

Inflation Monitor

June 2010



State Bank of Pakistan

Economic Analysis Department

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1. Overview

Inflationary pressures eased during June 2010 as shown by fall in inflation measured by all price indices compared to both the previous month and the corresponding month last year (**Figure 1.1**). This decline is attributed to both food and non-food inflation. But the greater decline was in the non-food (mainly due to downward adjustment in administered prices of fuels,¹ as well as, moderation in HRI).

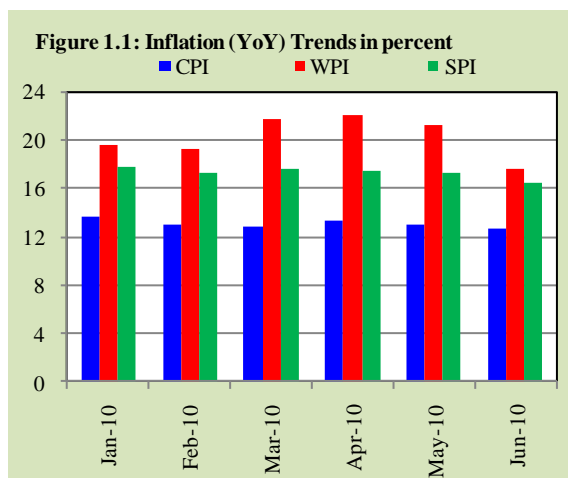


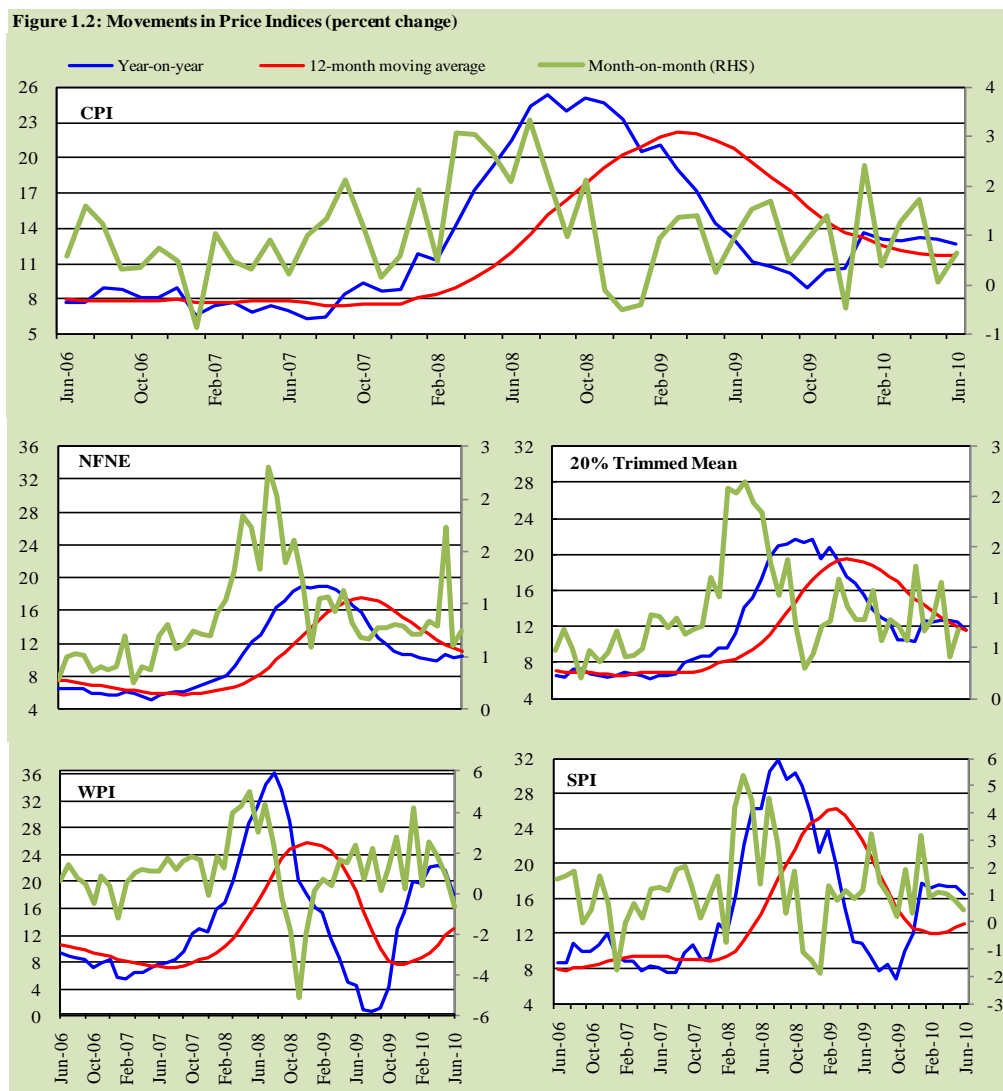
Table 1.1: Inflation Trends

	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
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
May-10	13.1	0.1	14.8	0.0	11.7	0.1	10.3	0.6	12.5	0.4	21.2	0.9	17.4	0.8
Jun-10	12.7	0.6	14.5	0.7	11.2	0.6	10.4	0.7	11.7	0.7	17.6	-0.6	16.5	0.4

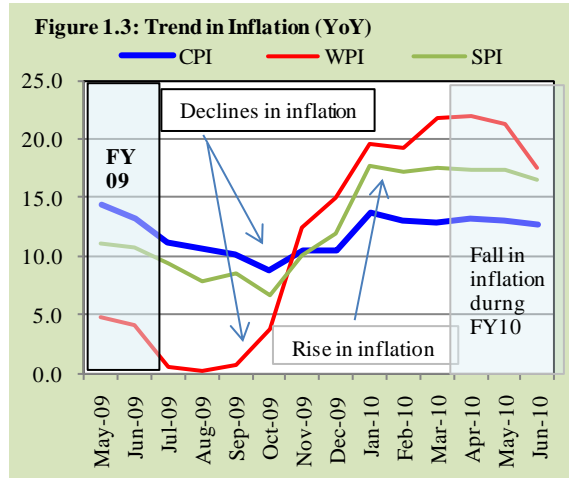
* NFNE is Non-food non-energy inflation; ** SPI for all income groups combined.

¹ It is important to note that FBS incorporates changes in fuel prices effective from 1st day of the month in the computation of preceding month's price index. For example, downward changes effective from 1st July, 2010 were incorporated in the price statistics for June 2010.

However, only one of the two core inflation measures, the trimmed mean inflation, followed the broad price indices. The trimmed mean inflation (YoY) declined in June 2010 compared to May 2010 (**Table 1.1**). It is a reflection of principal contribution of decline in the prices of fuels during the month. NFNE witnessed a rise.



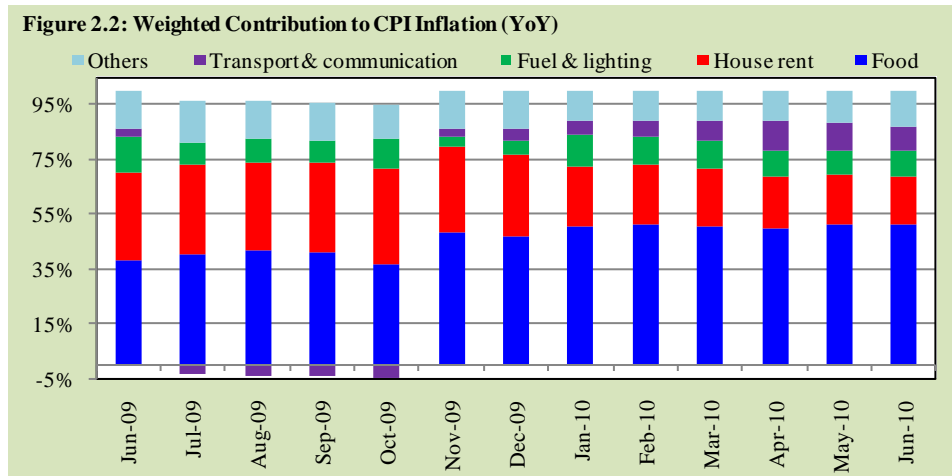
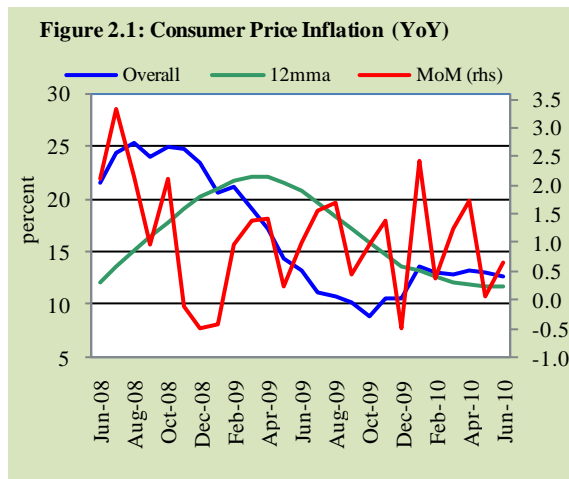
Specifically, headline CPI inflation dropped to 12.7 percent during the last month of FY10 compared to 13.1 percent in May 2010. Similarly, WPI inflation declined sharply from 21.2 percent in May 2010 to 17.6 percent in June 2010. SPI inflation also decelerated to 16.5 percent in June 2010 from 17.4 percent a month earlier. It is interesting to note here that inflationary pressures were easing in the beginning of the fiscal year 2009-10, resurged strongly during second and third quarters, but then again showed some moderation in the final months of FY10 (see **Figure 1.3**).



