Inflation Monitor

April 2010

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 for domestic inflation analysis
- IMF & World Bank websites for global inflation analysis

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

Contents

Team

Mr. Moinuddin	moinuddin@sbp.org.pk
Mr. Saghir Pervaiz Ghauri	saghir.pervaiz@sbp.org.pk
Mr. Waseem Fazal Ur Rehman	waseem.fazal@sbp.org.pk
Mr. Zahid Hussain	zahid.hussain@sbp.org.pk

Editorial Assistance

Mr. Umar Siddique	umar.siddique@sbp.org.pk

Overview

Inflationary pressures remained strong in the economy. Both CPI and WPI increased during April 2010 compared with the previous month. Headline CPI inflation (YoY) rose to 13.3 percent during April 2010 from 12.9 percent in March 2010. WPI inflation (YoY) also increased to 22.0 percent during April 2010 compared to 21.8 percent in the preceding month (see **Table 1.2** & **Figure 1.1**). In contrast, SPI inflation (YoY) dropped to 17.4 percent in April 2010 from 17.6 percent during the previous month (see **Table 1.1 & 1.2**).

Table 1.1: Inflation Trends

percent

	CPI						Core Inflation				WPI		SPI**	
	General		Food		Non-food		NFNE*		Trimmed					
	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM
Apr-09	17.2	1.4	17.0	2.0	17.3	0.9	17.7	1.1	17.6	1.2	8.3	1.7	15.0	1.2
May-09	14.4	0.2	12.1	-0.2	16.3	0.6	16.6	0.8	16.7	0.9	4.7	1.5	11.0	0.8
Jun-09	13.1	1.0	10.5	1.0	15.4	1.0	15.9	0.7	15.5	0.8	4.1	2.4	10.8	1.2
Jul-09	11.2	1.5	10.7	3.0	11.6	0.3	14.0	0.7	13.9	0.8	0.5	0.7	9.4	3.2
Aug-09	10.7	1.7	10.6	2.5	10.8	1.0	12.6	0.8	13.1	1.1	0.3	2.2	7.8	1.4
Sep-09	10.1	0.5	10.0	0.4	10.2	0.5	11.9	0.8	12.4	0.6	0.7	0.2	8.5	1.0
Oct-09	8.9	1.0	7.5	1.1	10.0	0.8	11.0	0.8	10.6	0.8	3.8	1.2	6.7	0.2
Nov-09	10.5	1.4	11.1	1.8	10.0	1.0	10.6	0.8	10.5	0.7	12.5	2.8	10.0	1.9
Dec-09	10.5	-0.5	10.9	-1.7	10.2	0.6	10.7	0.7	10.4	0.6	15.0	0.2	11.9	0.3
Jan-10	13.7	2.4	15.5	2.0	12.2	2.8	10.3	0.7	12.7	1.3	19.6	4.2	17.8	3.2
Feb-10	13.0	0.4	14.9	0.1	11.5	0.6	10.1	0.8	12.4	0.7	19.3	0.4	17.2	0.9
Mar-10	12.9	1.3	14.5	1.8	11.6	0.8	9.9	0.8	12.7	0.8	21.8	2.5	17.6	1.1
Apr-10	13.3	1.7	14.5	2.0	12.2	1.5	10.6	1.7	12.7	1.1	22.0	1.8	17.4	1.0

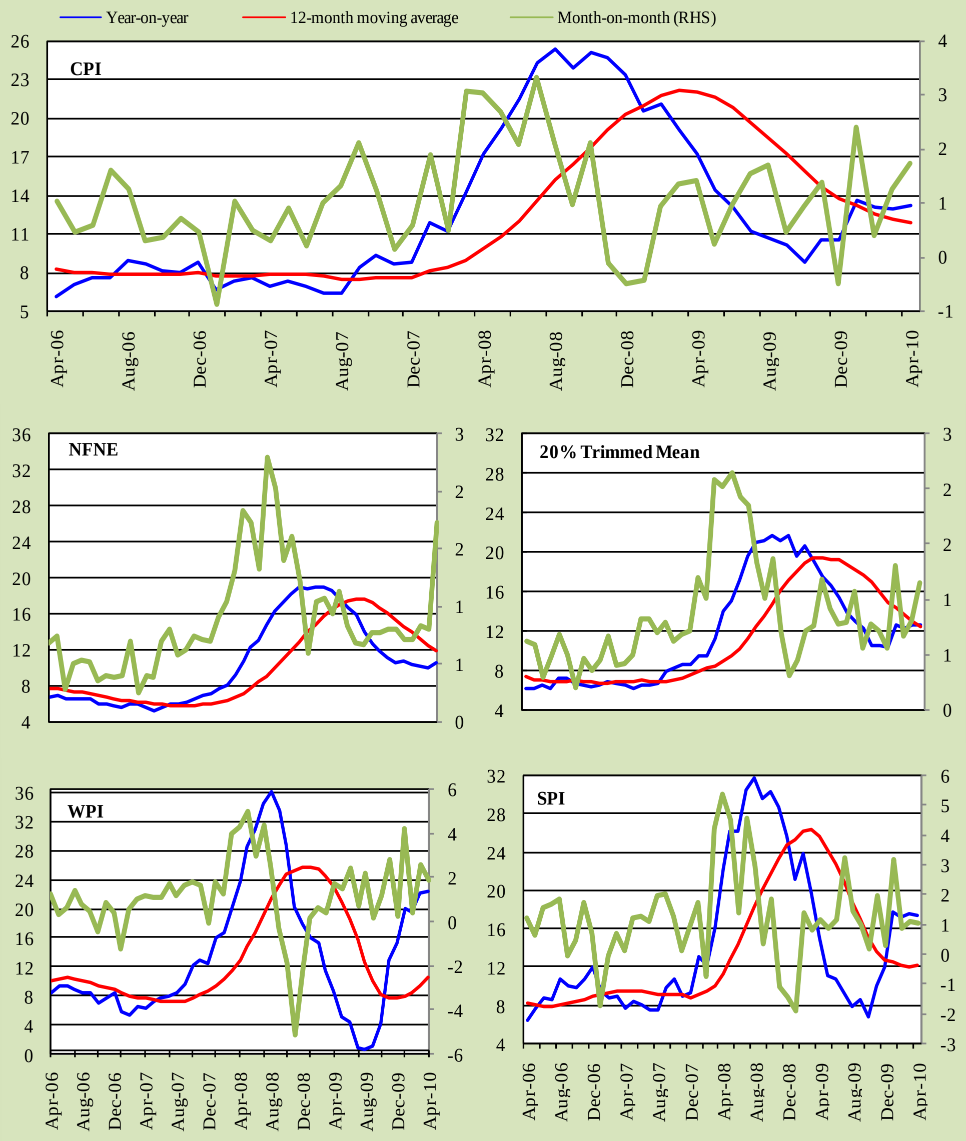
* NFNE is Non-food non-energy inflation; ** SPI for all income groups combined.

Core inflation measures showed a mixed picture. After bottoming out in the previous month, non-food non-energy (NFNE) inflation (YoY) increased to 10.6 percent during April 2010. However, the other measure of core inflation, 20% trimmed mean remained unchanged at the preceding month's level of 12.7 percent YoY during April 2010. A rise in NFNE indicates that inflationary pressures were relatively more broad based in April 2010 relative to the preceding three months when NFNE had been on a decline. This suggests the emergence of second round effects of persistent high food and energy inflation.

Increase in CPI non-food inflation was mainly due to upward adjustments of key fuels, rise in prices of medicines, increase in TV license fee, and higher cotton prices. The persistently high food inflation is attributed to increased transportation costs, as well as, lower domestic availability of some commodities amidst lower production (or higher exports).

The other major reasons for sustained inflationary pressures during recent months are: (a) rise in international commodity prices specifically cotton, crude oil, and metals; (b) recovery in domestic demand; and (c) increase in administered prices of fuels.

Figure 1.1: Movements in Price Indices (percent change)



2. Consumer Price Index

CPI inflation showed increase of 0.4 percentage points during April 2010 on both YoY and MoM basis. CPI inflation (YoY) reached 13.3 percent in April 2010 from 12.9 percent in March 2010 (see **Figure 2.1**). The increase was mainly attributed to non-food inflation (YoY). Although CPI food inflation (YoY) remained unchanged from the previous month at 14.5 percent YoY during April 2010, it was still high (see **Figure 2.2**).

Figure 2.1: Consumer Price Inflation (YoY)

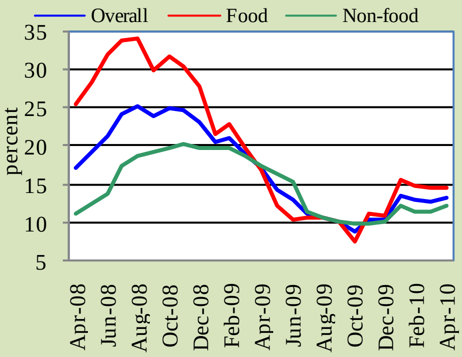
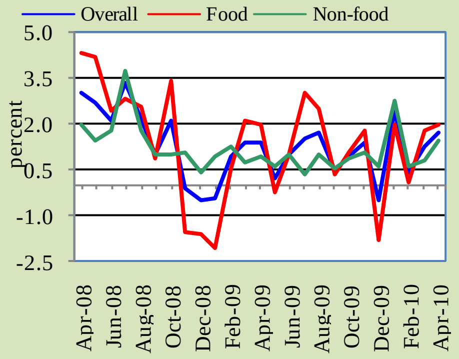
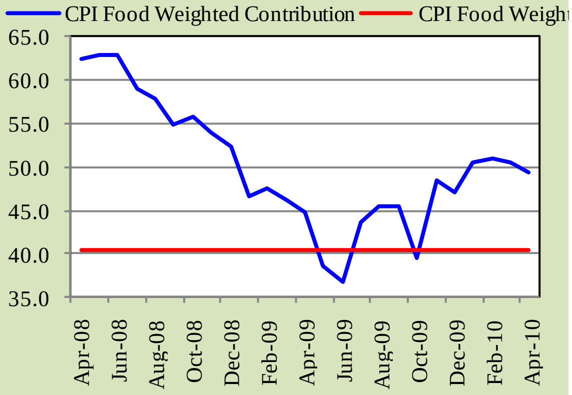


Figure 2.2: Consumer Price Inflaion (MoM)



As a consequence of a rise in non-food inflation and unchanged food inflation during April 2010, the weighted contribution of food inflation in overall CPI inflation dropped to 49.5 percent compared to 50.5 percent in the previous month. Resultantly, weighted contribution of non-food group increased to 50.5 percent during April 2010 compared to 49.5 percent in the previous month (see **Figure 2.3**). A disproportionately higher share of food component in inflation indicates that the incidence of inflationwas higher on low income groups.

Figure 2.3: Weighted contribution to CPI Food Inflation (YoY)



2.1 Food Inflation

CPI food inflation remained unchanged at 14.5 percent YoY in April 2010. While this was lower than 17.0 percent registered during the same month last year, it was nonetheless uncomfortably high (see **Figure 2.4**). CPI food inflation (MoM) also witnessed a 0.2 percentage points increase during the month under review.

Figure 2.4: CPI Food Inflation

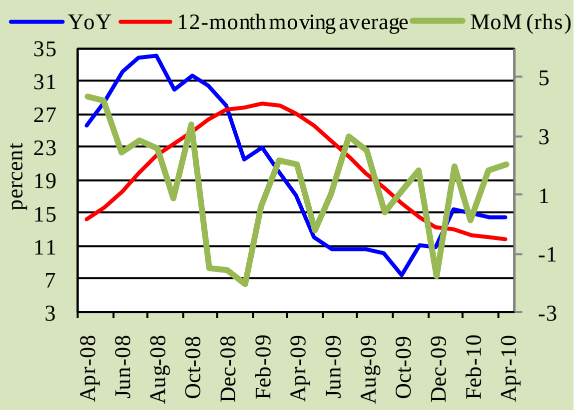


Figure 2.4 shows persistently high CPI food inflation (YoY) since January 2010. High food inflation was mainly due to; (a) supply shortages on the back of poor harvests of some pulses, vegetables and fruits; (b) strong external demand for livestock, pulse moong, onion, etc., as well as, (c) impact of higher international prices of sugar, garlic, ginger and some spices. CPI food inflation on MoM basis was mainly contributed by sharp increase in the prices of tomatoes, onions, kinu, pulse mash and moong, and lactogen powder milk, etc. during April 2010.

