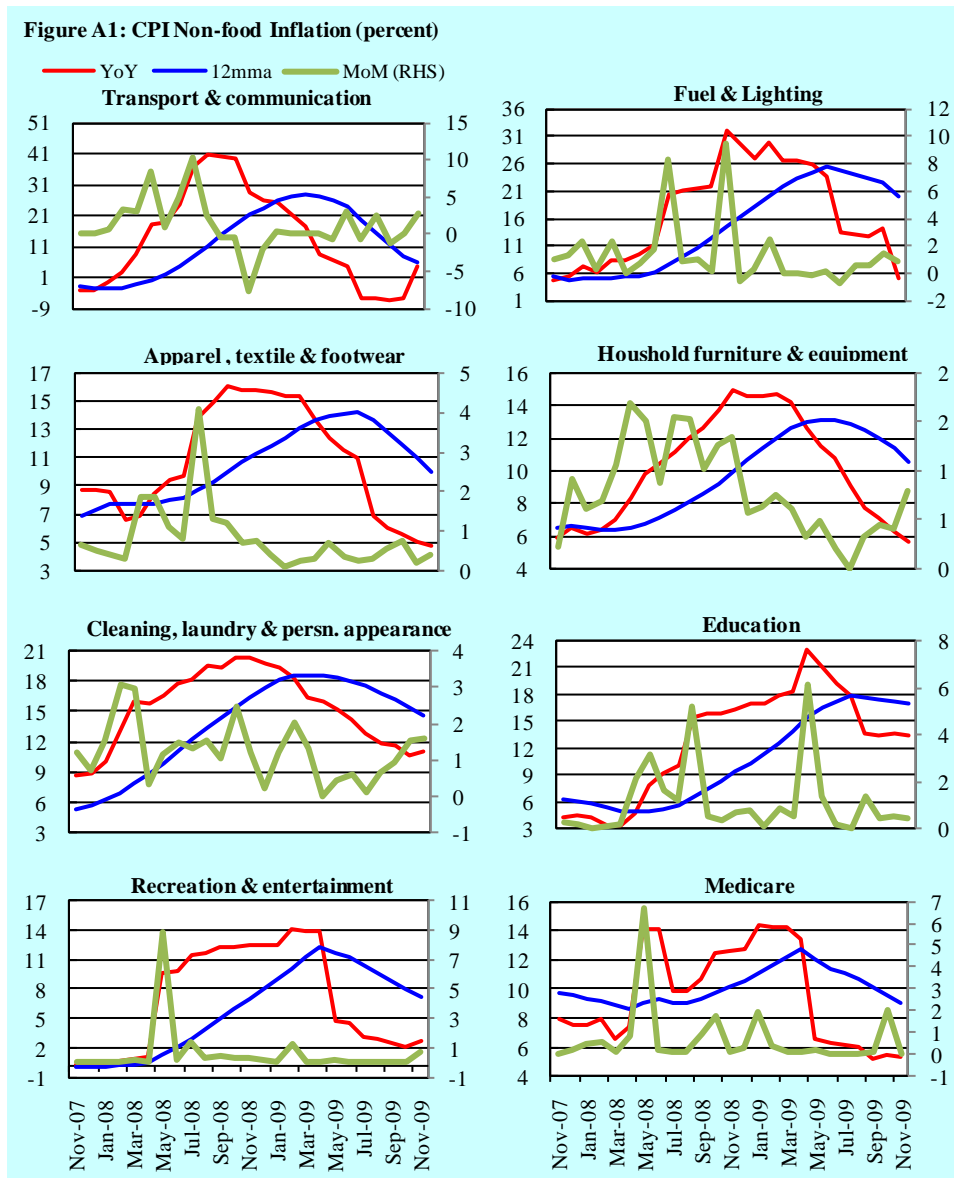


Figure A2: Frequency Distribution of Price Changes of CPI