2. Consumer Price Index

Headline CPI inflation declined to 12.7 percent in June 2010 from 13.1 percent in May 2010. While, this reinforces the view that inflationary pressures have eased somewhat, a flattening of this trend in recent months is highlighting risks of resilience in inflationary pressures, at least at present levels (see **Figure 2.1**).

This decline in inflation was principally contributed by CPI non-food inflation (YoY), although CPI food inflation (YoY) also witnessed a slight fall. This is further evident in weighted contribution of food and non-food components in overall CPI inflation (YoY). Weighted contribution of food component in overall inflation (YoY) rose to 51.3 percent in June 2010 compared to 50.9 percent recorded in May 2010. However, weighted contribution of non-food inflation (YoY) dropped to



48.7 percent during the month under review compared to 49.1 percent contribution in May 2010 (see **Figure 2.2**).

However, CPI inflation (MoM) showed an uptick during June 2010. It is also important to note that the long run trend of inflation, indicated by 12-month moving average (12-mma) reached at its lowest levels for 25 months in June 2010. CPI inflation (12-mma) was 11.7 percent in June 2010 which is significantly lower than the 20.8 percent inflation recorded in June 2009.

2.1 Food Inflation

CPI food inflation moved in a narrow range between 14.5 to 15.5 percent in the last six months of FY10. CPI food inflation slightly declined to 14.5 percent in June 2010 from 14.8 percent in the previous month. The June 2010 figure remains substantially higher than the 10.5 percent recorded during June 2009. In recent months, resilience in food inflation is also evident from its long-term trend (12-mma), which has bottomed down to 11.9 percent in April 2010 and resurged at 12.5 percent during the month under review compared with 12.1 percent a month earlier.

Food inflation is largely emanating from a few items. Imported food commodities, higher cost of transportation, and supply shortages in domestic market are factors

Figure 2.3: CPI Food Inflation

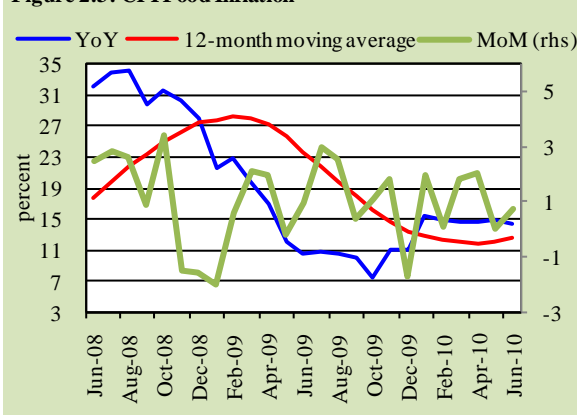
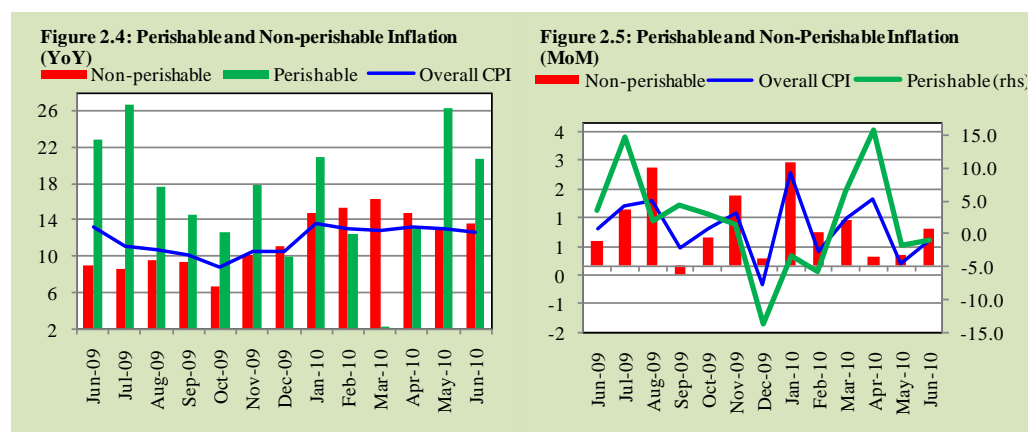


Table 2.1: Inflation in Select Food Items (YoY)

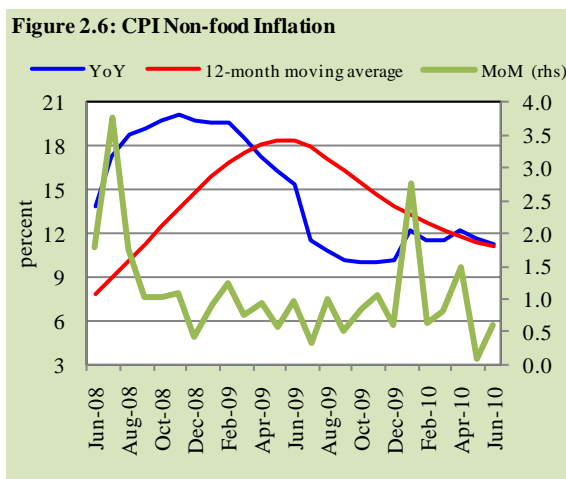
Items	Percentage Change		Weighted Contribution in Food Inflation		Weighted Contribution in Overall Inflation	
	May-10	Jun-10	May-10	Jun-10	May-10	Jun-10
Milk Fresh	17.0	15.4	19.2	18.2	9.8	9.3
Meat	24.9	26.3	14.0	15.1	7.1	7.7
Vegetables	32.0	36.6	9.0	10.7	4.6	5.5
Sugar	36.5	40.3	8.8	10.0	4.5	5.1
Fresh Fruits	15.5	17.5	4.4	4.6	2.3	2.3
Tea	28.1	26.2	4.3	4.1	2.2	2.1
Pulse Moong	108.7	134.3	2.9	3.8	1.5	1.9
Readymade Food	13.1	12.6	3.8	3.8	1.9	1.9
Cigarettes	20.8	24.2	2.8	3.3	1.4	1.7
Vegetable Ghee	8.9	6.1	4.1	2.9	2.1	1.5
Chicken Farm	23.6	20.0	3.3	2.8	1.7	1.4
Pulse Mash	95.7	92.4	2.7	2.7	1.4	1.4

behind resilience in CPI food inflation. Moreover, higher prices of certain food items, such as fresh milk, meat, sugar, pulses are also reflected in higher weighted contribution in food inflation as well as in overall inflation (see **Table 2.1**).

Inflation (YoY) in non-perishable items remained unchanged during June 2010 at the preceding month's level of 13.6 percent, but it was higher than the 9.0 percent seen in June 2009. On the other hand, inflation (YoY) in perishable food items fell to 20.8 percent in June 2010 from 26.2 percent in May 2010 and 22.8 percent in June 2009.



Contrary to YoY inflation in non-perishable items, there was persistence in food inflation on MoM basis which mainly came from non-perishable food items. The MoM food inflation stood at 0.9 percent during the month under review compared to 0.3 percent a month earlier. Prices of besan, sugar, gur, pulses, etc. increased during June 2010 compared to the previous month. On the other hand, deflation in perishable food items continued as was observed in the previous month dropping to 0.9 percent in June 2010 against 1.7



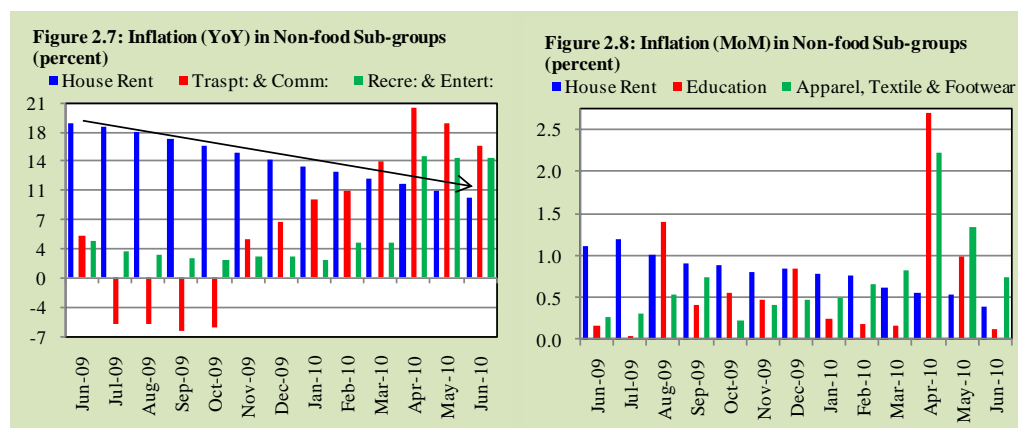
percent in May 2010. This was due to a sharp fall in prices of onions, fresh fruits, and potatoes in the month under review. Rise in the prices of vegetables was not enough to offset deflationary pressures in the perishable food items.

2.2 Non-food Inflation

Similar to food inflation, non-food inflation (YoY) has fluctuated in a narrow range of 1.0 percentage point since the start of this calendar year. Non-food inflation was 11.2 percent in June 2010 compared to 11.7 percent in May 2010; lower than 15.4 percent during June 2009. On MoM basis, inflation in non-food group was 0.6 percent during the month under review against 0.1 percent during the previous month. Out of nine sub-groups of CPI non-food component, inflation (YoY) in three sub-groups declined, increased in five sub-groups, whereas it remained unchanged in one sub-group during the month under review compared to the previous month.

Sub-groups registering decline in inflation (YoY) in June 2010 compared to May 2010 include *house rent*, *transport & communication*, and *recreation & entertainment* sub-groups.