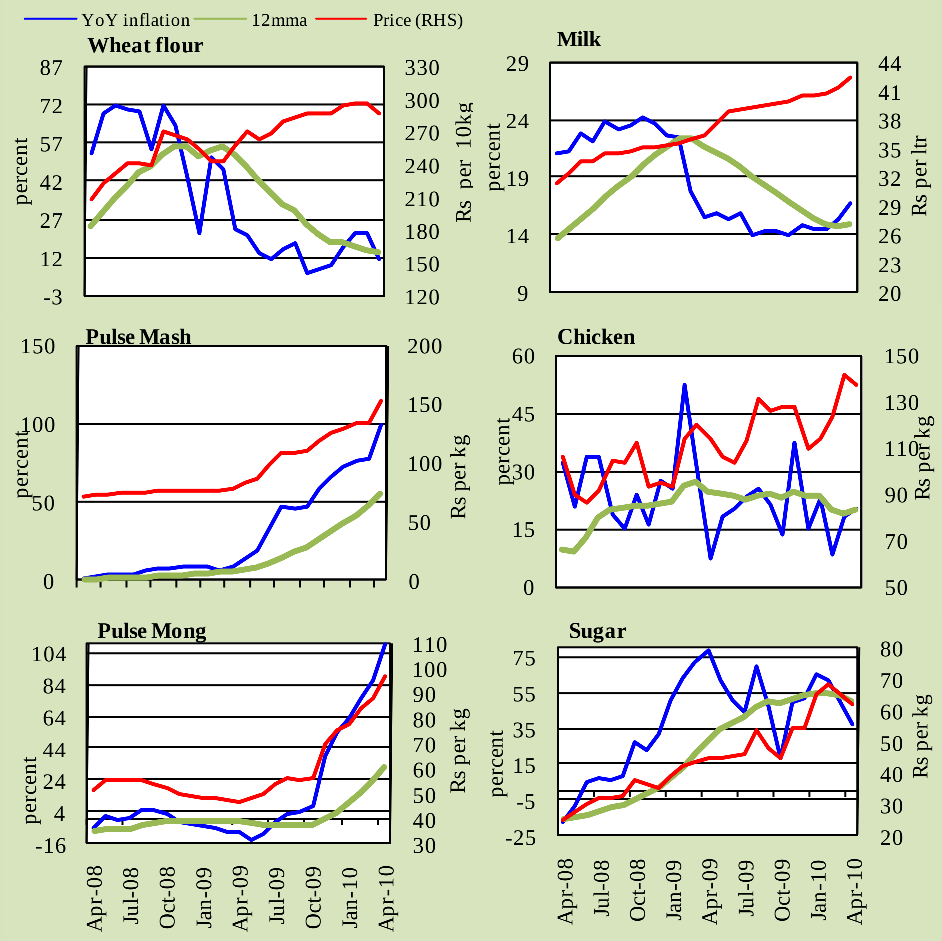
Six out of top ten contributions to CPI inflation (YoY) were from the food group during April 2010. These food items were: wheat flour, fresh milk, sugar, meat, vegetables, and vegetable ghee. The combined weighted contribution of these food items in overall CPI food inflation was 32.1 percent. Within the food group, just four items, i.e., wheat flour, fresh milk, meat, and sugar contributed 50.8 percent to YoY food inflation (see **Table A3** in **Annexure A**). It is important to note that the main contributors to food inflation were wheat flour and sugar; a sharp decline in international prices during recent months did not translate into lower domestic retail prices. While wheat prices have remained sticky because of high support prices, sugar prices are firm due to high cost of production, speculative hoarding, and slow pace of imports mainly due to non-participation of private sector.

Segregated analysis of price movement in CPI food basket showed that out of the reported 110 commodities, 54 commodities including pulse mash, cardamom large, turmeric powder, gur, sugar, potatoes, etc. exhibited price changes (YoY) in the range of 10 to 100 percent during April 2010. Four commodities of food group witnessed more than 100 percent price change (YoY) including garlic (327.7 percent), cardamom small (111.9 percent), pulse moong (108.6 percent), and ginger (105.0 percent). On the other hand, prices of 13 commodities, peas, eggs, tomatoes, rice basmati, wheat, etc. declined; whereas 7 showed no change in prices during the month under review. Remaining 32 commodities showed price change (YoY) between 0 to 10 percent (see **Figure 2.5 & Table A2).**

Food inflation on month-on-month (MoM) basis was 2.0 percent during April 2010 compared to 1.8 percent in the previous month. Detailed commodity-wise analysis of price change on MoM basis in the CPI food basket revealed that 12 commodities including tomatoes, onions, kinnu, peas, roohafza, etc. recorded a double digit price change during April 2010, whereas 24 commodities including eggs, green chilies, sugar, gur, wheat flour, chicken, pulse masoor, etc. declined.

Inflation (YoY) in the perishable group increased significantly, which totally

Figure 2.5: Price Trends in Key Food Items



offset the impact of ease in inflation in the non-perishable group during the month, and kept CPI food inflation at the previous month's level. Prices of perishable commodities are often volatile and this was clearly seen in both YoY and MoM inflation numbers. Inflation (YoY) in perishable group was 13.1 percent during April 2010; still significantly lower than 22.7 percent in the same month last year, but higher than 2.3 percent in March 2010. Inflation on MoM basis in perishable commodities also increased to 15.9 percent during April 2010 compared to 6.6 percent in March 2010. In contrast, inflation (YoY) in non-perishable commodities declined to 14.8 percent in April 2010 from 16.3 percent in the previous month. It was 16.2 percent in the corresponding month last year. Inflation (MoM) in this group also declined to 0.2 percent during April 2010 compared to 1.2 percent in the previous month (see **Figure 2.6 & 2.7**).

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

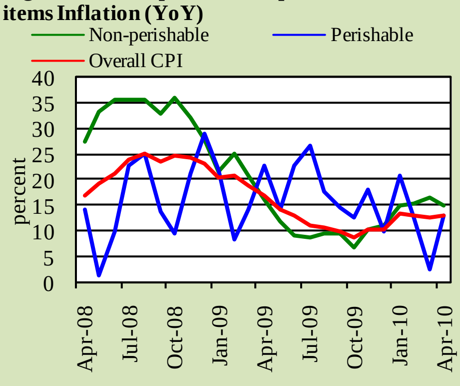
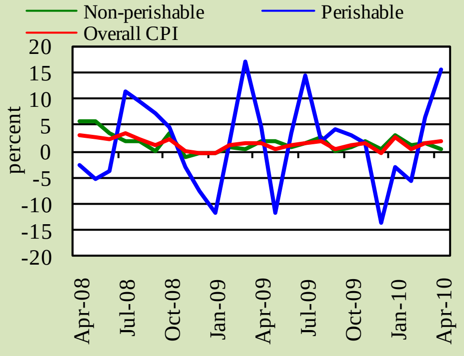


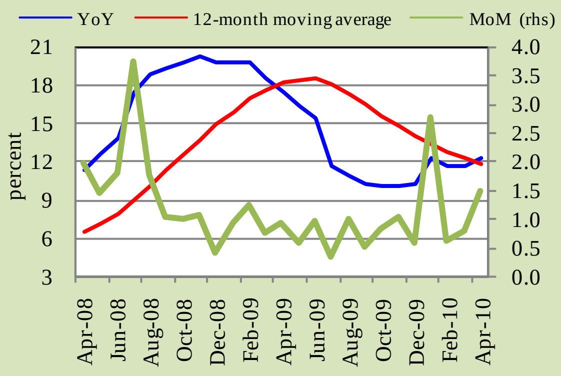
Figure 2.7: Non-perishable & perishable food items Inflation (MoM)



2.2 Non-food Inflation

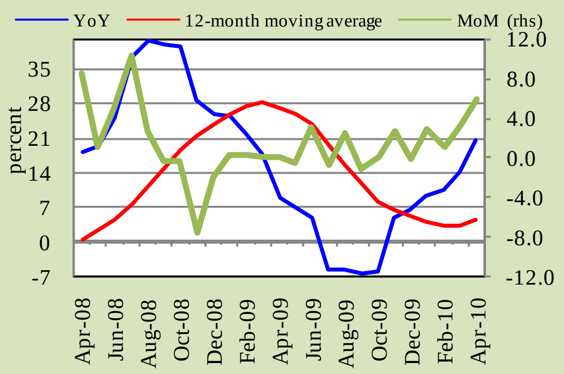
CPI non-food inflation (YoY) rose to 12.2 percent during April 2010 from 11.6 percent in the previous month. Similarly, CPI non-food inflation (MoM) also increased from 0.8 percent in March 2010 to 1.5 percent during April 2010 (see **Figure 2.8**). Out of the nine sub-groups of non-food group, inflation (YoY) in six sub-groups increased during April 2010.

Figure 2.8: CPI Non-food Inflation



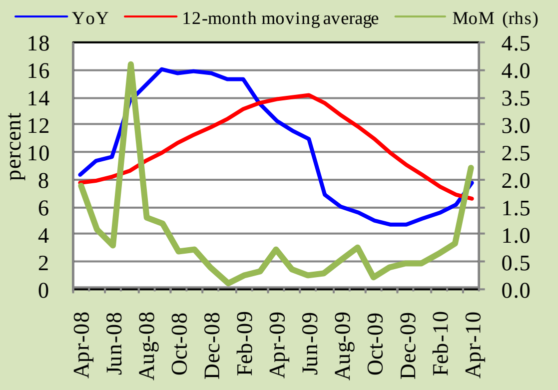
Inflation (YoY) in *transport & communication* sub-group increased during April 2010; a result of an upward adjustments in the prices of key fuels. Inflation (YoY) in this sub-group reached 20.5 percent during April 2010 from 14.0 percent in March 2010 and 8.6 percent in the same month last year. Inflation on month-on-month basis, in this sub-group also increased to 5.8 percent during the month under review compared to 3.4 percent last month (see **Figure 2.9)**.

Figure 2.9: Transport & Communication Inflation



Inflation (YoY) in *apparel, textile & footwear* sub-group increased during April 2010 to 7.7 percent compared to 6.1 percent in March 2010. However, it was significantly lower when compared with the corresponding month last year (12.3 percent). Similarly, inflation (MoM) in this sub-group also increased and reached 2.2 percent during April 2010 compared with 0.8 percent in the previous month (see **Figure 2.10**). The rise in inflation in this sub-group was mainly due to increase in prices of cloth as well as tailoring charges. Rise in cloth prices is mainly driven by increase in cotton prices in both international and domestic markets amid supply shortages.

Figure 2.10: Apparel, Textile & Footwear Inflation



Inflation (YoY) in *medicare* sub-group also increased during April 2010 to 8.6 percent compared to 6.0 percent in March 2010. However, it was significantly lower when compared with the corresponding month last year (13.4 percent). Similarly, inflation (MoM) in this sub-group also increased significantly and reached 2.6 percent during April 2010 compared with 0.2 percent in the previous month (see **Figure 2.11**).

Inflation (YoY) in *recreation & entertainment* sub-group increased significantly during April 2010 to 14.7 percent compared to 4.3 percent in March 2010 and 13.9 percent in the corresponding month last year. Similarly, inflation (MoM) in this sub-group also increased significantly to 10.0 percent during April 2010 compared with 0.1 percent in the previous month (see **Figure 2.12**). Increase in TV license fee as well as rise in the prices of newspapers (40 percent) were main drivers of inflation (YoY & MoM) in this sub-group.

Figure 2.11: Medicare Inflation

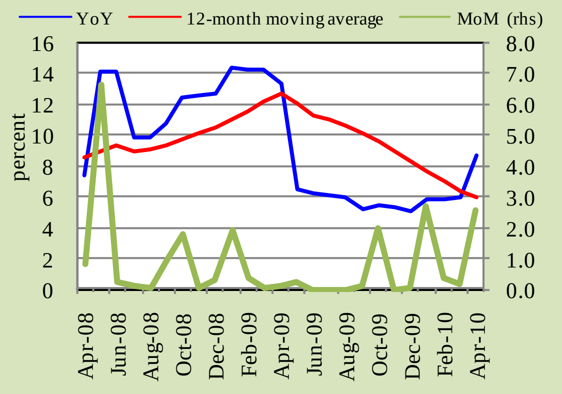
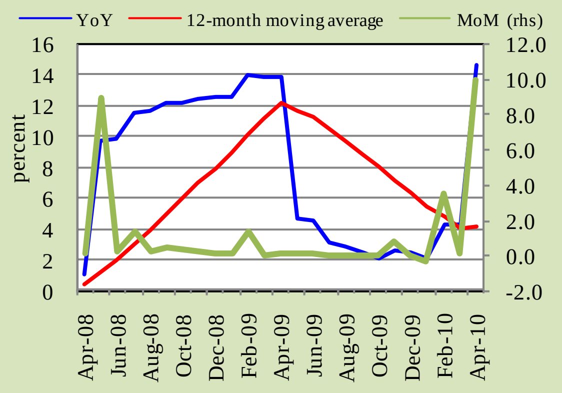


Figure 2.12: Recreation & Entertainment Inflation



Inflation (YoY) in *house rent index* (HRI) continued on declining trend since June 2009 to reach 11.2 percent during April 2010 compared to12.0 percent in March 2010 and 18.9 percent in the same month last year. Inflation on month-on-month basis remained unchanged at 0.6 percent during April 2010. Although inflation in this sub-group declined, the trend is expected to bottom out in coming months due to rise in the prices of construction material except cement.

Inflation (YoY) in *fuel & lighting* and *education* sub-groups of CPI non-food showed decline during April 2010 compared to both the same month last year and March 2010. Whereas inflation (YoY) in *household furniture & equipment* and *cleaning, laundry & personal appearance* sub-groups increased during April 2010 compared to March 2010 (see **Figure A1** in **Annexure A**).