Items, November 2009

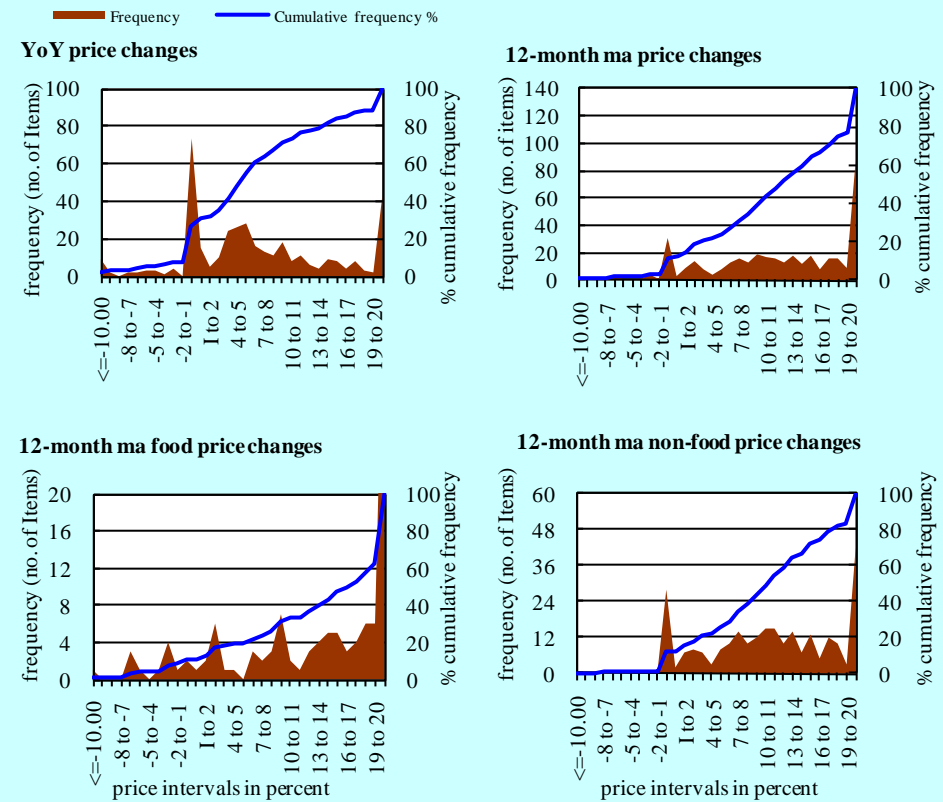
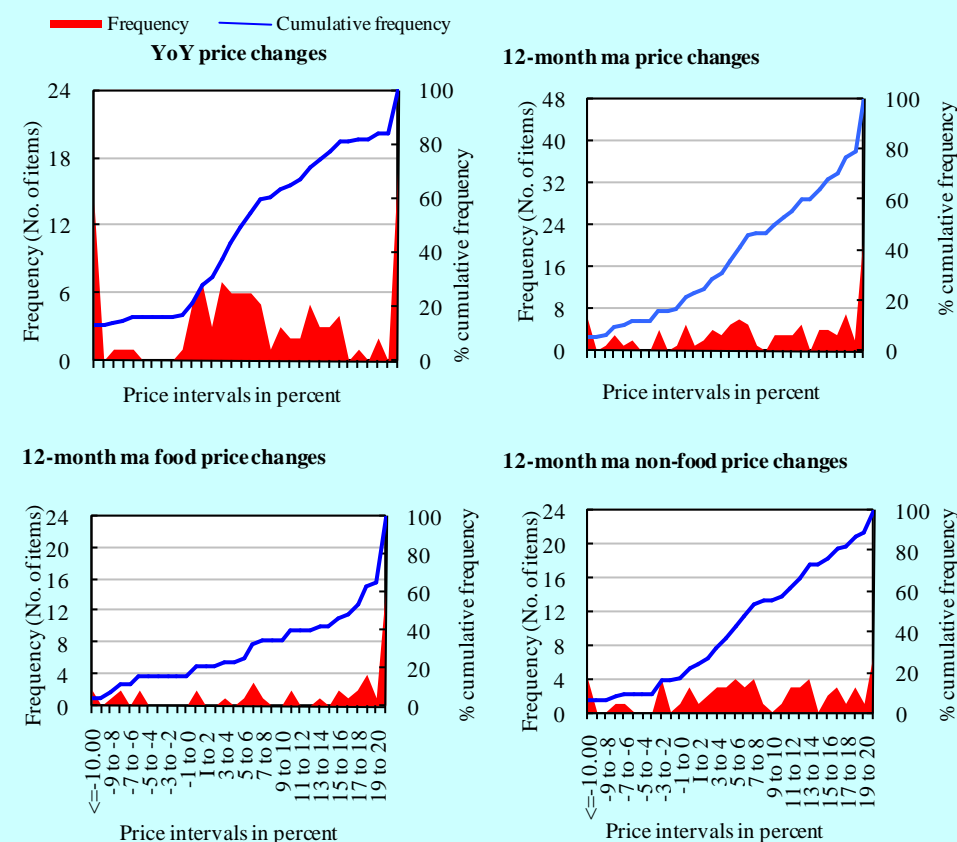