House rent index (HRI) inflation (YoY) continued its declining trend and dipped to 9.7 percent; the lowest level in this sub-group since January 2008. Inflation in the sub-index was 10.5 percent in May 2010 and 18.6 percent in June 2009.

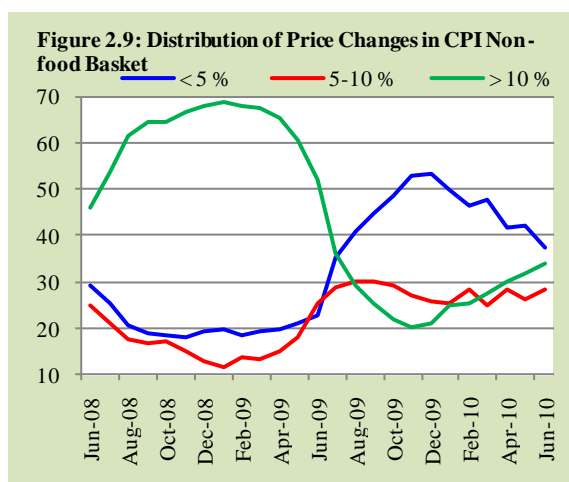


Similarly, inflation in *transport & communication sub-group* was 15.8 percent which is lower than 18.7 percent in the previous month and 10.8 percentage points higher than the level in the corresponding month last year. However, on MoM basis, inflation

in the sub-group was 0.6 percent during the month under review compared to the previous month's deflation of 2.1 percent in the sub-group.

Decline in inflation (MoM) in *house rent, education, and apparel, textile & footwear sub-groups* was recorded during June 2010 compared to May 2010 (see **Figures 2.7 & 2.8**).

Item-wise analysis of CPI non-food basket shows that six items recorded deflation during June 2010, 51 items showed no change in prices, 37 items registered inflation up to 5.0 percent, 71 items recorded inflation between 5.0 to 10.0 percent, and 84 items witnessed inflation above 10.0 percent. Only one item, postal envelopes, registered price increase of 100.0 percent during the month under review. It is important to note that percent of number of items recording double digit price increases within non-food group has been increasing while those registering subdued price rises has been declining. Similar to previous months, percent of items within non-food group of CPI basket which recorded significant price rises during June 2010 increased to 34.0 percent from 31.6 percent during May 2010. On the other hand, percent of items registering subdued inflation reduced from 42.0 percent in May 2010 to 37.6 percent in June 2010 (see **Figure 2.9**).



	Jun-09		May-10		Jun-10	
	MoM	YoY	MoM	YoY	MoM	YoY
Over all CPI	1.0	13.1	0.1	13.1	0.6	12.7
Islamabad	1.0	12.9	0.1	11.4	0.6	9.7
Lahore	1.4	12.9	-0.2	12.8	-0.2	11.4
Karachi	0.8	11.6	0.5	13.7	-0.4	13.9
Quetta	1.4	11.7	0.6	12.2	1.6	11.3
Peshawar	1.7	12.8	-0.8	12.3	0.8	13.0

2.3 City-wise Inflation

Inflation (YoY) in major cities of the country was lower than overall inflation, except in Karachi and Peshawar, during June 2010 compared to May 2010. In the latter month, Karachi was the only city having higher inflation than overall CPI inflation.

On MoM basis, inflation in all major cities of the country except Quetta was lower than overall inflation (MoM). Indeed, two cities, Lahore and Karachi, witnessed MoM deflation during the month under review.

Segregated data from 35 cities of the country shows that 18 cities had higher inflation compared to 17 cities with low inflation cities. Furthermore:

- Highest inflation (YoY) was recorded in Nawabshah against lowest inflation in Loralai & Cantonment area;
- Highest food inflation was registered in Mianwali and lowest in Loralai & Cantonment area;
- Highest non-food inflation was recorded in Bannu whereas Islamabad witnessed lowest non-food inflation (see **Table A6**).

2.4 Income Group-wise Inflation

Incidence of inflation YoY was highest on middle income group during June 2010, unlike the previous month when the incidence was on highest income group. However, inflation in all income groups was lower during June 2010 than inflation during the corresponding month of the preceding year. Inflation was highest in the income group having monthly income of Rs 5001-12000. Incidence of food as well as non-food inflation (YoY) was highest on highest income group.

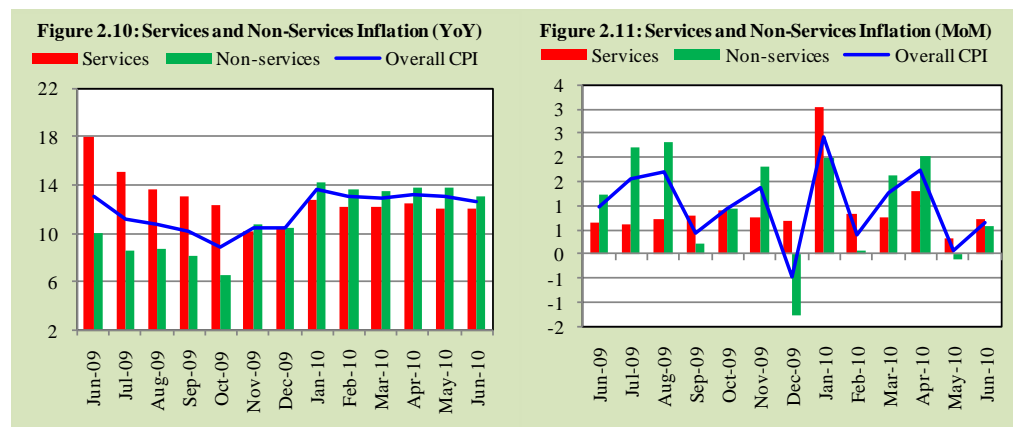
On the other hand, Inflation (MoM) in all income groups increased during June 2010 from that in a month earlier. Lower income groups (with monthly income less than Rs 5000/) were most severely hurt by inflation (MoM) during the month under review. Highest incidence of food was on lower income groups while the lowest income group bore the brunt of high non-food inflation.

Table 2.3: Income Group-wise CPI Inflation							
	Upto 3000		Rs. 3001-5000		Rs. 5001-12000		Above Rs. 12000
	Jun-09	Jun-10	Jun-09	Jun-10	Jun-09	Jun-10	Jun-09 Jun-10
Year on Year (June over June)							
General	12.8	12.7	13.0	12.7	13.6	12.8	12.6 12.6
CPI Food	11.6	14.1	10.7	14.1	10.5	14.4	10.3 14.8
CPI Non-food	14.5	10.8	15.7	11.1	16.8	11.2	14.1 11.3
Month on Month (June over May)							
General	-0.2	0.9	-0.1	0.9	0.1	0.8	0.1 0.5
CPI Food	-0.4	0.9	-0.4	0.9	-0.1	0.8	0.4 0.5
CPI Non-food	0.2	0.9	0.2	0.8	0.2	0.8	-0.1 0.4

2.5 Services & Non-services

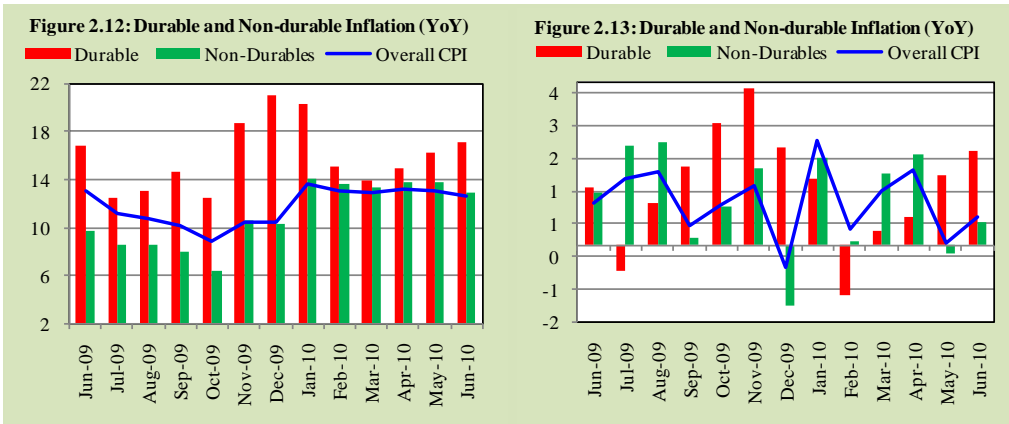
Inflation (YoY) in services sector during June 2010 remained stable at 12.0 percent, the level of May 2010; lower than 18.0 percent during the same month last year. On MoM basis, services sector recorded 0.7 percent inflation in June 2010 against 0.3 percent in the previous month.

Inflation in non-services sector declined to 13.1 percent in the month under review from 13.8 percent during the last month. Similarly, on MoM basis, 0.6 percent inflation was recorded in non-services sector in June 2010 against last month's deflation of 0.1 percent (see **Figures 2.10 & 2.11**).



Further division of non-services sector into durable items and non-durable items indicates that inflation on both YoY and MoM basis in durable items increased when compared with the previous month and the same month of last year. On the other hand, inflation (YoY) in non-durable items declined in June 2010 compared to May

2010, it was still higher than June 2009 levels. On MoM basis, last month's deflation in non-durable items has turned into inflation this month.



3. Wholesale Price Index

Inflation measured by wholesale price index (WPI), dropped to 17.6 percent YoY during June 2010 from 21.2 percent in May 2010; however, it was substantially higher than 4.1 percent registered in the same month last year. On month on month basis, WPI inflation recorded a deflation of 0.6 percent during the month compared to 0.9 percent inflation seen last month (see **Figure 3.1 & Table 3.1**).