Detailed item-wise analysis of 250 items included in CPI non-food basket showed that prices of only 5 items declined, 50 showed no change in their prices, 49 commodities showed price change between 0 to 5 percent, 71 moved between 5 to 10 percent and 75 commodities showed price change of more than 10 percent. The commodities which showed significant YoY price change included dettol, silver, telephone charges outside and local, TV license fee, polyfax ointment, gripe water, petrol, diesel, and gold (see **Table A2** & **A4** in the Annexure).

2.3 City-wise Inflation

City-wise data reveals that inflation (YoY) in the five major cities was lower than the overall CPI YoY inflation during April 2010. On month-on-month basis inflation in two out of the five major cities was higher than the overall CPI inflation (MoM) and the other three showed lower inflation during April 2010 (see **Table 2.1**).

Table 2.1: City-wise Inflation of Selected Cities percent

	Apr-09		Mar-10		Apr-10	
	MoM	YoY	MoM	YoY	MoM	YoY
Over all CPI	**1.4**	**17.2**	**1.3**	**12.9**	**1.7**	**13.3**
Islamabad	1.6	15.9	1.2	11.3	2.1	11.9
Lahore	2.1	15.6	1.7	13.6	1.5	13.0
Karachi	1.0	17.6	1.4	12.6	0.8	12.5
Quetta	0.9	18.6	1.6	11.4	2.2	12.9
Peshawar	1.0	18.2	1.0	12.0	1.5	12.5

Table 2.2: City-wise Inflation in CPI (YoY) April 2010

	High inflation cities				Low inflation cities		
	General	Food	Non-food		General	Food	Non-food
Bahawalnagar	16.7	18.8	15.1	Multan	13.2	14.3	12.3
Vehari	16.3	21.3	12.2	Attock	13.0	13.9	12.3
Faisalabad	15.7	21.3	11.1	D.G. Khan	13.0	13.1	12.9
Bahawalpur	15.1	17.5	13.1	Lahore	13.0	14.3	11.8
Sargodha	14.7	16.7	13.0	Quetta	12.9	13.2	12.6
Khuzdar	14.7	17.1	12.7	Shahdadpur	12.8	12.5	13.0
Gujranwala	14.6	18.8	11.3	Abbotabad	12.8	12.6	12.8
Samundari	14.5	16.7	12.9	Nawabshah	12.7	12.7	12.8
Sialkot	14.5	16.2	13.1	Peshawar	12.5	12.2	12.8
Jhang	14.2	18.0	11.3	Karachi	12.5	13.8	11.4
Okara	14.1	16.1	12.6	Mianwali	12.3	15.0	10.1
Turbat	13.7	14.2	13.4	Hyderabad	12.2	13.3	11.3
Jhelum	13.7	16.8	11.3	Loralai	12.1	10.9	13.1
Mirpur Khas	13.6	15.5	12.0	Islamabad	11.9	14.6	9.8
Kunri	13.4	16.6	10.8	Bannu	11.5	11.4	11.7
Rawalpindi	13.3	14.9	12.0	Sukkur	11.2	9.5	12.6
				Mardan	11.1	11.1	11.0
				D.I.Khan	10.4	8.1	12.3
				Larkana	10.2	9.7	10.6

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

The inflation data collected from 35 cities revealed that 16 cities recorded higher inflation than the overall inflation (YoY), while 19 cities registered lower than average inflation during April 2010. Similar to the previous month, the highest inflation (YoY) was recorded in Bahawalnagar, while Larkana registered the lowest inflation (YoY). The highest food inflation was shared by Vehari & Faisalabad and the lowest in D. I. Khan during the month under review. While the highest non-food inflation (YoY) was recorded in Bahawalnagar, the lowest non-food inflation (in single digit) was observed in Islamabad (see **Table 2.2**). It is also important to note that the variability in food inflation was significantly higher in different cities of Pakistan compared with the non-food inflation.[1]

2.4 Income Group-wise Inflation

Income group-wise inflation (YoY) data indicates that incidence of overall CPI inflation was higher in two low income groups (earning monthly income up to Rs 3000 and between Rs3001 to Rs5000) than the middle and higher income groups during April 2010. The major reason for this was high food inflation. Similarly, incidence of CPI food inflation (YoY) was higher for low and middle income groups during April 2010. However, incidence of non-food inflation (YoY) was disproportionately higher for the highest income group (see **Table 2.3**).

Table 2.3: Income Group-wise CPI Inflation

	Upto 3000		Rs. 3001-5000		Rs. 5001-12000		Above Rs. 12000	
	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10
				Year on Year (March over March)				
General	17.7	13.5	17.8	13.4	18.0	13.2	16.2	13.3
CPI Food	18.5	15.4	17.8	15.2	17.3	14.8	16.3	13.8
CPI Non-food	16.7	11.1	17.8	11.3	18.7	11.6	16.1	12.9
				Month on Month (March over February)				
General	1.6	1.3	1.5	1.3	1.4	1.5	1.4	2.0
CPI Food	2.2	1.7	2.1	1.8	2.0	1.9	2.0	2.2
CPI Non-food	0.7	0.8	0.8	0.9	0.9	1.2	1.0	1.9

City and income group-wise data, collected from 17 cities, showed that the highest overall CPI inflation (YoY) was recorded in Faisalabad for all income groups during the month under review. Larkana recorded the lowest overall CPI inflation (YoY) for all income groups except lower income group where Quetta recorded lower inflation during April 2010.

[1] Standard deviation of food inflation in different cities was 3.1 during April 2010 compared with standard deviation of only 1.1 for non-food.

The highest CPI food inflation (YoY) was recorded in Faisalabad for all income groups during the month under review. Sukkur recorded the lowest overall inflation (YoY) for all income groups except the highest income group where Larkana saw lower inflation during April 2010.

The highest CPI non-food inflation (YoY) was recorded in Khuzdar for all income groups except lower income group where Sukkur witnessed the highest inflation during April 2010. Islamabad recorded the lowest CPI non-food inflation (YoY) for all income groups except highest income group where Larkana had lower inflation during April 2010 (see **Table A5** in **Annexure A**).

2.5 Services and Non-services Inflation

Inflation on both YoY and MoM in services and non-services sector increased during April 2010 compared to the previous month; however it was still lower compared with the same month last year. Inflation (YoY) in services sector was 12.5 percent during April 2010; higher compared to the previous month (12.2 percent) but lower than in the corresponding month last year (19.6 percent). Inflation (YoY) in non-services sector reached 13.8 percent during the month under review compared to 13.4 percent in March 2010 and 15.5 percent in the same month last year.

Inflation (MoM) in services sector was 1.3 percent during April 2010 compared to 0.7 percent in March 2010. Inflation (MoM) in non-services sector reached 2.0 percent during month under review compared to 1.6 percent in March 2010 (see **Figure 2.13 & 2.14**).

Figure 2.13: Services & Non-services Inflation (YoY)

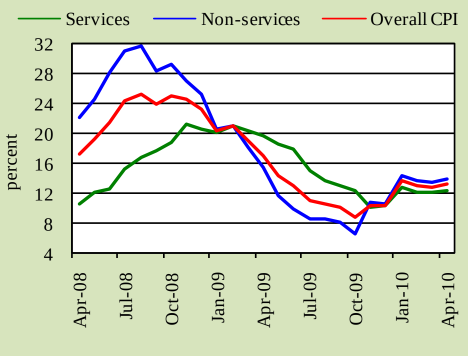
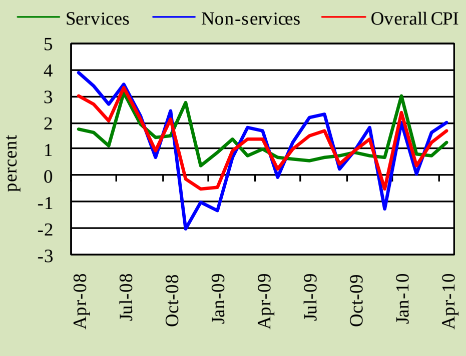


Figure 2.14: Services & Non-services Inflation (MoM)



Non-services sector data is further divided into durable and non-durable commodities. Inflation on YoY and MoM in durable and non-durable commodities increased during April 2010 compared with the previous month but was still lower than in the same month last year. Inflation (YoY) in durable commodities was 14.9 percent during April 2010 compared to 14.0 percent in the previous month and 18.6 percent in April 2009. Inflation (YoY) in non-durable commodities was 13.8 percent during the month under review compared to 13.4 percent in March 2010 and 15.4 percent in the same month last year.

Inflation (MoM) in durable commodities reached 0.7 percent during April 2010 compared to 0.3 percent in March 2010. Inflation (MoM) in non-durable commodities was 2.1 percent during the month under review compared to 1.7 percent in March 2010 (see **Figure 2.15 & 2.16**).

Figure 2.15: Durables and Non-durables Inflation (YoY)

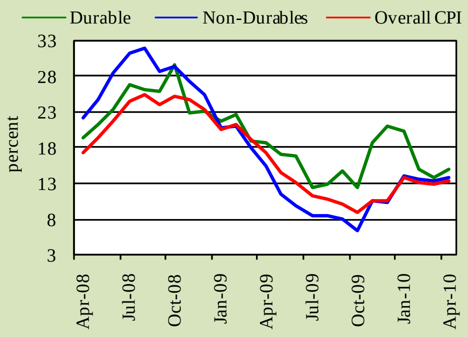
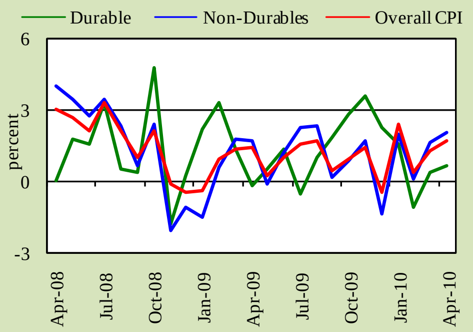
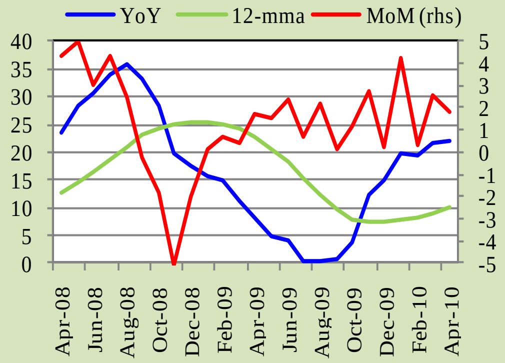


Figure 2.16: Durables and Non-durables Inflation (MoM)



3. Wholesale Price Index

Figure 3.1: Wholesale Price Inflation (percent)



WPI inflation (YoY) reached its highest level in 17 months during April 2010. WPI inflation (YoY) was 22.0 percent during April 2010 compared to 21.8 percent in March 2010 and only 8.3 percent during April 2009. On MoM basis, WPI inflation was 1.8 percent during April 2010 compared to 2.5 percent during the previous month (see **Figure 3.1**). Inflationary pressures strengthened as indicated by the rising trend witnessed in long-term measure of WPI inflation (12-month moving average).[2] This is largely due to rising prices of raw materials, electricity, and fuels.

In contrast to the CPI inflation, WPI inflation is principally driven by non-food component due to the direct impact of rising international prices of cotton, oil, and base metal. WPI non-food inflation (YoY) increased further to 27.7 percent during April 2010 from 26.5 percent during March 2010 and 1.8 percent during April 2009. WPI non-food inflation (MoM) was 2.7 percent in the month under review; lower than 3.2 percent during the previous month (see **Figure 3.3**).

Figrure 3.2: WPI Food Inflatin (percent)

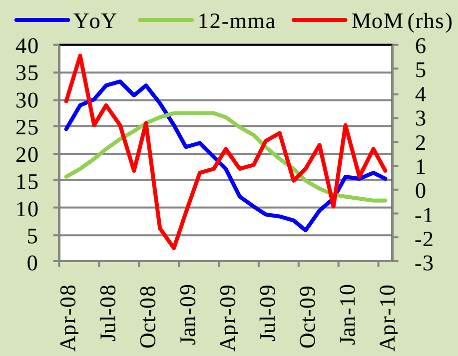
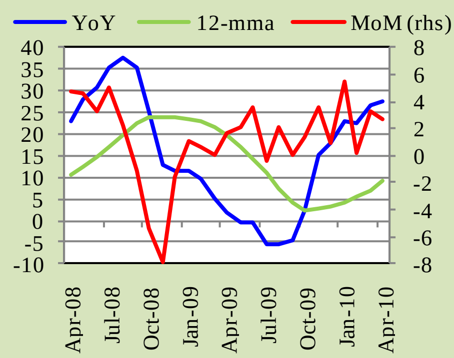


Figure 3.3: WPI Non-food Inflation (percent)



[2] WPI inflation (12-mma) was 10.1 percent during April 2010, double digit inflation for the first time since August 2009. It implies that cost of production in the economy is rising as WPI basket is the measure of supply side of the economy.