Figure A3: Frequency Distribution of Price Changes of WPI Items, November 2009



Annexure B

Technical Notes

1. All the three measures of inflation, viz. CPI, WPI and SPI are computed by the following Laspeyres Index formula:

$$I_t = \sum_j w_0^j \left(\frac{P_t^j}{P_0^j} \right)$$

where I_t is price index, w_0^j is weight of commodity j in the overall basket, P_t^j is price of commodity j in period t and P_0^j is its price in the base year.

2. Base year for all the indices is the year 2000-01.
3. CPI basket contains 374 consumers' goods; WPI basket contains 425 commodities; SPI contains 53 commodities.
4. YoY inflation is the percent change of an index in a given month over the index in the same month of the last year. It is computed as follows:

$$\pi_t = \left(\frac{I_t}{I_{t-12}} - 1 \right) \times 100$$

5. Period average inflation is the percent change of the average index during the period from July to the given month of a fiscal year over the average index during the corresponding period of the last year. It is computed as follows:

$$\bar{\pi}_t = \left(\frac{\sum_{i=0}^{t-v} I_{t-i}}{\sum_{i=0}^{t-12-v} I_{t-12-i}} - 1 \right) \times 100$$

where v is the serial number of the month of July of current fiscal year in a given time series.

6. Monthly inflation is the percent change of an index in a given month over the index in the preceding month. It is computed as follows:

$$\pi_t = \left(\frac{I_t}{I_{t-1}} - 1 \right) \times 100$$

7. 12-month moving average inflation (Long-run trend inflation) is the percent change of 12-month moving average of a price index; it is computed as follows:

$$\tilde{\pi}_t = \left(\frac{\sum_{i=0}^{11} I_{t-i}}{\sum_{i=0}^{11} I_{t-12-i}} - 1 \right) \times 100$$

8. Core Inflation is defined as the persistent component of measured inflation that excludes volatile and controlled prices. It reflects the normal supply and demand conditions in the economy. Core inflation is computed by the following two methods:

- a) Non-food, Non-energy inflation (NFNE inflation); it is computed by excluding food group and energy items (kerosene oil, petrol, diesel, CNG, electricity and natural gas) from the CPI basket.
- b) 20% trimmed-mean inflation; it is computed through the following steps:
 - i. All CPI items are arranged in ascending order according to YoY/12-month moving average/monthly/period average changes in their price indices in a given month.
 - ii. 20 percent of the items showing extreme changes are excluded with 10 percent of the items at the top of the list (corresponding to cumulative weight of 90% or more) and 10 percent of the items at the bottom of the list (corresponding to cumulative weight of 10 percent or less).
 - iii. The weighted mean of the changes in price indices of the rest of the items is core inflation.

9. Weighted contribution of different items (or sub-groups) to total inflation is worked out as below:

Let the overall index (I_t) is the weighted average of price indexes of individual items or sub-groups (I_{it}), i.e.

$$I_t = \sum_i w_i \cdot I_{it}$$

The weighted contribution of a single item (or a sub-group) to overall inflation is defined as below:

$$C_{it} = \alpha_{it-12} \cdot w_i \cdot \left(\frac{\pi_{it}}{\pi_t} \right)$$

Where C_{it} : Contribution of i^{th} item to the overall inflation

$$\alpha_{it-12} = \frac{I_{it-12}}{I_{t-12}}; \text{ i.e. ratio of item's index to overall index in}$$

the reference month

w_i : Weights of i^{th} item

π_{it} : Inflation of i^{th} item

π_t : Overall inflation