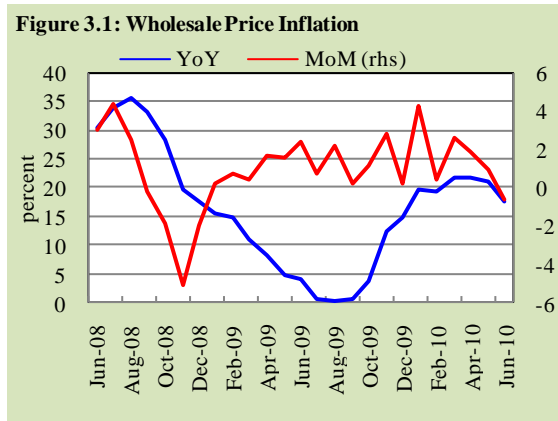


Table 3.1: WPI Inflation Trends

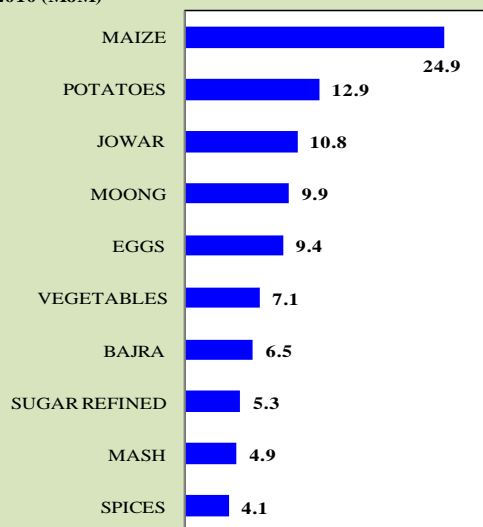
	Overall	Food	Non-food	Raw materials	Fuel, lighting & lubricants	Manufactures	Building materials
Month on Month							
Jun-09	2.4	1.1	3.5	-0.5	8.2	0.0	0.3
Apr-10	1.8	0.8	2.69	4.1	2.1	1.8	7.3
May-10	0.9	0.1	1.44	3.3	-0.6	3.3	1.8
Jun-10	-0.6	1.2	-1.99	0.3	-4.0	-0.8	-0.4
Year on Year							
Jun-09	4.2	10.2	-0.3	11.9	-4.0	3.2	-10.1
Apr-10	22.0	15.2	27.71	49.3	32.4	17.8	7.8
May-10	21.2	14.4	26.90	49.2	26.9	20.5	13.9
Jun-10	17.6	14.5	20.14	50.5	12.6	19.5	13.2

Out of 106 composite items included in WPI basket, prices of 50 items declined or remained unchanged during the month whereas, prices of 47 items registered subdued inflation². Five items recorded moderate inflation³ whereas only four commodities registered double-digit prices increase during June 2010 on MoM basis (see **Annexure**).

Food Group

Although overall WPI inflation (YoY) declined during the month under review but food inflation remained strong, registering 14.5 percent YoY growth compared to 14.4 percent in May 2010.

Figure 3.2: Top ten food items registered increase during June 2010 (MoM)



² less than 5.0 percent

³ 5 to 10 percent

Similarly, on MoM basis WPI food inflation recorded 1.2 percent growth compared to 0.1 percent in May 2010 (see **Table 3.1**).

Non-food Group

Inflation in WPI non-food group declined sharply during June 2010 largely due to decline in administered fuel prices. Ease in raw cotton prices and imposition of regulatory duty on yarn export played significant role in bringing the yarn and textile prices down in the local market (see **Figure 3.3**).

WPI non- food inflation (YoY) fell to 20.1 percent from 26.9 percent in May 2010, whereas on MoM basis, WPI recorded a deflation of 2.0 percent during June 2010 compared to 1.4 percent inflation last month (see **Table 3.1**).

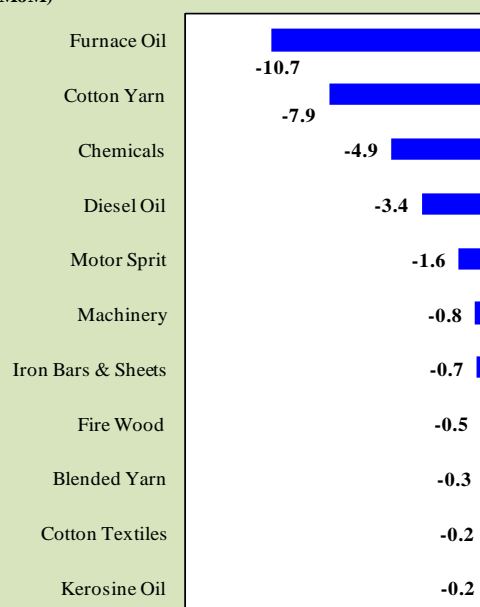
Further classification of non-food items reveals that raw material was the only group which recorded inflation, rest of the sub-groups witnessed deflation during the month on MoM basis (see **Table 3.1**).

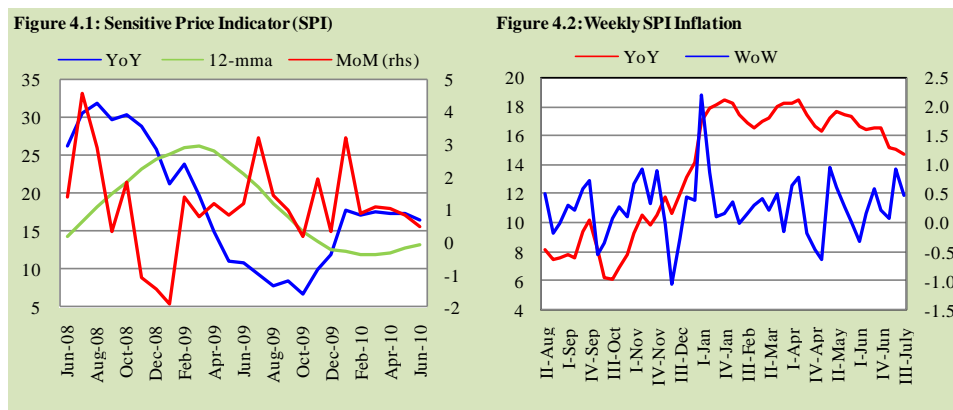
Slow economic activity in the domestic economy and uncertain global economic situation resulted in subdued exports amid poor spending of domestic consumer. Due to these fears investors involved in construction and real-estate have adopted wait and see policy, whereas the industry people have reduced their production capacity and output due to lack of appropriate industrial policy.

4. Sensitive Price Indicator

Similar to other measures of inflation, SPI inflation also eased during June 2010 mainly due to decline in prices of non-food items. SPI inflation (YoY) was 16.5

Figure 3.3: Non-food items registered decline during June 2010 (MoM)





percent during June 2010 compared to 17.4 percent witnessed last month (see **Figure 4.1**).

Weekly SPI inflation (YoY) declined sharply during the first three weeks of July 2010 reaching 14.6 percent in the third week (see **Figure 4.2**).

5 Global Commodity Prices

5.1 Overview

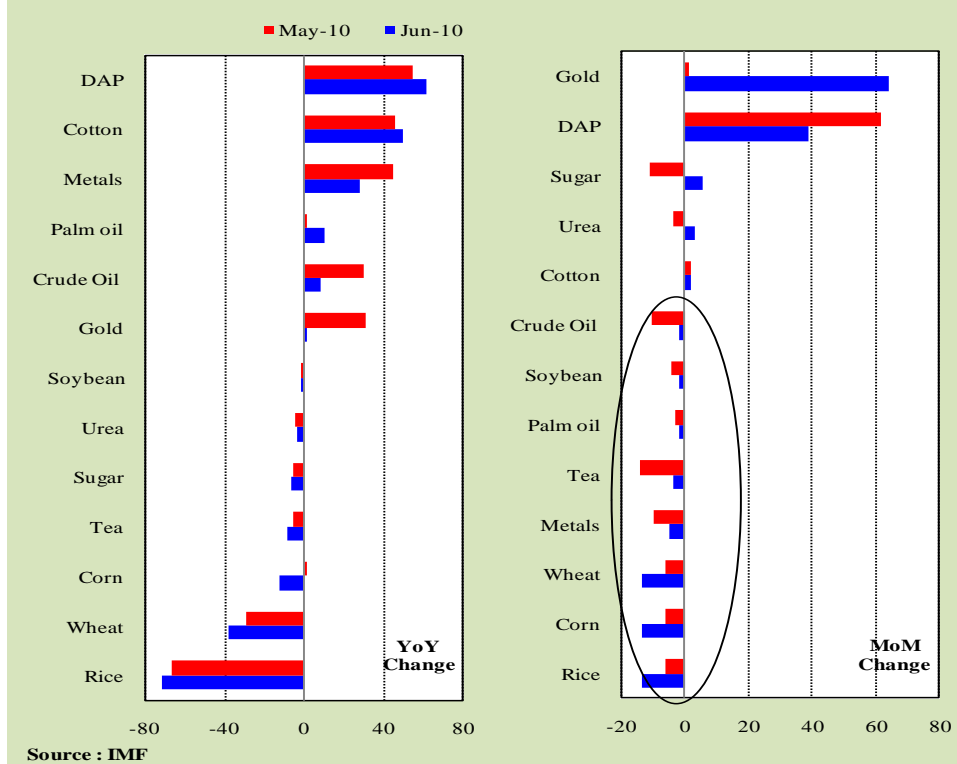
Commodity prices in international markets remained subdued during June 2010 due to uncertain position of economic recovery. Fiscal and monetary tightening in China and sovereign debt concerns in Europe were the major factors leading to uncertainty and pushing commodity prices lower compared to the previous month levels.