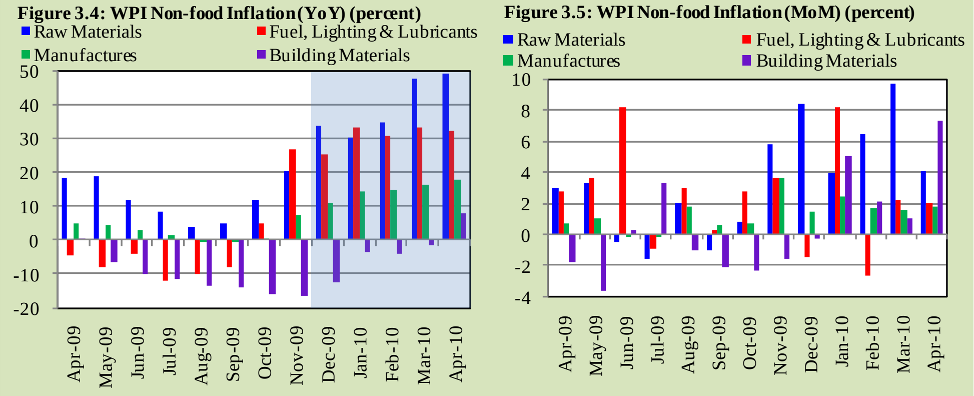
WPI food inflation (YoY) dropped to 15.2 percent in April 2010 from 16.3 percent during the last month and 17.2 percent in April 2009. On month-on-month basis, WPI food inflation was 0.7 percent during the review month compared to 1.7 percent in the previous month (see **Figure 3.2**). A relative ease in WPI food inflation raised hopes for a softening in CPI food inflation in months ahead.

Further disaggregation of WPI non-food components showed that out of four sub-groups, three witnessed rise in inflation (YoY) during the month under review compared to the previous month. All sub-groups registered rise in inflation when compared to the same month last year. Upward pressure on WPI non-food inflation came mainly from the *raw materials* and the *fuel & lighting* sub-groups. *Building material*, which hitherto had been witnessing deflation, recorded significant inflation during the month, and its contribution to WPI inflation is likely to increase further, going forward.

Raw materials sub-group recorded increase of 49.3 percent inflation (YoY) during April 2010 compared to 47.7 percent recorded during March 2010, which was significantly higher than 18.4 percent witnessed during April 2009. Inflation in the sub-group on MoM basis, however, declined from 9.7 percent during the previous month to 4.1 percent during the month under review. It is important to note that while other sub-groups have been witnessing deflation or lower levels of inflation since April 2009, inflation in this sub-group has been major driver of WPI non-food inflation. Higher inflation was registered mainly due to higher prices of sugarcane, cotton, and tobacco (see **Figure 3.4** & **3.5**).

Figure 3.4: WPI Non-food Inflation (YoY) (percent)

Figure 3.5: WPI Non-food Inflation (MoM) (percent)

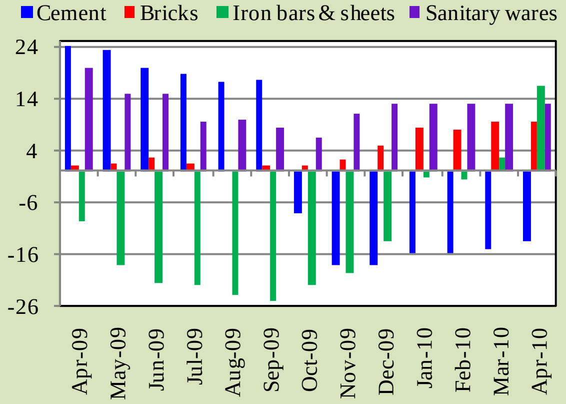


Inflation, YoY as well as MoM basis, in *fuel & lighting* sub-group declined during April 2010. Inflation (YoY) was 32.4 percent in April 2010 compared with 33.3 percent during the last month and deflation of 4.7 percent during the same month last year.

Building materials sub-group witnessed inflation for the first time in twelve months. Inflation in the sub-group exhibited significant rise reaching 7.8 percent during April 2010 from 0.1 percent during the same month last year and a deflation of 1.3 percent during March 2010.

Recent rise in *building materials* sub-group index (YoY) is a function of rising prices of metals in international market. Deflation in the sub-group for the last eleven months was due to lower prices of cement; this item has the highest weight within the sub-group. But in April 2010, although fall in cement prices continued as in previous months, the decline was not enough to offset the significant rise in the prices of iron bars & sheets, sanitary wares, and cement bricks during the month under review (see **Figure 3.6**).

Figure 3.6: Inflation (YoY) in Major Items of Building Materials Sub-group



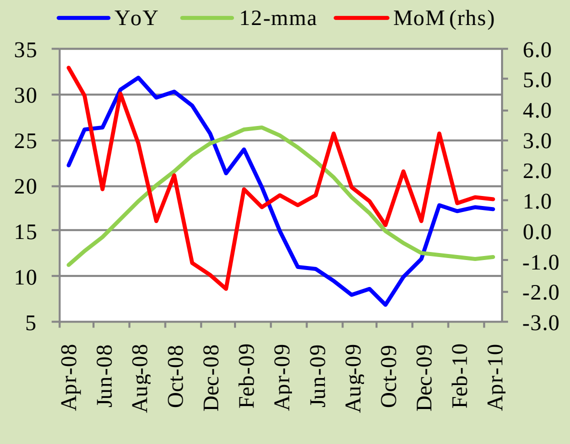
Detailed item-wise analysis of WPI basket shows that out of 106 items, prices of 9 items registered decline during April 2010; only three showed no change; 49 items recorded subdued or moderate rise in prices (between zero to 10 percent) and the remaining 45 items registered significant (double-digit) inflation during the month under review. Within food group, rise in the prices of 24 items was in double digits while one item, moong pulse recorded more than 100 percent increase (111.4 percent). Items registering major change in prices within food group were pulses, sugar, gur, and meat. This indicates that, apart from higher international food prices, strong domestic and external demand are also putting upward pressures on the prices of essential food commodities.

Within non-food category, 20 items recorded significant rise in prices. These include cotton, cotton products, fuels, and electricity. While cotton prices have been increasing due to higher international prices and strong domestic demand, fuels and electricity prices have increased due to reduction in power subsidy and passed on the impact of rise in international oil prices in earlier months (see **Table A7** in **Annexure A**).

4. Sensitive Price Indicator

SPI declined slightly during April 2010 to 17.4 percent compared to 17.6 percent during the previous month but was still higher than 15.0 percent during the same month last year. On MoM basis, SPI inflation was 1.0 percent during the month under review compared to 1.1 percent in March 2010. A relative ease in SPI inflation (YoY) during the month is largely attributed to fall in the prices of key food items, like wheat, eggs, and tomatoes (see **Figure 4.1**).

Figure 4.1: Sensitive Price Indicator (SPI) (percent)



Unlike the previous month, incidence of inflation during April 2010 was concentrated in the highest income group. This indicates higher impact of rise in the prices of meat, electricity, and fuels on the highest income group (see **Table 4.1** & **Table A8** in **Annexure A**). Importantly, while inflation remained high, the incidence of inflation was lower in low income groups due to a relative ease in the prices of wheat and sugar.

Table 4.1 : Income Group-wise SPI Inflation (percent)

	Apr-09		Mar-10		Apr-10	
	YoY	**MoM**	**YoY**	**MoM**	**YoY**	**MoM**
Up to Rs. 3000	15.8	1.7	18.2	0.8	16.7	0.4
Rs. 3001-5000	16.0	1.6	18.0	0.8	16.7	0.4
Rs. 5000-12000	17.2	1.3	17.6	1.0	16.7	0.6
Above Rs. 12000	15.1	0.9	17.4	1.0	17.7	1.1
All income groups	**15.0**	**1.2**	**17.6**	**1.1**	**17.4**	**1.0**

Weekly SPI inflation (YoY) was recorded at 18.2 percent during the first week of April 2010 which declined to 16.3 percent during the last week of the review month. Similarly, weekly SPI inflation (WoW) was 0.6 percent during the first week of April 2010 which turned into deflation of 0.6 percent during the last week of the month. Decline in weekly SPI inflation was due to fall in the prices of key food items having higher weights in the basket (see **Figure 4.2** & **4.3**).

Figure 4.2: Weekly SPI Inflation (WoW)

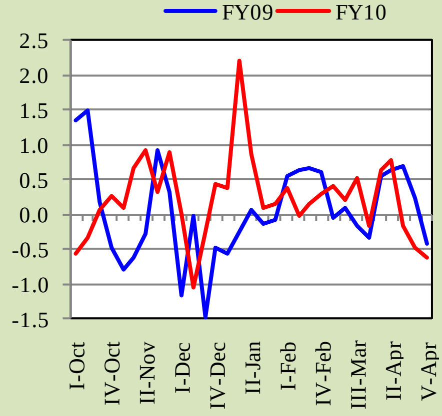
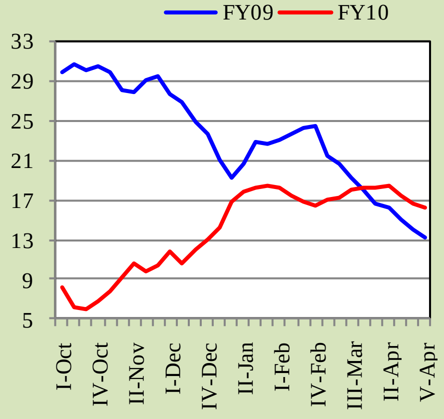


Figure 4.3: Weekly SPI Inflation (YoY)



Detailed item-wise analysis of items in SPI basket shows that number of items recording double digit inflation during April 2010 increased compared to the previous month, although overall SPI inflation declined (see **Table 4.2** & **Table A8** in **Annexure A**).

Table 4.2: Distribution of Price Changes of SPI Basket (YoY)

	Number of items			
Percent Change	**Apr-08**	**Apr-09**	**Mar-10**	**Apr-10**
0 or less	8	11	10	10
0 to 5	5	3	6	4
5 to 10	7	8	9	8
10 or above	33	31	28	31
Minimum	-39.62	-30.70	-36.01	-28.35
Maximum	84.28	137.66	275.46	319.61

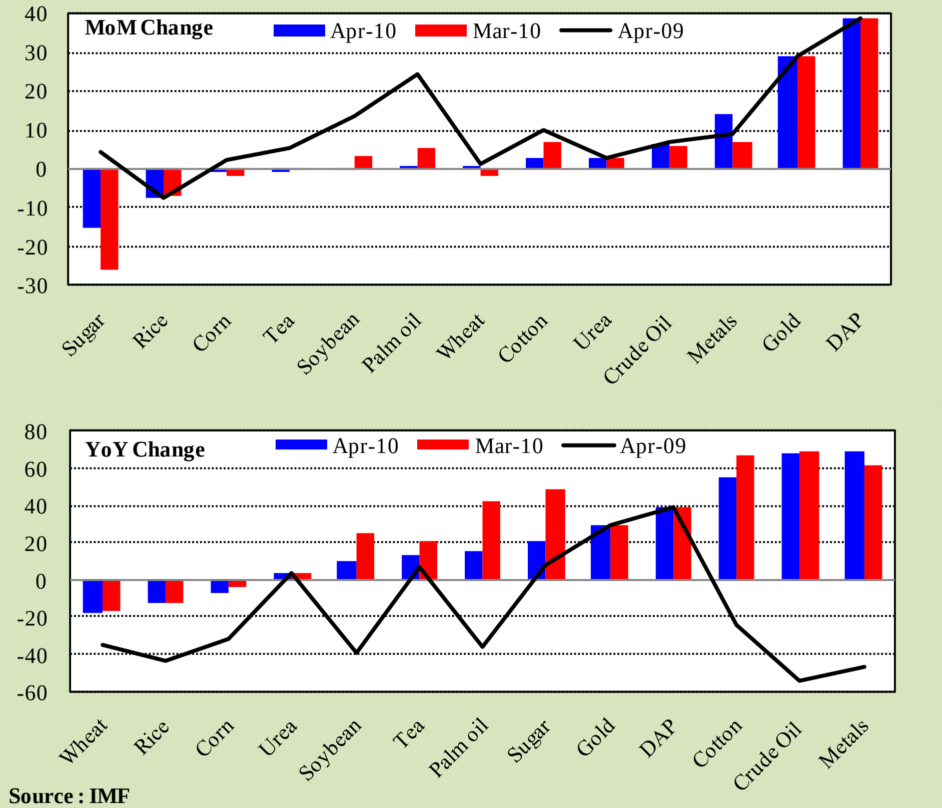
5 Global Commodity Prices

5.1 Overview

Commodity prices in international markets increased during April 2010 on account of sharp rise in the prices of non-food items. Rise in the prices of industrial metals and crude oil was a function of bullish sentiment regarding the global economic recovery. Whereas, deficit in global cotton production increased concerns over supply shortages in the international market and hence pushed cotton prices to the highest level since December 1995. Gold prices also recorded significant increase during the month. Among food commodities, grains, sugar and tea prices declined, whereas edible oil prices slightly increased during the month (see **Figure 5.1**).

IMF commodity prices index registered 5.8 percent growth during April 2010 on MoM basis compared to 4.0 percent in the last month. Whereas, the same has recorded 48.4 percent growth on YoY basis compared to 45.9 percent in the last

Figure 5.1: Trends in International Commodity Prices - April 2010



Source : IMF

month and a deflation of 45.5 percent in April 2009 (see **Table 5.1**).