IMF commodity prices index registered a decline of 1.8 percent during June 2010 on MoM basis, a little better than a decline of 7.5 percent witnessed during the last month (see **Table 5.2**).

5.2 Food Group

Similar to overall situation, prices of food commodities also remained under downward pressures during June 2010 as indicated by World Bank's food index which declined by 0.6 percent on MoM basis and 7.7 percent on YoY basis (see **Table 5.1**).

Figure 5.1: Trends in International Commodity Prices- June 2010



Largest decline was seen in grains prices mainly on account of favorable production outlook and active selling by major producers.

Edible oils, was the second sub-group in food which recorded decline during June 2010. Soybean prices declined on upward revision to Brazil and US soybean crops. Palm oil prices also declined on ample supplies amid weak demand.

Beverages index recorded positive growth during June 2010 due to sharp increase in coffee prices. Growth in world tea prices also remained negative during June 2010.

Sugar prices after falling for four consecutive months, increased during June 2010 due to strong demand from key consumers including China, Pakistan, and Philippines (see **Table 5.1**).

5.3 Non-food group

Among non food commodities, industrial metals prices declined due to weak demand amid increased production of major metals. Crude oil prices declined on weak global macroeconomic outlook. Even the rising oil demand⁴ particularly in US and China could not mitigate the impact of large supplies. Crude stocks are rising worldwide particularly in US due to increased

Table 5.1 : Monthly Changes in Food Indices

	YoY			
	Jun-09	Apr-10	May-10	Jun-10
Overall food	-26.5	2.2	-6.6	-7.7
Edible Oils	-31.4	5.4	-7.5	-7.7
Grains	-30.4	-11.5	-16.2	-23.4
Beverages*	-7.9	20.7	18.3	17.7
Sugar	35.4	20.5	-5.2	-3.3
	MoM			
	Jun-09	Apr-10	May-10	Jun-10
Overall food	0.5	-1.0	-1.5	-0.6
Edible Oils	-0.9	0.6	-1.2	-1.1
Grains	2.6	-2.9	-1.1	-6.2
Beverages*	4.5	4.4	0.0	4.0
Sugar	2.4	-11.8	-7.6	4.5

Source : World Bank

(*) consists of various kinds of tea and coffee

Table 5.2 : Monthly Changes in Non-Food Indices

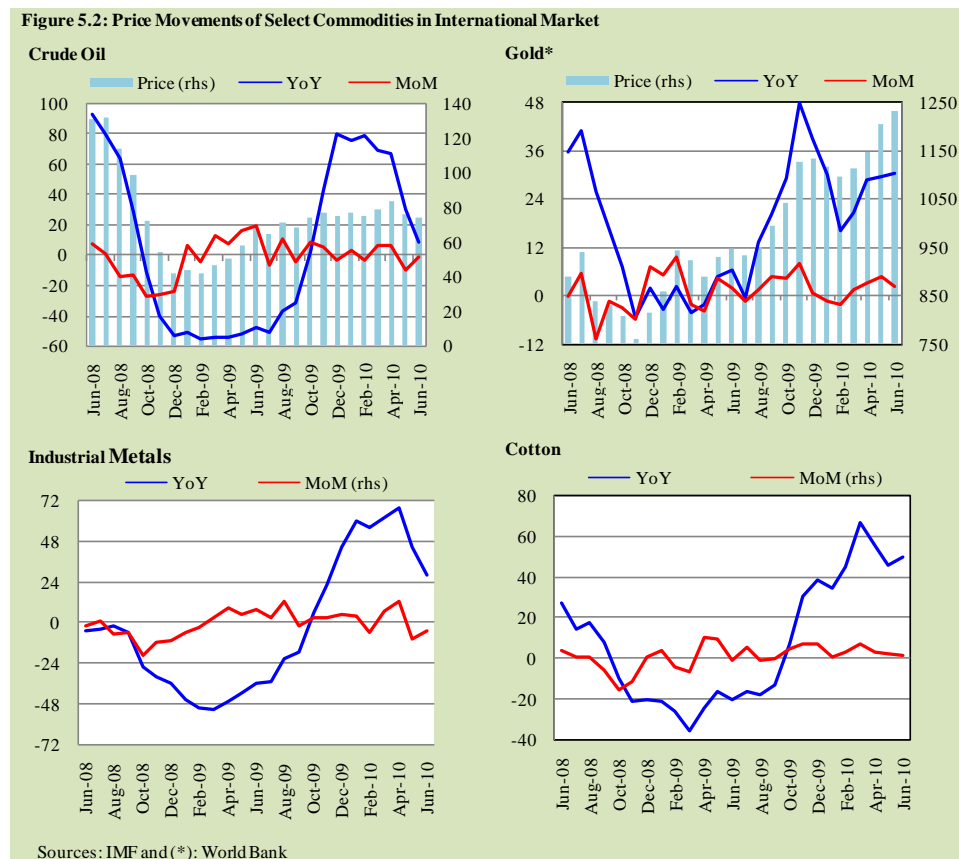
	YoY			
	Jun-09	Apr-10	May-10	Jun-10
Metals	-36.0	54.0	53.2	37.5
Energy	-48.4	60.8	29.2	9.8
Cotton	-20.3	55.1	45.4	47.7
Fertilizers	-55.9	-16.8	-16.9	-13.2
	MoM			
	Jun-09	Apr-10	May-10	Jun-10
Metals	7.0	18.1	-8.6	-4.0
Energy	16.9	5.1	-9.0	-0.6
Cotton	-0.9	2.7	2.3	0.7
Fertilizers	-4.4	0.1	-4.8	-0.2

Source : World Bank

⁴ World oil demand increased by 2.8 percent in second quarter of 2010.

refinery output (see **Figure 5.2 & Table 5.1**).

Crude oil prices declined to US\$ 74.7⁵ per barrel in June 2010 from US\$ 75.6 in the previous month (see **Figure 5.2**). Declined in Europe's oil demand is likely to be compensated with rise in demand from non-OECD countries mainly China, India, the middle east, and Latin America. Moreover, non-Opec supply forecast is also to rise mainly from Brazil, Canada, Azerbaijan, Colombia, and Kazakhstan.



⁵ average spot price of Brent, Dubai and West Texas Intermediate, equally weighed

Annexure A

Table A1: CPI Inflation by Groups

	Weights	MoM change			YoY change		
		Jun-09	May-10	Jun-10	Jun-09	May-10	Jun-10
I. Food Group	40.3	1.0	0.0	0.7	10.5	14.8	14.5
II. Non-Food Group	59.7	1.0	0.1	0.6	15.4	11.7	11.2
Apparel, textile, etc.	6.1	0.3	1.3	0.7	10.9	8.8	9.3
House rent	23.4	1.1	0.5	0.4	18.6	10.5	9.7
Fuel & lighting	7.3	0.2	-0.8	0.6	23.8	15.8	16.4
Household furniture & equipment	3.3	0.2	0.8	0.7	10.8	6.2	6.7
Transport & communication	7.3	3.1	-2.1	0.6	5.0	18.7	15.8
Recreation & entertainment	0.8	0.1	0.0	0.0	4.5	14.5	14.4
Education	3.5	0.2	1.0	0.1	19.2	8.4	8.4
Cleaning, laundry, etc.	5.9	0.6	0.6	1.3	14.3	9.2	10.0
Medicare	2.1	0.0	0.7	1.3	6.3	9.2	10.6
Headline	100	1.0	0.1	0.6	13.1	13.1	12.7

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%)	
	Jun-09	Jun-10		Jun-09	Jun-10	Jun-09	Jun-10	Jun-09	Jun-10	Jun-09	Jun-10
I. Food Group	10.5	14.5	110	17	14	5	17	15	11	73	68
II. Non-Food Group	15.4	11.2	250	9	55	45	39	61	71	132	85
Apparel, textile, etc.	10.9	9.3	42	1	8	0	2	24	18	16	14
House rent	18.6	9.7	1	0	0	0	0	0	1	1	0
Fuel & lighting	23.8	16.4	15	2	1	0	0	2	0	9	14
Household furniture & equipt	10.8	6.7	44	0	1	2	13	16	22	26	8
Transport & communication	5.0	15.8	43	1	15	6	4	4	9	32	15
Recreation & entertainment	4.5	14.4	16	0	4	12	5	1	2	3	5
Education	19.2	8.4	24	2	5	4	4	1	7	17	8
Cleaning, laundry, etc.	14.3	10.0	36	1	7	4	6	11	9	20	14
Medicines	6.3	10.6	29	2	14	17	5	2	3	8	7
Overall	13.1	12.7	360								

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

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

Items	Weights	YoY change		Weighted Contribution	
		Jun-09	Jun-10		
A. Ranked by Weighted Contribution					
1	House Rent Index	23.43	18.60	9.69	17.41
2	Milk Fresh	6.66	15.38	15.36	9.3
3	Meat	2.70	15.43	26.33	7.75
4	Vegetables	1.84	38.24	36.64	5.47
5	Electricity	4.37	25.58	18.63	5.13
6	Sugar	1.95	51.33	40.33	5.10
7	Natural Gas	2.05	25.72	16.08	3.64
8	Transport Fare/Charges	2.12	20.04	16.59	3.51
9	Communication	1.93	5.07	39.91	2.77
10	Fresh Fruits	1.62	-4.66	17.46	2.34
Total		48.65			62.45
B. Ranked by Percentage Change					
1	Pulse Moong	0.22	-10.50	134.27	1.95
2	Pulse Mash	0.20	18.28	92.39	1.39
3	Sugar	1.95	51.33	40.33	5.10
4	Communication	1.93	5.07	39.91	2.77
5	Vegetables	1.84	38.24	36.64	5.47
6	Jewellery	0.39	19.43	33.78	1.76
7	Eggs	0.41	3.46	27.25	0.80
8	Meat	2.70	15.43	26.33	7.75
9	Tea	1.26	23.05	26.19	2.11
10	Cigarettes	0.95	16.78	24.21	1.71
Total		11.85			30.82
C. Ranked by Weights					
1	House Rent Index	23.43	18.60	9.69	17.41
2	Milk Fresh	6.66	15.38	15.36	9.32
3	Wheat Flour	5.11	13.25	1.40	0.78
4	Electricity	4.37	25.58	18.63	5.13
5	Bakery & Confectionary	2.98	7.73	4.59	0.78
6	Meat	2.70	15.43	26.33	7.75
7	Vegetable Ghee	2.67	-15.44	6.07	1.51
8	Tution Fees	2.36	12.71	7.88	1.29
9	Transport Fare/Charges	2.12	20.04	16.59	3.51
10	Natural Gas	2.05	25.72	16.08	3.64
Total		54.45			51.14
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 12.7 percent in June 2010.					

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

Groups	Decrease or no change	Subdued increase (upto 5%)	Moderate increase (5 to 10%)	Increase of over 10%
Food Group	Coconut Dry Av.Qlty, Pepper Black National, Karaila, Rice Irri-6 (Sindh/Punjab), Wheat, Maida, Rice Basmati 385/386, Lady Finger, Cuminseed White National	Wheat Flour Fine/Superior, Chillies Powder National 200Gm, Biscuits-Packed, Rice Basmati Sup. Qlty, Bread Tandoori St. Size, Wheat Flour Bag, Pumpkin, Cooking Oil (Dalda), Cucumber (Kheera),	Vegetable Ghee (Loose), Onion, Almonds Whole Av.Qlty, Fruit Juice Tetra Pack, Vegetable Ghee Tin, Milk Powder Loose/Packed, Bread Plain Medium Size Tomato Ketchup Ahmed/Mitchl, Butter Local Packed,	Vermicelli, Lactogen 400 Grams, Pickles Ahmed/Mitchelles, Milk Tetra Pack 1/2 Ltr, Dates Av.Qlty, Watermelon (Turbooz), Powder Milk Nido 400Gm, Cooked Mutton (Av. Hotel), Bananas,
Apparel & Textile	Gents Shoes Paul Bata, Gents Sandal Bata, Gents Sponge Chappal Bata	Shoe Repair Half Sole Brassier Av.Qlty	Pullover (Gents) Others A.Qt, Boot Polish Cherry/Kiwi 50Ml Frock W/Wear Girls	Chaddar (W/Wear) (2X2.5 Mtr), Linen Av.Qlty, Lungi/Dhoti(Cotton) Avg. Qlt
House Rent Index			House Rent Index	
Fuel & Lighting	Match Box Small			Kerosene Oil, Firewood Whole, Tube Light Philips 40 Watts, and Gas Chrg Upto 3.3719 Mmbtu
Household Furniture & Equipment	Washing Machine Singer	Tea-Set S.Steel 3 Pcs. M.Siz, Carpet Plain Av. Qlty, S.Steel Deghchi Medium Size	Sewing Thread/Reel (Asli Pari, Gas Burner Double Spfy.Brand Pedestal Fan 22" Super Qlty	Thermos Starvac 1 Ltr, Dari Cotton (6'X2 1/2') Av.Q, Bucket(Balti) Plastic Med.Si,
Transport & Communication.	Train Fare Eco. 1-100 Km, Train Fare Eco. 101-500 Km, Train Fare Eco. > 500 Km, Train Fare Ist Slp. 01-100Km	Car Suzuki 800 Cc (W/O. A/C), Internet Charges	Taxi 4 Seater Fare, Air Fare Economy Class, Bicycle With Tyres & Tubes, Tyre Motor Cycle Without Tub.	Auto Rickshaw Fares, Motor Cycle Service Charges, Bus Fare Outside City, Cng Filling Charges
Recreation & Entertainment	Video Game Sega 16 Byte, V.C.P. Panasonic/Lg/Nat Daily "Dawn"	Dry Cell 1.5 Volt(Local), Radio With C.Player National, Tape Recorder Cassette Blan	Cinema Non-A/C High Class, Cinema A/C. Highest Class	Daily "Jang", Daily "Nawa-E-Waqt", Weekly "Akhbar-E-Jahan"
Education	Com. C.D. (Tdk/Imation), English Book Class Ix Or X, Govt. College Fee Ist. Year	Urdu Book Class Ix/X (T.B.B), Ball Pen (Local), Comp. With Printer & Speaker	Pencil goldfish/Deer, Paper Full scape (27"X17"), School Fee Primary Eng.Med	Exercise Book Lined 80/100 P, Govt. Engg. Coll. Fee I Year, 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	Blade Treet Ordinary 10'S, Brylcreem 210 ML, Facecream Ponds (Medium), Blade 7-O-Clock Stain. 5'S	Wrist Watch Gents Citizen, Cleanser Powder Vim 1000 Gm, Wrist Watch Ladies Citizen, Hair-Colour Begin (6 Gms)	Dry Cleaning Suit Coat Pant, Toothbrush Shield A/Plaque, Toothpowder Dentonic 90 Grm, Nail Polish S.Miss/Medora
Medicare	Entox Tab, Septran Tablets,. Brufen Tabs 200-Mg.	Renitec Tab. 5 Mg, Daonil Tab. 5 Mg, Flagyl Tab. 200 Mg	Cotton Bandage 2" - 4", Doctor (MBBS) Clinic Fee, Galxos-D (450 Grms)	Cac. 1000 Tab, Thermometer China, Sancos Syrup (50 Ml.)

Table A5: City-wise Inflation by Income Groups, June 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	-0.3	11.2	-0.8	12.4	0.5	9.4	-0.4	11.4	-1.1	12.5	0.5	10.1
2	Faisalabad	0.7	12.2	0.9	15.3	0.4	7.9	0.9	12.6	1.4	15.8	0.3	8.5
3	Rawalpindi	-0.2	11.5	-0.8	13.6	0.6	8.8	-0.2	11.1	-0.8	12.3	0.5	9.7
4	Multan	1.8	15.0	2.7	17.4	0.6	11.9	1.6	14.9	2.6	17.3	0.5	11.8
5	Gujranwala	0.0	13.0	-0.3	15.3	0.4	9.8	-0.1	12.1	-0.4	13.8	0.3	10.1
6	Islamabad	0.1	10.4	-0.1	13.6	0.5	6.5	-0.2	10.4	-0.8	13.0	0.5	7.5
7	Sargodha	0.7	12.9	0.8	16.1	0.5	8.9	0.3	12.7	0.2	15.1	0.5	9.8
8	Sialkot	1.4	13.0	2.2	14.0	0.2	11.7	1.3	12.9	2.1	14.1	0.1	11.3
9	Bahawalpur	1.2	13.3	1.6	14.6	0.5	11.5	1.0	13.2	1.3	14.1	0.6	12.0
10	Karachi	2.3	14.9	2.1	17.2	2.5	12.0	2.3	15.5	2.3	18.7	2.4	11.8
11	Hyderabad	3.2	14.7	4.7	17.4	1.2	11.3	3.2	15.0	4.8	17.7	1.2	11.6
12	Sukkur	0.4	12.3	0.4	12.3	0.5	12.4	0.4	11.4	0.3	11.0	0.6	11.9
13	Larkana	1.5	12.0	2.4	13.2	0.4	10.5	1.6	10.9	2.2	11.7	0.7	10.0
14	Peshawar	0.5	13.4	0.4	15.1	0.7	11.2	0.4	13.1	0.3	14.1	0.6	11.9
15	Bannu	0.5	14.9	-0.6	16.3	1.9	13.2	1.1	14.7	-0.1	15.4	2.4	13.9
16	Quetta	2.1	11.2	2.4	11.8	1.8	10.4	1.3	11.5	1.7	11.8	0.8	11.1
17	Khuzdar	0.7	7.5	0.8	6.3	0.7	9.1	0.9	10.4	0.9	10.3	0.9	10.5
		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	-0.4	11.3	-1.2	12.4	0.4	10.2	-0.4	11.5	-1.2	13.0	0.2	10.6
2	Faisalabad	0.7	12.2	1.1	15.2	0.3	9.1	0.2	11.5	0.1	13.7	0.2	10.1
3	Rawalpindi	-0.2	11.1	-0.7	12.2	0.4	10.0	-0.2	11.2	-0.7	12.3	0.1	10.6
4	Multan	1.3	14.1	2.1	16.8	0.3	11.3	0.9	14.2	1.9	17.5	0.2	12.1
5	Gujranwala	0.0	12.1	-0.2	14.2	0.2	9.9	0.1	12.3	0.1	15.4	0.2	10.5
6	Islamabad	-0.1	10.0	-0.7	12.1	0.4	8.0	-0.2	9.6	-1.0	11.8	0.2	8.3
7	Sargodha	0.1	12.7	-0.3	14.6	0.5	10.9	-0.3	12.7	-0.9	15.0	0.0	11.2
8	Sialkot	1.1	13.0	1.9	14.3	0.2	11.5	0.9	13.3	1.8	15.0	0.3	12.2
9	Bahawalpur	0.8	13.5	1.0	15.0	0.6	11.9	0.3	14.0	0.3	17.1	0.3	12.1
10	Karachi	2.1	14.8	2.2	18.5	1.9	11.3	1.0	13.0	1.8	17.5	0.6	10.4
11	Hyderabad	3.0	14.7	4.5	17.1	1.6	12.3	2.9	15.3	3.9	17.1	2.3	14.2
12	Sukkur	0.4	11.7	0.3	11.3	0.5	12.0	0.3	11.7	0.2	10.9	0.4	12.2
13	Larkana	1.2	11.1	1.7	11.8	0.6	10.3	1.0	10.6	1.5	11.5	0.7	10.0
14	Peshawar	0.5	13.0	0.5	14.4	0.5	11.7	0.3	12.9	0.4	15.2	0.2	11.6
15	Bannu	1.2	14.3	-0.4	14.4	2.9	14.1	0.6	13.7	-1.0	13.2	1.5	14.0
16	Quetta	1.0	11.1	1.3	11.0	0.6	11.2	0.5	11.4	0.8	11.0	0.3	11.7
17	Khuzdar	0.9	10.9	1.1	11.5	0.8	10.3	1.0	11.5	1.3	11.2	0.8	11.7