Expectations of recovery in the global economy, lifted commodity prices during April 2010; however, economists believe that recovery process may hurt due to fears such as: (a) mounting sovereign debt in some developed countries; (b) China's ability to avoid overheating and persistently high unemployment levels; and (c) dwindling growth in Euro-zone.

Table 5.1 : Monthly Changes in Major Indices

	MoM			
	Apr-09	**Feb-10**	**Mar-10**	**Apr-10**
Overall	4.0	-2.3	4.0	5.8
Food	4.6	-0.9	-0.4	2.5
Metals	9.1	-5.6	7.1	13.9
Energy	3.3	-2.9	5.0	6.1
Cotton	10.2	3.4	7.2	2.7
Fertilizers*	-12.2	4.8	2.0	0.1
	YoY			
	Apr-09	**Feb-10**	**Mar-10**	**Apr-10**
Overall	-45.5	44.4	45.9	48.4
Food	-21.8	12.9	12.0	9.7
Metals	-47.1	55.8	62.0	69.3
Energy	-52.2	56.0	55.9	60.1
Cotton	-24.7	45.0	66.6	55.1
Fertilizers*	-45.2	-28.9	-27.1	-16.8

Source : IMF, (*) WB

5.2 Food Group

In contrast to overall situation, World Bank's food index declined this month also on MoM basis by 0.8 percent for the third consecutive month. This decline was also evident in grains and sugar sub-groups of food (see **Table 5.2 & 5.3**).

Among grains, wheat prices increased slightly on MoM basis, whereas corn and rice prices declined due to ample supplies and better crop outlook for the next season. Rise in wheat prices was not due to increased demand; rather it was a speculative rise as world wheat production this season is estimated at 658.0 million ton against a global consumption of 654.0 million tons, along with a nine year high level of carryover stocks (199.0 million tons).

Table 5.2 : Monthly Changes in Food Indices

	MoM			
	Apr-09	**Feb-10**	**Mar-10**	**Apr-10**
Overall food	5.1	-3.6	-3.7	-0.8
Edible Oils & Fats	12.8	-3.1	-0.9	0.6
Grains	-1.5	-4.5	-2.9	-2.4
Beverages*	4.5	-4.2	-3.5	3.6
Sugar	1.9	-4.1	-26.5	-11.6
	YoY			
	Apr-09	**Feb-10**	**Mar-10**	**Apr-10**
Overall food	-29.5	11.9	8.3	2.2
Edible Oils & Fats	-33.6	15.9	18.2	5.4
Grains	-36.3	-6.7	-10.1	-10.8
Beverages*	-5.5	20.4	20.8	19.7
Sugar	8.7	91.3	39.3	20.8

Source : WB (*) consists of tea and coffee

Sugar and tea prices declined during the month due to improved supplies. Improved production of sugar in India and

Brazil, and prospects of better production in the coming season helped bringing down sugar prices. Whereas, increased tea supplies from Kenya kept tea prices under pressure during April 2010.

In edible oil, a slight recovery in prices has been witnessed during April 2010 (see **Table 5.2**), largely driven by demand from China, the largest consumer of vegetable oils. Edible oil prices remained subdued since the start of 2010 on account of plentiful supplies amid weak demand.

5.3 Non-food group

Non-food commodities registered strong growth in the prices during April 2010, signaling steady recovery in the global demand. Prices of crude oil, industrial metals, gold, and cotton showed sharp jumps during the month. Whereas, fertilizers prices showed negative growth during the month on MoM basis (see **Figure 5.2 & Table 5.1**).

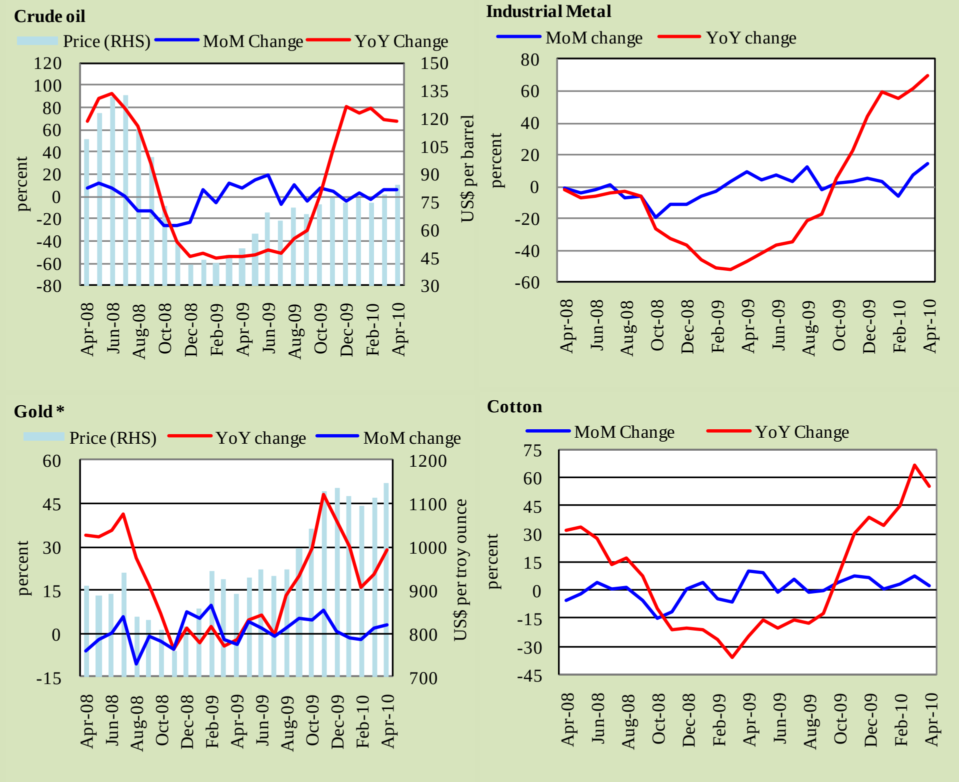
Crude oil prices rose to US$ 84.2 per barrel in April 2010, the highest level since September 2008. Optimism about the global economic recovery and higher oil demand expectations supported the bullish sentiments in oil market in April 2010. Despite this optimism, OPEC has kept demand forecast for 2010 unchanged at 0.9 million barrels per day (mb/d), whereas supplies are improving from both OPEC and non-OPEC sources.[3] The debt/ fiscal crisis in some European countries, however, may put downward pressures on oil prices going forward.

Cotton prices increased sharply during April 2010 after India, the second largest exporter, banned cotton export to ensure domestic availability at reasonable prices. However, experts believe that the ban is not likely to last longer because India’s cotton crop consistently outpaces domestic demand for the last few years.

Industrial metal prices also witnessed sharp rise in prices during April 2010 registering 13.9 percent increase on MoM basis. Metals prices also rose on economic optimism based on strong growth in China and India together with encouraging news from United States.

[3] In April, total OPEC crude production averaged 29.25 mb/d, an increase of 0.01 mb/d over the previous month. Whereas forecast for non-OPEC supply growth in 2010 was also revised to 0.5 mb/d (an increase of 30 tb/d from earlier forecast).

Figure 5.2: Monthly Changes in Prices of Selected Non-food Commodities



Source : International Monetary Fund, (*) World Bank

Gold prices increased during the month continuing the resurge started in March 2010. Gold prices closed at US$ 1148.7 per troy ounce (toz) during April 2010 from last month price of US$ 1113.3 per toz. Low real interest rates in major currencies, concerns over sovereign debt in developed countries and its contagion effects, pulled the gold prices upward in the international market.

Annexure A

Table A1: CPI Inflation by Groups

	Weights	MoM change			YoY change		
		Apr-09	Mar-10	Apr-10	Apr-09	Mar-10	Apr-10
I. Food Group	**40.3**	**2.0**	**1.8**	**2.0**	**17.0**	**14.5**	**14.5**
II. Non-Food Group	**59.7**	**0.9**	**0.8**	**1.5**	**17.3**	**11.6**	**12.2**
Apparel, textile, etc.	6.1	0.7	0.8	2.2	12.3	6.1	7.7
House rent	23.4	1.3	0.6	0.6	18.9	12.0	11.2
Fuel & lighting	7.3	0.0	-0.1	-0.4	26.7	17.1	16.7
Household furniture & equiptment	3.3	0.3	0.4	0.9	12.6	5.3	5.9
Transport & communication	7.3	0.1	3.4	5.8	8.6	14.0	20.5
Recreation & entertainment	0.8	0.1	0.1	10.0	13.9	4.3	14.7
Education	3.5	6.2	0.2	2.7	23.0	12.5	8.8
Cleaning, laundry, etc.	5.9	0.0	0.3	0.4	16.0	8.6	9.1
Medicare	2.1	0.1	0.2	2.6	13.4	6.0	8.6
Headline	**100**	**1.4**	**1.3**	**1.7**	**17.2**	**12.9**	**13.3**

Table A2: Distribution of Price Changes of CPI Basket (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%)	
	Apr-09	Apr-10	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10
I. Food Group	**17.0**	**14.5**	**110**	**14**	**13**	**6**	**21**	**14**	**18**	**76**	**58**
II. Non-Food Group	**17.3**	**12.2**	**250**	**30**	**5**	**19**	**99**	**37**	**71**	**164**	**75**
Apparel, textile, etc.	12.3	7.7	42	1	0	1	10	14	22	26	10
House rent	18.9	11.2	1	0	0	0	0	0	0	1	1
Fuel & lighting	26.7	16.7	15	3	0	0	1	1	0	11	14
Household furniture & equipt	12.6	5.9	44	0	1	1	17	10	20	33	6
Transport & communication	8.6	20.5	43	5	3	1	18	1	9	36	13
Recreation & entertainment	13.9	14.7	16	2	0	6	9	2	2	6	5
Education	23.0	8.8	24	3	0	3	8	0	7	18	9
Cleaning, laundry, etc.	16.0	9.1	36	3	0	3	16	6	10	24	10
Medicines	13.4	8.6	29	13	1	4	20	3	1	9	7
Overall	**17.2**	**13.3**	**360**								

Note: Prices of 14 seasonal items were not reported during the month.

Table A3: Top Ten Contribution to YoY CPI Inflation in April 2010

	Items	Weights	YoY change Apr-09	YoY change Apr-10	Weighted Contribution
A. Ranked by Weighted Contribution					
1	House Rent Index	23.43	18.86	11.23	19.10
2	Milk Fresh	6.66	15.63	16.65	9.2
3	Meat	2.70	17.26	23.80	6.60
4	Electricity	4.37	25.58	18.63	4.97
5	Wheat Flour	5.11	25.77	8.90	4.76
6	Sugar	1.95	78.78	37.98	4.60
7	Petrol	1.73	-15.71	30.28	3.79
8	Vegetables	1.76	10.21	24.82	3.65
9	Natural Gas	2.05	27.79	15.66	3.46
10	Vegetable Ghee	2.67	-16.46	14.98	3.33
	Total	**52.42**			**63.41**
B. Ranked by Percentage Change					
1	Pulse Moong	0.22	-9.10	108.62	1.44
2	Pulse Mash	0.20	8.90	99.71	1.31
3	Gur	0.07	75.93	40.76	0.22
4	Communication	1.93	5.19	39.92	2.68
5	Potatoes	0.61	6.66	39.87	1.28
6	Sugar	1.95	78.78	37.98	4.60
7	Diesel	0.21	14.40	34.78	1.00
8	Jewellery	0.39	18.40	30.92	1.50
9	Petrol	1.73	-15.71	30.28	3.79
10	Tea	1.26	36.15	28.20	2.17
	Total	**8.56**			**19.99**
C. Ranked by Weights					
1	House Rent Index	23.43	18.86	11.23	19.10
2	Milk Fresh	6.66	15.63	16.65	9.16
3	Wheat Flour	5.11	25.77	8.90	4.76
4	Electricity	4.37	25.58	18.63	4.97
5	Bakery & Confectionary	2.98	12.07	4.25	0.70
6	Meat	2.70	17.26	23.80	6.60
7	Vegetable Ghee	2.67	-16.46	14.98	3.33
8	Tution Fees	2.36	17.34	6.54	1.04
9	Transport Fare/Charges	2.12	23.09	13.00	2.66
10	Natural Gas	2.05	27.79	15.66	3.46
	Total	**54.45**			**55.78**

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 13.3 percent in April 2010.

Table A4: Distribution of Price Changes (YoY)- Selected CPI Items, April 2010

Groups	Decrease or no change	Subdued increase (upto 5%)	Moderate increase (5 to 10%)	Increase of over 10%
Food Group	Tomatoes, Carrot, Eggs Farm, Rice Basmati 385/386, Chillies Powd.National 200Gm, Kinnu, Guava, Malta/Mosambi, Peas	Wheat Flour Fine/Superior., Toffee (Hilal), Chowkelate Candy (Small Size, Rice Basmati Broken Av.Qlty, Bread Tandoori St. Size, Rice Basmati Sup. Qlty., Cauliflower, Biscuits-Packed, Maida	Cooking Oil (Dalda), Bananas, Bread Plain Medium Size, Cold Drink (Standard Siz), Pulse Masoor (Washed), Chillies Green, Besan Av. Qlty., Milk Tetra Pack 1/2 Ltr., Cabbage	Milk Fresh (Unboiled), Wheat Flour Bag, Sugar Refined, Beef With Bone Av.Qlty., Vegetable Ghee (Loose), Vegetable Ghee Tin, Mutton Av.Qlty., Chicken Farm Broiler (Live), Onion
Apparel & Textile	Ladies Sandal Bata, Child Shoe Power Lite Bata Nylon Jogger 27 Size 2-5	Shoe Repair Half Sole, Brassier Av.Qlty.	Long Cloth Av.Qlty., Shirting Av.Qlty., School Uni., Kameez,Shal.Girl	Lawn Av.Qlty. Tailoring Suit Female Tailoring Awami-Suit (Male)
House Rent Index				House Rent Index
Fuel & Lighting	Match Box Small			Elect.Charges Above 1000 Uni, Gas Chrg 6.7438 - 10.1157Mmb, Kerosene Oil, Bulb Philips 100-Watts
Household Furniture & Equipment	Washing Machine Singer	Blanket (90" X 54"), Tea-Set S.Steel 3 Pcs. M.Siz, Table Spoon S.Steel Sup.Qlty	Household Servant Female P/T, Quilt (Lihaf) 3 Kg Cotton, Tea Set Pak, Chinaware 21 Pc	Marriage Hall With Furniture, Chair Shesham Wood With Arms, Hand Stitching Needle M.Siz
Transport & Communication.	Car Suzuki 800 Cc (W/O. A/C), Motorcycle Yamaha 100Cc, Motorcycle Honda Cd-70, Bus Fare Outside City		Car Service Charges, Tyre Car With Tube General, Auto Rickshaw Fares, Taxi 4 Seater Fare	Petrol Super, Telephone Charges Local Call, Tel Charges Out Side City, High Speed Diesel Hsd
Recreation & Entertainment	Daily "Dawn", Monthly "Naunehal Digest"	T.V. 20" Colored With R/Cont, Video Game Sega 16 Byte, Radio With C.Player National	Cinema Non-A/C High Class, Cinema A/C. Highest Class	Tv.Licence Feedomestic, Daily "Jang", Daily "Nawa-E-Waqt"
Education	Govt. College Fee Ist. Year, Govt. College Fee 4Th. Year, Pen Ink Dollor 57 Ml Bottle	Paper Foolscape (27"X17"), Comp. With Printer & Speaker, Ball Pen (Local)	School Fee 2Nd-Ry Eng.Med., School Fee Primary Eng.Med., English Book Class Ix Or X	Exercise.Book Lined 80/100 P, Urdu Book Class V (T.B.Bord), Maths Book Class Ix Or X
Cleaning & Laundry	Surf (Medium) 160 Grm, Washing Powder 1000 Grm, Robin Blue (35 Grams), Toilet Soap Lux 95 Grams	Talc Powder Vice Roay,B.Cat, Facecream Ponds (Medium), Cleanser Powder Vim 1000 Gm, Brylcreem 210 Ml.	Washing Soap, Nyl(135-160Gms), Hair-Oil, Amla/Chambeli, Dry Cleaning Suit Coat, Pant, Finis 500 Ml	Haircut Charges For Men, Shampoo Plain Medora 200 Ml, Perfume Med.Size, Medora/Broa, Gold Tezabi 24 Ct
Medicare	Entox Tab., Brufen Tabs 200-Mg., Panadol Tab. Extra/Plain	O.R.S. (Nimcol), Cotton Bandage 2" - 4", Daonil Tab. 5 Mg.	Doctor (Mbbs) Clinic Fee	Gripe-Water Woodwards, Dettol (Medium), Galxos-D (450 Grms)

Table A5: City-wise Inflation by Income Groups, April 2010

		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	1.5	12.2	2.0	13.6	0.8	10.3	1.3	13.0	1.6	14.9	0.9	10.7
2	Faisalabad	2.7	16.1	4.4	22.1	0.2	8.0	2.3	16.3	3.8	22.4	0.3	9.2
3	Rawalpindi	2.2	14.1	3.5	17.4	0.4	9.7	1.7	13.6	2.2	16.2	1.0	10.5
4	Multan	1.5	13.3	1.5	14.9	1.4	11.3	1.4	13.2	1.5	14.8	1.3	11.3
5	Gujranwala	2.1	15.9	3.4	20.6	0.3	9.7	1.6	15.0	2.6	19.1	0.4	10.3
6	Islamabad	1.7	11.9	3.4	15.8	-0.4	7.4	2.0	12.7	3.5	16.8	0.2	8.1
7	Sargodha	1.7	14.8	2.2	17.1	1.0	11.8	1.8	15.1	2.3	17.6	1.2	12.0
8	Sialkot	1.9	15.0	1.9	16.5	1.9	12.8	1.9	15.4	2.4	17.8	1.2	12.3
9	Bahawalpur	0.6	16.0	0.2	19.2	1.1	12.0	0.6	15.6	0.0	18.4	1.4	12.3
10	Karachi	0.3	13.2	0.2	15.2	0.5	10.8	0.3	13.0	0.2	15.2	0.5	10.5
11	Hyderabad	1.1	12.3	1.4	14.0	0.6	10.2	1.2	12.3	1.5	13.8	0.8	10.4
12	Sukkur	2.6	11.1	3.7	9.0	1.2	14.0	2.2	11.0	2.8	9.5	1.6	12.8
13	Larkana	1.6	12.0	2.2	12.0	0.7	12.0	1.5	10.6	2.0	10.8	0.8	10.5
14	Peshawar	1.2	13.1	1.6	14.3	0.7	11.6	1.3	12.5	1.8	12.8	0.7	12.1
15	Bannu	0.3	13.3	0.8	14.9	-0.4	11.3	0.1	12.0	0.5	12.5	-0.5	11.4
16	Quetta	1.9	11.0	2.8	11.5	0.6	10.1	1.9	12.9	3.1	14.3	0.3	11.2
17	Khuzdar	1.4	11.8	1.8	11.8	0.9	11.9	1.3	12.9	1.9	12.2	0.8	13.7

		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	1.3	12.9	1.4	14.8	1.1	10.9	1.7	13.0	1.4	13.7	1.8	12.5
2	Faisalabad	2.3	16.0	3.9	22.1	0.6	10.0	2.7	15.3	4.5	20.3	1.5	12.2
3	Rawalpindi	1.9	13.1	2.0	15.4	1.7	10.9	2.3	13.3	1.8	14.0	2.6	12.9
4	Multan	1.5	13.0	1.4	14.4	1.6	11.5	2.1	13.5	1.7	13.8	2.4	13.3
5	Gujranwala	1.8	14.5	2.7	18.7	1.0	10.5	2.3	14.1	2.9	18.4	1.9	11.6
6	Islamabad	1.9	12.2	2.9	16.0	0.9	8.7	2.1	11.8	3.0	14.2	1.7	10.5
7	Sargodha	1.8	14.8	2.2	17.0	1.3	12.6	1.8	14.1	1.7	15.3	1.9	13.4
8	Sialkot	2.1	14.9	2.6	17.0	1.5	12.6	2.3	14.2	2.7	15.4	2.0	13.4
9	Bahawalpur	1.2	15.0	0.4	17.5	2.0	12.5	2.2	14.7	1.0	16.3	3.1	13.6
10	Karachi	0.5	12.4	0.2	14.3	0.7	10.7	1.2	12.5	0.5	12.9	1.6	12.2
11	Hyderabad	1.2	12.1	1.5	13.4	0.9	10.8	1.5	12.5	1.5	12.7	1.5	12.3
12	Sukkur	2.3	11.2	2.8	9.6	1.9	12.7	2.6	11.3	2.9	9.0	2.5	12.7
13	Larkana	1.6	10.4	2.1	10.0	1.1	10.8	1.3	9.0	1.2	7.6	1.3	9.9
14	Peshawar	1.3	12.2	1.8	12.2	0.9	12.2	1.8	12.9	1.8	11.9	1.8	13.5
15	Bannu	0.4	11.4	1.3	11.4	-0.5	11.3	1.7	11.1	3.0	9.7	0.9	12.0
16	Quetta	2.0	12.6	3.1	13.4	0.9	11.7	2.5	13.3	3.4	12.9	2.0	13.6
17	Khuzdar	1.2	12.4	2.0	11.4	0.5	13.5	1.4	12.6	2.1	10.9	1.0	13.7

Table A6 : Income Group-wise Inflation						percent
	MoM			YoY		
	Apr-09	Mar-10	Apr-10	Apr-09	Mar-10	Apr-10
Up to Rs. 3000						
General	1.6	1.1	1.3	17.7	13.8	13.5
Food	2.2	1.5	1.7	18.5	16.0	15.4
Non-food	0.7	0.7	0.8	16.7	11.1	11.1
Rs. 3001-5000						
General	1.5	1.2	1.3	17.8	13.6	13.4
Food	2.1	1.5	1.8	17.8	15.6	15.2
Non-food	0.8	0.7	0.9	17.8	11.3	11.3
Rs. 5000-12000						
General	1.4	1.2	1.5	18.0	13.1	13.2
Food	2.0	1.7	1.9	17.3	14.9	14.8
Non-food	0.9	0.8	1.2	18.7	11.4	11.6
Above Rs. 12000						
General	1.4	1.3	2.0	16.2	12.5	13.3
Food	2.0	2.1	2.2	16.3	13.6	13.8
Non-food	1.0	0.8	1.9	16.1	11.9	12.9
All income groups						
General	1.4	1.3	1.7	17.2	12.9	13.3
Food	2.0	1.8	2.0	17.0	14.5	14.5
Non-food	0.9	0.8	1.5	17.3	11.6	12.2

Table A7: Distribution of Price Change (YoY) - WPI Items: April 2010

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

Table A8: SPI Item-wise Price Movements

S.No	Items	Unit	Price April 10	Percentage change YoY	Percentage change Monthly
1	Wheat	Kg.	24.8	-0.3	-7.7
2	Wheat flour average qlt.	Kg.	28.9	8.5	-3.9
3	Rice basmti.broken	Kg.	44.7	5.5	1.9
4	Rice irri-6	Kg.	34.6	-1.8	-0.3
5	Masur pulse washed	Kg.	122.6	6.4	-0.2
6	Moong pulse washed	Kg.	96.7	110.9	9.7
7	Mash pulse washed	Kg.	153.7	92.9	13.9
8	Gram pulse washed	Kg.	57.9	15.0	2.9
9	Beef	Kg.	186.7	23.4	3.5
10	Mutton	Kg.	348.0	26.5	4.8
11	Egg hen (farm)	Doz.	50.0	-13.2	-17.4
12	Bread plain	Each	27.3	7.0	0.0
13	Sugar	Kg.	61.4	37.9	-5.3
14	Gur	Kg.	70.7	40.8	-2.2
15	Milk fresh	Ltr	43.6	16.7	2.4
16	Milk powdered nido	400g	180.0	5.9	0.0
17	Curd	Kg.	51.3	16.5	1.8
18	Veg.ghee tin	2.5kg	369.0	12.8	4.5
19	Veg.ghee loose	Kg.	115.9	14.5	0.1
20	Mustard oil	Kg.	135.6	1.2	-0.2
21	Cooking oil	2.5ltr	369.0	5.1	4.5
22	Potatoes	Kg.	18.7	41.2	3.6
23	Onions	Kg.	33.5	20.3	31.3
24	Tomatoes	Kg.	22.8	-28.3	19.4
25	Bananas	Doz.	41.1	4.0	-0.2
26	Salt powdered	Kg.	6.8	5.3	0.7
27	Red chillies(powd)	Kg.	165.3	27.2	-0.3
28	Garlic	Kg.	156.7	319.6	4.8
29	Tea packet	250g	130.3	30.3	0.0
30	Tea (prepared)	Cup	10.7	22.9	0.6
31	Cooked beef plate	Each	47.1	12.5	3.4
32	Cooked dal plate	Each	29.4	11.5	2.0
33	Cigarettes k-2	10's	13.0	36.7	0.9
34	Coarse latha	Mtr.	50.2	12.0	2.9
35	Lawn (avg.+s.qlty)	Mtr.	103.4	11.3	6.8
36	Voil printed	Mtr.	51.4	8.9	4.8
37	Shirting	Mtr.	83.1	4.6	1.0
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	76.4	20.2	4.3
42	Firewood	40kg	310.4	13.7	0.9
43	Elec. Bulb 60-wats	Each	20.0	21.0	0.0
44	Match box	Each	1.0	0.0	0.0
45	Washing soap	Cake	13.2	4.5	0.1
46	Bath soap lifebuoy	Cake	22.0	0.0	0.0
47	Chicken (farm)	Kg.	140.9	27.1	-0.3
48	Gas chrg. All clb. Comb	mmbtu	337.2	15.4	0.0
49	L.P.G .(cylender 11kg.)	Each	845.7	10.9	-13.6
50	Elec.chrg.all slabs comb	per unit	8.6	25.9	6.0
51	Petrol	Ltr	74.0	26.9	3.7
52	Diesel	Ltr	74.2	28.6	5.0
53	Telephone local	Call	2.4	0.0	0.0
Maximum				**319.6**	**31.3**
Median				**12.5**	**0.7**
Minimum				**-28.3**	**-17.4**