Table A6: City-wise Inflation in CPI (YoY) June 2010

	High inflation cities				Low inflation cities		
	General	Food	Non-food		General	Food	Non-food
Nawabshah	15.1	17.3	13.5	Attock	12.6	14.9	10.9
Turbat	15.0	17.7	13.0	Khuzdar	12.4	14.8	10.5
Mianwali	14.9	19.4	11.4	Gujranwala	12.2	14.4	10.3
Hyderabad	14.9	17.1	13.1	D.G. Khan	12.1	12.0	12.2
Shahdadpur	14.7	16.4	13.4	Samundari	12.0	12.0	11.9
Kunri	14.6	19.0	11.2	Mardan	11.9	13.4	10.7
Multan	14.3	17.1	11.9	Faisalabad	11.9	14.6	9.6
Mirpur Khas	14.2	16.7	12.4	Sukkur	11.7	11.2	12.0
Bannu	14.2	14.4	14.1	Okara	11.6	12.3	11.1
Jhang	14.2	17.5	11.6	Jehlum	11.6	13.3	10.2
Karachi	13.9	18.1	10.7	Lahore	11.4	12.7	10.4
Bahawalpur	13.6	15.3	12.1	Quetta	11.3	11.1	11.4
Bahawalnagar	13.5	12.9	14.0	Rawalpindi	11.1	12.2	10.3
Sialkot	13.1	14.7	11.8	Larkana	11.0	11.8	10.3
Abbotabad	13.0	13.9	12.3	D.I.Khan	9.9	8.8	10.8
Peshawar	13.0	14.7	11.6	Islamabad	9.7	11.9	7.9
Vehari	12.9	15.5	10.8	Loralai&Cantt	9.5	8.4	10.4
Sargodha	12.7	14.8	11.0				

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

Table A7 : Income Group-wise Inflation

percent

	MoM				YoY		
	Jun-09	May-10	Jun-10		Jun-09	May-10	Jun-10
Up to Rs. 3000							
General	0.9	-0.2	0.9		12.8	12.7	12.7
Food	1.1	-0.4	0.9		11.6	14.3	14.1
Non-food	0.7	0.2	0.9		14.5	10.7	10.8
Rs. 3001-5000							
General	0.9	-0.1	0.9		13.0	12.7	12.7
Food	1.0	-0.4	0.9		10.7	14.3	14.1
Non-food	0.7	0.2	0.8		15.7	10.9	11.1
Rs. 5000-12000							
General	0.9	0.1	0.8		13.6	12.9	12.8
Food	1.1	-0.1	0.8		10.5	14.7	14.4
Non-food	0.7	0.2	0.8		16.8	11.1	11.2
Above Rs. 12000							
General	1.1	0.1	0.5		12.6	13.4	12.6
Food	0.9	0.4	0.5		10.3	15.2	14.8
Non-food	1.3	-0.1	0.4		14.1	12.3	11.3
All income groups							
General	1.0	0.1	0.6		13.1	13.1	12.7
Food	1.0	0.0	0.7		10.5	14.8	14.5
Non-food	1.0	0.1	0.6		15.4	11.7	11.2

Table A8: Distribution of Price Change (YoY) - WPI Items: June 2010

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

Table A9: SPI Item-wise Price Movements					
S.No	Items	Unit	Price June 10	Percentage change	
				YoY	Monthly
1	Wheat	Kg.	23.9	0.5	-0.1
2	Wheat flour average qlt.	Kg.	27.2	1.6	-1.0
3	Rice basmti.broken	Kg.	44.7	3.5	-0.5
4	Rice irri-6	Kg.	34.5	-0.1	-0.4
5	Masur pulse washed	Kg.	120.1	3.2	-1.5
6	Moong pulse washed	Kg.	115.6	134.7	12.1
7	Mash pulse washed	Kg.	166.1	88.1	1.6
8	Gram pulse washed	Kg.	57.8	17.7	-0.3
9	Beef	Kg.	193.5	24.1	1.3
10	Mutton	Kg.	366.7	30.0	1.9
11	Egg hen (farm)	Doz.	59.6	20.3	4.1
12	Bread plain	Each	27.3	7.0	0.1
13	Sugar	Kg.	62.8	38.8	3.2
14	Gur	Kg.	72.6	21.1	1.8
15	Milk fresh	Ltr	45.9	14.0	2.1
16	Milk powdered nido	400g	200.0	11.1	0.1
17	Curd	Kg.	54.2	15.2	2.7
18	Veg.ghee tin	2.5kg	373.0	7.1	0.5
19	Veg.ghee loose	Kg.	116.2	5.2	0.4
20	Mustard oil	Kg.	135.9	3.5	-0.1
21	Cooking oil	2.5ltr	373.0	3.5	0.5
22	Potatoes	Kg.	25.6	16.1	14.4
23	Onions	Kg.	22.9	7.1	-14.8
24	Tomatoes	Kg.	25.6	2.9	-5.7
25	Bananas	Doz.	48.3	11.3	6.5
26	Salt powdered	Kg.	6.9	4.4	0.8
27	Red chillies(powd)	Kg.	176.2	36.5	5.0
28	Garlic	Kg.	163.5	276.5	3.8
29	Tea packet	250g	130.3	29.5	0.0
30	Tea (prepared)	Cup	10.9	22.9	1.2
31	Cooked beef plate	Each	48.7	16.7	2.2
32	Cooked dal plate	Each	30.5	14.6	1.7
33	Cigarettes k-2	10's	13.5	40.9	4.1
34	Coarse latha	Mtr.	50.9	13.4	1.0
35	Lawn (avg.+s.qlty)	Mtr.	105.8	12.1	0.6
36	Voil printed	Mtr.	53.5	12.3	2.2
37	Shirting	Mtr.	83.5	5.0	-0.1
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	77.0	22.4	-4.1
42	Firewood	40kg	312.8	13.3	0.5
43	Elec. Bulb 60-wats	Each	22.7	29.7	3.2
44	Match box	Each	1.0	0.0	0.0
45	Washing soap	Cake	13.4	5.8	0.7
46	Bath soap lifebuoy	Cake	22.0	0.0	0.0
47	Chicken (farm)	Kg.	125.2	21.5	-1.5
48	Gas chrg. All clb. Comb	mmbtu	337.2	15.4	192.2
49	L.P.G.(cylender 11 kg.)	Each	935.2	31.3	15.9
50	Elec.chrg.all slabs comb	per unit	8.1	18.6	106.9
51	Petrol	Ltr	69.8	22.6	-7.9
52	Diesel	Ltr	76.5	35.8	-1.4
53	Telephone local	Call	3.6	48.3	0.0
Maximum				276.5	192.2
Median				14.0	0.5
Minimum				-0.1	-14.8