Table A9: Consumer Price Index Numbers by Major Groups and Selected Commodities

Item and Specification		Weights	Index		
			Apr-09	Mar-10	Apr-10
GENERAL		**100.0008**	**197.28**	**219.65**	**223.44**
FOOD & BEVERAGES.		**40.3414**	**220.46**	**247.55**	**252.53**
1	WHEAT	0.4830	289.48	316.44	285.63
2	WHEAT FLOUR	5.1122	273.53	307.61	297.87
3	MAIDA	0.1059	272.52	284.42	280.45
4	BESAN	0.1320	192.80	202.42	206.89
5	RICE	1.3369	276.26	278.24	280.58
6	PULSE MASOOR	0.2214	320.60	342.19	339.93
7	PULSE MOONG	0.2230	155.11	293.68	323.59
8	PULSE MASH	0.2017	170.45	296.68	340.41
9	PULSE GRAM	0.4272	177.55	194.92	199.20
10	GRAM WHOLE	0.1491	174.38	215.63	213.55
11	MUSTARD OIL	0.0456	245.61	251.54	249.12
12	COOKING OIL	0.6858	220.22	221.73	234.30
13	VEGETABLE GHEE	2.6672	217.77	244.09	250.40
14	SUGAR	1.9467	162.73	237.42	224.54
15	GUR	0.0735	192.93	280.27	271.56
16	TEA	1.2559	160.44	205.56	205.69
17	MILK FRESH	6.6615	216.06	246.42	252.03
18	MILK POWDER	0.1105	204.80	211.95	216.92
19	MILK PRODUCTS	0.5607	200.09	228.91	233.05
20	HONEY	0.0358	187.71	212.85	212.85
21	CEREALS	0.0878	231.21	254.44	254.44
22	JAM,TOMATO,PICKLES & VINEGAR	0.2472	168.97	184.51	188.03
23	BEVERAGES	0.7286	166.25	177.63	189.57
24	CONDIMENTS	0.3392	241.77	247.61	247.85
25	SPICES	0.6008	211.17	234.17	235.47
26	DRY FRUIT	0.2760	315.76	342.50	343.91
27	BAKERY & CONFECTIONARY	2.9837	144.55	150.43	150.69
28	CIGARETTES	0.9527	187.41	226.38	226.38
29	BETEL LEAVES & NUTS	0.1851	171.10	185.20	202.92
30	READYMADE FOOD	1.6833	226.64	253.48	256.45
31	SWEETMEAT & NIMCO	0.3846	229.62	260.82	262.22
32	FISH	0.2703	186.24	214.58	215.06
33	MEAT	2.6981	269.04	323.01	333.07
34	CHICKEN FARM	0.9158	217.23	269.84	261.43
35	EGGS	0.4119	227.34	228.70	189.63
36	POTATOES	0.6032	138.63	195.67	193.90
37	ONIONS	0.6463	285.98	242.15	346.90
38	TOMATOES	0.5059	253.21	98.88	166.20
39	VEGETABLES	1.7695	218.01	249.76	272.13
40	FRESH FRUITS	1.6158	242.57	235.29	260.81
APPAREL, TEXTILE & FOOTWEAR.		**6.0977**	**155.53**	**163.88**	**167.51**
41	COTTON CLOTH	1.6197	158.02	165.37	174.83
42	SILK,LINEN,WOOLEN/CLOTH	0.5766	153.87	168.07	169.41
43	TAILORING CHARGES	0.8636	162.23	179.56	182.83
44	HOSIERY	0.1528	167.41	179.06	182.07
45	READYMADE GARMENTS	1.2038	142.23	150.57	152.94
46	WOOLEN READYMADE GARMENTS	0.1485	177.71	200.40	200.07
47	FOOTWEAR	1.5327	156.84	157.28	157.25
HOUSE RENT.		**23.4298**	**189.92**	**210.08**	**211.25**
48	HOUSE RENT INDEX (Combined)	23.4298	189.92	210.08	211.25

(continued)

(continued)

Table A9: Consumer Price Index Numbers by Major Groups and Selected Commodities

Item and Specification		Weights	Index		
			Apr-09	Mar-10	Apr-10
FUEL AND LIGHTING.		**7.2912**	**208.09**	**243.82**	**242.79**
49	KEROSENE	0.1366	388.21	461.64	485.36
50	FIREWOOD	0.4778	307.35	342.24	343.89
51	MATCH BOX	0.1301	200.00	200.00	200.00
52	BULB & TUBE	0.1311	118.54	131.43	131.43
53	ELECTRICITY	4.3698	159.77	189.54	189.54
54	NATURAL GAS	2.0458	282.35	332.21	326.56
H.HOLD.FURNITURE & EQUIPMENT ETC.		**3.2862**	**163.68**	**171.82**	**173.31**
55	UTENSILS	0.3690	150.79	158.05	159.81
56	PLASTIC PRODUCTS	0.1055	192.51	209.48	211.75
57	SUITCASE	0.0470	157.23	166.17	167.23
58	HOUSE HOLD EQUIPMENTS	0.0953	149.84	160.02	161.49
59	FURNITURE (Ready Made)	0.3054	175.18	186.87	188.05
60	FURNISHING	0.6362	155.97	163.55	164.60
61	ELECT.IRON FANS & WASHING MACHINE	0.1889	165.59	163.31	166.44
62	SEWING MACHINE,CLOCK AND NEEDLES	0.1270	141.81	150.71	150.79
63	REFRIGERATOR & AIRCONDITIONER	0.1756	130.24	133.54	135.36
64	MARRIAGE HALL	0.0445	190.34	203.60	209.66
65	HOUSE HOLD SERVANT	1.1918	173.60	182.54	183.86
TRANSPORT & COMMUNICATION.		**7.3222**	**186.43**	**212.24**	**224.60**
66	PETROL	1.7253	189.71	240.37	247.15
67	DIESEL	0.2070	362.66	467.05	488.79
68	CNG. FILLING CHARGES	0.1649	205.46	226.80	226.80
69	SERVICE CHARGES	0.3835	166.96	177.47	180.89
70	VEHICLES	0.2596	136.09	134.13	135.90
71	TYRE & TUBE	0.2831	159.73	167.08	171.32
72	TRANSPORT FARE/CHARGES	2.1236	252.54	284.15	285.36
73	TRAIN FARE	0.1514	253.24	253.24	253.24
74	AIR FARE	0.0983	342.93	342.93	365.51
75	COMMUNICATION	1.9255	91.36	93.28	127.83
RECREATION & ENTERTAINMENT.		**0.8259**	**121.37**	**126.54**	**139.17**
76	RECREATION	0.3399	131.89	142.98	142.98
77	ENTERTAINMENT	0.4860	114.01	115.04	136.50
EDUCATION.		**3.4548**	**175.79**	**186.28**	**191.30**
78	TUTION FEES	2.3629	175.49	180.31	186.97
79	STATIONERY	0.3500	173.54	182.69	185.57
80	TEXT BOOKS	0.6894	184.93	216.25	217.09
81	COMPUTER & ALLIED PRODUCTS	0.0525	84.38	85.71	85.71
CLEANING LAUNDRY & PER.APPEARANCE.		**5.8788**	**169.58**	**184.18**	**185.00**
82	WASHING SOAP & DETERGENT	1.5535	163.58	168.74	169.59
83	TOILET SOAP	0.7436	186.50	186.50	186.50
84	TOOTH PASTE	0.4036	113.80	117.62	118.81
85	SHAVING ARTICLES	0.3480	148.71	153.39	154.91
86	COSMETICS	1.4272	154.53	168.16	168.43
87	WATCHES	0.0552	138.95	139.31	140.04
88	JEWELLERY	0.3936	322.97	421.54	422.82
89	LAUNDRY CHARGES	0.2207	179.16	193.38	195.42
90	HAIR CUT & BEAUTY PARLOUR CHARGES	0.7334	152.13	170.14	171.69
MEDICARE.		**2.0728**	**150.28**	**159.10**	**163.25**
91	DRUGS & MEDICARES	1.0752	118.04	126.27	133.32
92	DOCTOR'S FEE	0.9976	185.03	194.49	195.50

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

Item and Specifications	Index			
	Apr-09	Jul-09	Mar-10	Apr-10
GENERAL	**198.28**	**207.57**	**237.51**	**241.88**
FOOD	**215.69**	**224.31**	**246.68**	**248.53**
1 WHEAT	284.86	283.44	319.74	288.95
2 WHEAT FLOUR	266.66	279.01	302.29	292.35
3 MAIDA	285.50	287.10	287.38	281.62
4 BESAN	164.93	161.96	178.62	186.24
5 RICE	313.65	323.02	325.33	327.54
6 MAIZE	226.25	214.54	252.50	257.27
7 JOWAR	205.73	219.78	258.70	265.54
8 BAJRA	194.43	187.99	200.25	205.70
9 BEANS	243.76	252.23	282.30	287.58
10 GRAM WHOLE	167.53	183.46	235.57	226.16
11 GRAM SPLIT	152.84	145.94	170.78	178.63
12 MASOOR	328.62	343.78	328.17	322.96
13 MASH	157.43	200.55	262.29	278.91
14 MOONG	154.38	181.22	297.38	326.34
15 POTATOES	125.21	270.20	194.12	191.91
16 ONIONS	308.92	249.14	245.58	343.94
17 TOMATOES	258.24	247.58	89.40	123.45
18 VEGETABLES	195.25	217.26	253.21	293.72
19 FRESH FRUITS	173.84	170.96	176.86	191.36
20 DRY FRUITS	225.87	227.90	259.87	256.58
21 FRESH MILK	189.55	193.35	211.26	214.21
22 POWDERED MILK	222.65	221.71	222.89	223.08
23 MILK FOOD	166.56	168.67	171.71	176.71
24 VEGETABLE GHEE	228.93	248.75	272.67	275.74
25 MUSTARD & RAPESEED OIL	270.45	262.37	280.01	277.73
26 COTTON SEED OIL	259.44	260.39	285.06	285.94
27 COOKING OIL	215.19	218.95	224.44	227.57
28 OIL CAKES	298.71	335.07	318.48	316.98
29 GUR	171.86	223.82	264.19	253.75
30 SUGAR REFINED	164.85	170.10	237.71	224.70
31 CHICKEN	216.00	213.37	271.91	267.65
32 EGGS	233.19	225.69	241.19	189.54
33 FISH	121.70	124.68	146.82	146.09
34 MEAT	255.64	266.65	304.27	319.04
35 SPICES	207.93	198.13	247.58	252.01
36 CONDIMENTS	286.27	285.60	292.28	299.80
37 SALT	157.10	166.45	167.69	169.17
38 TEA	136.85	142.99	170.12	171.16
39 BEVERAGES	139.33	140.72	143.10	144.43
40 MINERAL WATER	124.09	125.71	127.38	128.75
41 FRUIT PREPARED/PRESERVED	161.39	166.76	187.12	199.63
42 VEGETABLES PREPARED/PRESERVED	165.35	167.87	180.65	184.35
43 SUGAR CONFECTIONARY	100.42	100.48	100.46	100.51
RAW MATERIAL	**191.49**	**193.88**	**274.70**	**285.83**
44 COTTON	152.79	148.77	241.21	257.15
45 COTTON SEEDS	246.75	272.67	272.54	271.30
46 MUSTARD/RAPESEEDS	283.66	274.21	294.13	290.79
47 TOBACCO	199.67	204.91	228.26	233.16
48 SUGAR CANE	278.32	280.70	495.33	514.21
49 WOOL	137.83	139.48	142.92	140.66
50 HIDES	153.26	138.51	132.74	134.42
51 SKINS	106.61	105.26	102.05	103.35
52 PIG IRON	324.02	324.02	321.93	321.93

(continued)

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

Item and Specifications	Index			
	Apr-09	Jul-09	Mar-10	Apr-10
FUEL & LIGHT	**240.74**	**267.47**	**312.23**	**318.67**
53 COAL	141.00	141.00	**141.00**	**141.00**
54 COKE	624.58	624.58	555.18	610.70
55 DIESEL OIL	353.27	385.74	455.42	479.20
56 MOTOR SPRIT	188.00	196.90	238.25	244.57
57 MOBIL OIL	197.40	199.47	200.36	202.36
58 FURNACE OIL	223.27	312.14	374.20	373.11
59 KEROSINE OIL	352.86	392.99	439.93	467.69
60 NATURAL GAS	227.25	217.12	256.00	256.00
61 ELECTRICITY IND. SUPPLY TARIFF-B	162.36	162.36	201.01	201.01
62 ELEC. AGRICULTURE TARIFF-D	177.78	177.78	205.07	205.07
63 FIRE WOOD	254.98	260.16	279.48	283.62
MANUFACTURE	**139.80**	**141.07**	161.77	164.72
64 SOLE LEATHER	128.74	131.99	134.06	134.06
65 CHROME LEATHER	194.84	194.84	212.23	212.23
66 COTTON YARN	101.60	102.08	155.72	162.69
67 BLENDED YARN	129.33	131.60	177.53	182.14
68 NYLON YARN	104.65	109.59	121.72	123.53
69 COTTON TEXTILES	142.96	146.56	150.40	152.04
70 HOSIERY	153.42	154.38	156.94	157.29
71 SILK & REYON TEXTILES	143.60	144.28	149.62	149.62
72 WOOLEN TEXTILES	130.66	137.37	141.56	143.32
73 JUTE MANUFACTURES	123.27	123.97	132.09	132.09
74 MATTRESSES	133.94	135.78	141.72	142.61
75 READY MADE GARMENTS	115.06	116.07	118.87	118.87
76 UTENSILS	146.03	146.64	148.79	148.88
77 PLASTIC PRODUCTS	132.53	138.47	141.08	141.25
78 GLASS PRODUCTS	148.05	168.15	179.81	179.81
79 CHEMICALS	151.37	162.04	198.28	206.18
80 DYING MATERIALS	88.36	88.36	88.99	92.57
81 SOAPS	180.91	180.62	183.88	183.97
82 COSMETICS	118.50	119.58	123.62	123.62
83 DRUGS & MEDICINES	105.90	110.29	116.73	118.79
84 FERTILIZERS	294.32	291.55	304.86	307.46
85 PESTICIDES & INSECTICISED	139.17	146.74	149.39	149.39
86 MACHINERY	175.64	175.23	177.90	178.80
87 TRANSPORTS	124.01	124.15	129.05	131.55
88 TYRES	207.68	208.67	208.57	219.20
89 TUBES	184.79	184.79	187.73	193.47
90 AUDIO-VISUAL INSTRUMENTS	91.89	92.25	92.28	92.31
91 OTHER ELECTRICAL GOODS	127.64	130.55	131.27	131.27
92 CIGARETTES	171.57	171.57	197.49	197.49
93 PAPER	105.98	105.98	105.98	105.98
94 MATCHES	124.26	124.26	124.26	124.26
95 FOOT WEAR	177.36	177.36	192.15	192.15
BUILDING MATERIAL	**201.40**	**201.15**	**202.43**	**217.18**
96 CEMENT	146.06	141.82	124.02	126.28
97 BRICKS	226.79	232.92	248.68	248.68
98 CEMENT BLOCKS	166.63	166.63	170.83	170.83
99 TILES	99.17	99.67	99.67	99.67
100 IRON BARS & SHEETS	246.83	248.46	260.59	287.66
101 PIPE FITTINGS	178.11	180.51	185.05	183.46
102 TIMBER	207.85	209.88	208.88	208.88
103 GLASS SHEETS	164.77	168.78	177.94	177.94
104 PAINTS & VARNISHES	144.23	146.05	149.43	149.43
105 SANITARY WARES	143.85	145.77	162.20	162.56
106 WIRES AND CABLES	256.66	259.37	270.43	270.43

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
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
	Dec	210.99	238.16	192.62	221.43	235.06	211.51	232.81
2010	Jan.	216.09	242.91	197.95	230.80	241.37	223.11	240.25
	Feb	216.93	243.17	199.19	231.64	242.67	223.61	242.37
	Mar	219.65	247.55	200.78	237.51	246.68	230.84	244.98
	Apr	223.44	252.53	203.77	241.88	248.53	237.04	247.50

*: all groups combined

Table A12: International Commodity Prices/Indices

	Apr-09	Mar-10	Apr-10
Energy			
Crude Oil (US$ per barrel)*	50.3	79.3	84.2
IMF Energy Index (2005 =100)	96.8	146.1	155.0
WB Energy Index (1990=100) @	177.5	259.8	287.5
Food			
Rice ($/MT)	577.3	544.4	504.8
Wheat ($/MT)	233.5	191.1	192.9
Sugar (US cent / pound)	13.5	19.3	16.3
Palm Oil ($/MT)	693.2	793.9	798.5
Soybean Oil ($/MT)	787.3	869.3	868.0
Non-Food Non-Energy			
Cotton Outlook 'A' Index #	56.8	85.8	88.1
IMF Metal Price Index (2005=100)	105.2	156.3	178.1
Copper ($/MT)	4,436.9	7,466.9	7,729.8
Alluminum ($/MT)	1,431.8	2,210.5	2,314.3
Iron Ore ($ cents/dry MT)	101.0	101.0	176.5
Tin ($/MT)	11,830.2	17,509.1	18,634.6
Nickel ($/MT)	11,331.6	22,467.2	26,028.5
Zinc ($/MT)	1,388.1	2,277.3	2,367.5
Lead ($/MT)	1,393.9	2,162.7	2,272.2
Uranium ($/pound)	41.7	40.9	41.3
DAP ($/MT)	335.4	476.3	466.0
Urea ($/MT)	245.2	278.8	252.7

$/MT = US$ 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 A1: CPI Non-food Inflation (percent)

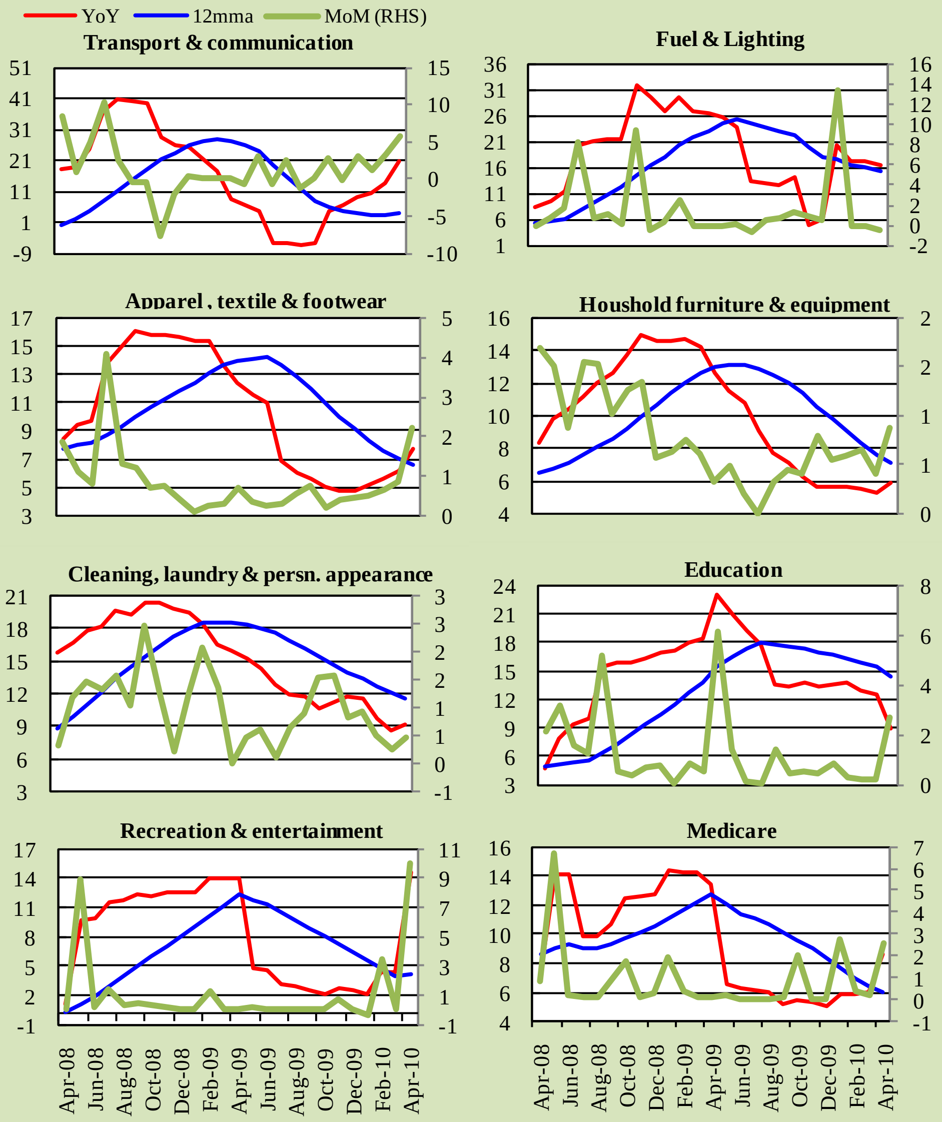


Figure A2: Frequency Distribution of Price Changes of CPI Items, April 2010

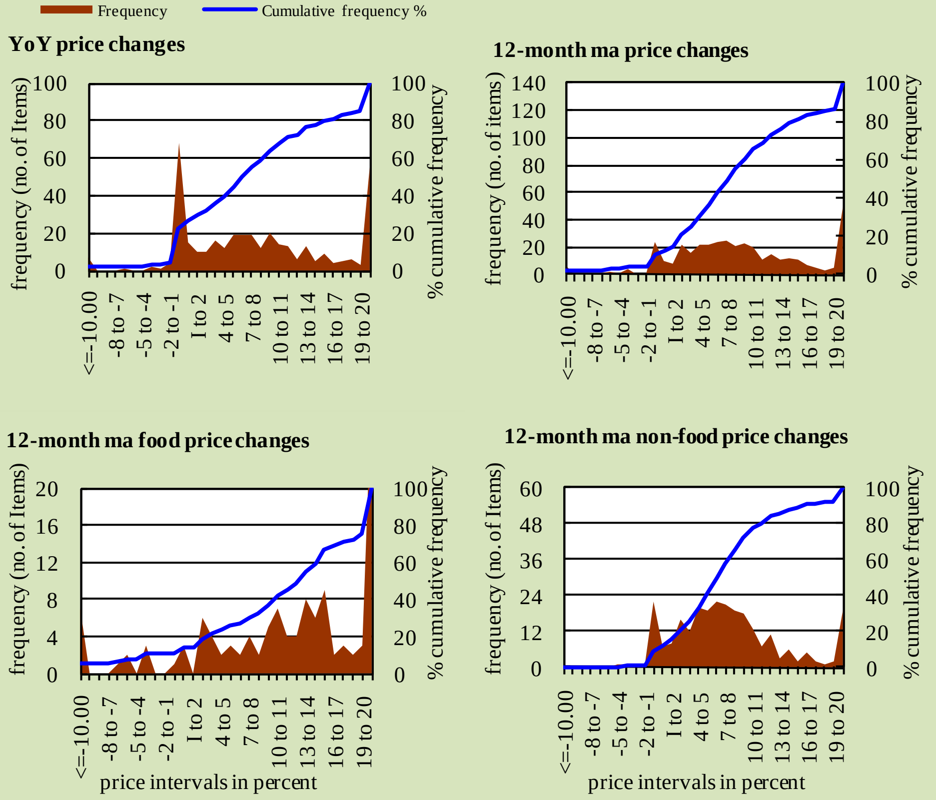
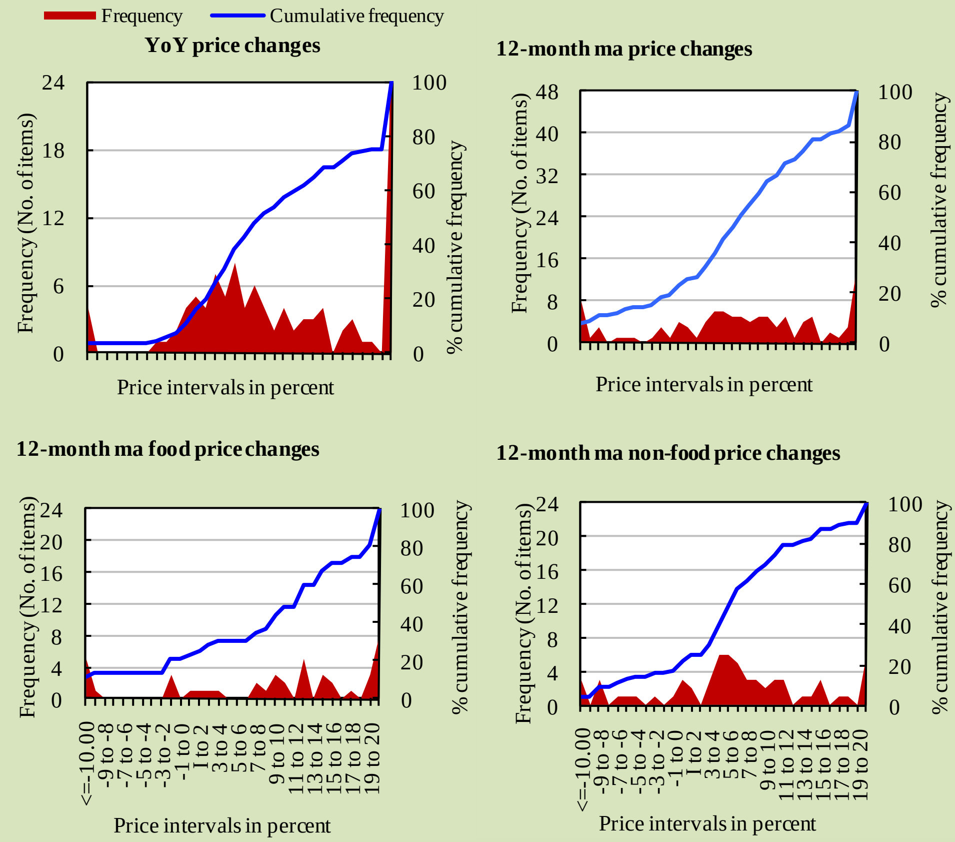


Figure A3: Frequency Distribution of Price Changes of WPI Items, April 2010



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:

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

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:

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

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 ith item to the overall inflation

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

w_i : Weights of ith item

π_{it} : Inflation of ith item

π_t : Overall inflation