Table A10: Consumer Price Index Numbers by Major Groups and Selected Commodities				
Item and Specification	Weights	Index		
		Jun-09	May-10	Jun-10
GENERAL	100.0015	199.69	223.58	225.03
FOOD & BEVERAGES.	40.3421	222.23	252.62	254.42
1 WHEAT	0.4830	279.65	278.49	278.22
2 WHEAT FLOUR	5.1122	277.08	283.67	280.97
3 MAIDA	0.1059	271.20	272.71	270.25
4 BESAN	0.1320	187.88	205.91	210.38
5 RICE	1.3369	275.04	279.92	279.74
6 PULSE MASOOR	0.2214	320.96	338.03	333.92
7 PULSE MOONG	0.2230	164.71	333.23	385.87
8 PULSE MASH	0.2017	189.59	358.95	364.75
9 PULSE GRAM	0.4272	170.74	198.24	198.71
10 GRAM WHOLE	0.1491	176.93	207.91	202.68
11 MUSTARD OIL	0.0456	240.79	250.22	249.34
12 COOKING OIL	0.6858	226.76	234.30	234.30
13 VEGETABLE GHEE	2.6672	235.57	249.79	249.88
14 SUGAR	1.9467	164.65	222.58	231.05
15 GUR	0.0735	232.11	271.29	278.10
16 TEA	1.2559	162.82	205.37	205.47
17 MILK FRESH	6.6615	230.80	261.55	266.26
18 MILK POWDER	0.1105	208.42	224.16	227.15
19 MILK PRODUCTS	0.5607	212.52	238.01	242.07
20 HONEY	0.0358	190.22	217.88	221.79
21 CEREALS	0.0878	233.14	255.13	256.83
22 JAM,TOMATO,PICKLES & VINEGAR	0.2472	171.20	200.85	202.87
23 BEVERAGES	0.7286	174.46	199.41	200.44
24 CONDIMENTS	0.3392	241.98	247.61	248.47
25 SPICES	0.6008	201.45	236.70	242.88
26 DRY FRUIT	0.2760	320.29	347.07	352.10
27 BAKERY & CONFECTIONARY	2.9837	145.18	151.26	151.84
28 CIGARETTES	0.9527	187.41	226.25	232.79
29 BETEL LEAVES & NUTS	0.1851	170.77	202.16	203.35
30 READYMADE FOOD	1.6833	231.31	258.30	260.41
31 SWEETMEAT & NIMCO	0.3846	231.33	263.75	266.85
32 FISH	0.2703	179.99	215.80	215.91
33 MEAT	2.6981	276.36	341.81	349.13
34 CHICKEN FARM	0.9158	197.43	249.24	236.95
35 EGGS	0.4119	179.78	211.70	228.77
36 POTATOES	0.6042	237.51	238.40	276.35
37 ONIONS	0.6473	208.00	276.41	219.64
38 TOMATOES	0.5069	178.77	154.45	167.91
39 VEGETABLES	1.7671	205.93	265.77	281.38
40 FRESH FRUITS	1.6159	209.69	268.91	246.31
APPAREL, TEXTILE & FOOTWEAR.	6.0977	156.49	169.75	170.99
41 COTTON CLOTH	1.6197	159.41	179.16	181.82
42 SILK,LINEN,WOOLEN/CLOTH	0.5766	154.53	173.01	174.02
43 TAILORING CHARGES	0.8636	164.32	185.91	187.67
44 HOSIERY	0.1528	169.44	183.77	183.05
45 READYMADE GARMENTS	1.2038	143.10	154.28	155.20
46 WOOLEN READYMADE GARMENTS	0.1485	177.78	200.34	200.74
47 FOOTWEAR	1.5327	156.89	157.28	157.30
HOUSE RENT.	23.4298	194.38	212.37	213.21
48 HOUSE RENT INDEX (Combined)	23.4298	194.38	212.37	213.21

Table A10: Consumer Price Index Numbers by Major Groups and Selected Commodities				
Item and Specification	Weights	Index		
		Jun-09	May-10	Jun-10
FUEL AND LIGHTING.	7.2912	208.26	240.78	242.34
49 KEROSENE	0.1366	432.14	464.64	463.98
50 FIREWOOD	0.4778	310.46	345.23	347.55
51 MATCH BOX	0.1301	200.00	200.00	200.00
52 BULB & TUBE	0.1311	118.54	132.65	137.76
53 ELECTRICITY	4.3698	159.77	189.54	189.54
54 NATURAL GAS	2.0458	280.12	320.41	325.15
H.HOLD.FURNITURE & EQUIPMENT ETC.	3.2862	164.82	174.72	175.90
55 UTENSILS	0.3690	152.44	160.35	160.54
56 PLASTIC PRODUCTS	0.1055	193.93	214.03	215.83
57 SUITCASE	0.0470	157.45	170.00	171.49
58 HOUSE HOLD EQUIPMENTS	0.0953	150.79	163.48	164.95
59 FURNITURE (Ready Made)	0.3054	176.36	189.52	190.47
60 FURNISHING	0.6362	157.07	166.38	167.13
61 ELECT.IRON FANS & WASHING MACHINE	0.1889	166.17	167.87	169.72
62 SEWING MACHINE,CLOCK AND NEEDLES	0.1270	142.60	151.50	152.44
63 REFRIGERATOR & AIRCONDITIONER	0.1756	131.72	136.28	138.04
64 MARRIAGE HALL	0.0445	193.03	211.69	211.69
65 HOUSE HOLD SERVANT	1.1918	174.64	185.27	186.82
TRANSPORT & COMMUNICATION.	7.3222	190.98	219.79	221.20
66 PETROL	1.7253	204.79	227.47	223.82
67 DIESEL	0.2070	397.92	481.88	455.56
68 CNG. FILLING CHARGES	0.1649	205.28	226.80	226.80
69 SERVICE CHARGES	0.3835	168.21	183.68	184.17
70 VEHICLES	0.2596	134.78	136.52	137.13
71 TYRE & TUBE	0.2831	159.41	173.15	174.14
72 TRANSPORT FARE/CHARGES	2.1236	252.77	284.62	294.70
73 TRAIN FARE	0.1514	253.24	253.24	253.24
74 AIR FARE	0.0983	342.93	365.51	365.51
75 COMMUNICATION	1.9255	91.37	127.83	127.84
RECREATION & ENTERTAINMENT.	0.8259	121.62	139.17	139.16
76 RECREATION	0.3399	131.89	142.98	142.98
77 ENTERTAINMENT	0.4860	114.44	136.50	136.48
EDUCATION.	3.4548	178.50	193.18	193.42
78 TUTION FEES	2.3629	175.82	189.33	189.67
79 STATIONERY	0.3500	176.29	188.17	190.60
80 TEXT BOOKS	0.6894	196.01	217.09	215.90
81 COMPUTER & ALLIED PRODUCTS	0.0525	84.38	86.10	85.52
CLEANING LAUNDRY & PER.APPEARANCE.	5.8788	171.41	186.02	188.47
82 WASHING SOAP & DETERGENT	1.5535	163.80	170.00	170.67
83 TOILET SOAP	0.7436	186.50	186.50	186.50
84 TOOTH PASTE	0.4036	113.97	119.13	119.57
85 SHAVING ARTICLES	0.3480	149.43	155.00	157.90
86 COSMETICS	1.4272	157.25	168.61	170.89
87 WATCHES	0.0552	138.95	140.04	146.01
88 JEWELLERY	0.3936	336.28	434.17	449.87
89 LAUNDRY CHARGES	0.2207	179.47	196.56	197.87
90 HAIR CUT & BEAUTY PARLOUR CHARGES	0.7334	153.31	172.02	174.91
MEDICARE.	2.0728	150.63	164.47	166.58
91 DRUGS & MEDICARES	1.0752	118.71	134.25	135.19
92 DOCTOR'S FEE	0.9976	185.03	197.04	200.40

Table A11: Wholesale Price Index Numbers by major Groups and Selected Commodities

Item and Specifications	Index			
	Jun-09	Apr-10	May-10	Jun-10
GENERAL	206.13	241.88	243.98	242.44
FOOD	219.81	248.53	248.81	251.73
1 WHEAT	278.73	288.95	277.57	279.06
2 WHEAT FLOUR	272.20	292.35	277.33	273.54
3 MAIDA	284.29	281.62	272.00	266.62
4 BESAN	160.26	186.24	188.04	188.61
5 RICE	318.51	327.54	313.62	310.72
6 MAIZE	216.71	257.27	265.08	331.03
7 JOWAR	222.31	265.54	311.66	345.17
8 BAJRA	190.72	205.70	222.73	237.17
9 BEANS	248.93	287.58	294.58	294.86
10 GRAM WHOLE	171.56	226.16	222.92	211.41
11 GRAM SPLIT	141.34	178.63	181.05	180.74
12 MASOOR	329.05	322.96	321.10	307.36
13 MASH	175.02	278.91	292.63	306.99
14 MOONG	166.45	326.34	352.10	387.06
15 POTATOES	208.93	191.91	232.22	262.14
16 ONIONS	233.00	343.94	310.49	230.27
17 TOMATOES	192.83	123.45	127.42	132.20
18 VEGETABLES	185.19	293.72	286.67	307.11
19 FRESH FRUITS	165.85	191.36	198.09	191.26
20 DRY FRUITS	228.42	256.58	256.49	259.91
21 FRESH MILK	192.54	214.21	218.78	220.50
22 POWDERED MILK	219.56	223.08	224.88	225.47
23 MILK FOOD	168.67	176.71	180.61	181.08
24 VEGETABLE GHEE	253.24	275.74	276.71	278.75
25 MUSTARD & RAPESEED OIL	263.64	277.73	277.57	279.15
26 COTTON SEED OIL	265.18	285.94	285.42	285.06
27 COOKING OIL	219.03	227.57	224.08	225.71
28 OIL CAKES	325.60	316.98	324.33	325.35
29 GUR	213.34	253.75	264.42	268.31
30 SUGAR REFINED	167.23	224.70	224.40	236.21
31 CHICKEN	194.27	267.65	261.98	258.10
32 EGGS	187.50	189.54	212.06	231.94
33 FISH	123.77	146.09	145.23	145.86
34 MEAT	261.79	319.04	322.29	330.29
35 SPICES	198.12	252.01	261.55	272.40
36 CONDIMENTS	285.56	299.80	303.08	304.45
37 SALT	165.47	169.17	170.39	171.77
38 TEA	139.56	171.16	171.50	172.25
39 BEVERAGES	139.77	144.43	145.01	145.99
40 MINERAL WATER	125.33	128.75	128.75	130.06
41 FRUIT PREPARED/PRESERVED	161.87	199.63	212.81	214.30
42 VEGETABLES PREPARED/PRESERVED	166.97	184.35	187.79	189.31
43 SUGAR CONFECTIONARY	100.44	100.51	100.57	100.57
RAW MATERIAL	196.93	285.83	295.35	296.34
44 COTTON	157.07	257.15	278.03	278.56
45 COTTON SEEDS	265.44	271.30	273.42	276.41
46 MUSTARD/RAPESEEDS	275.66	290.79	286.42	289.33
47 TOBACCO	200.72	233.16	236.12	236.02
48 SUGAR CANE	280.70	514.21	499.09	499.09
49 WOOL	139.48	140.66	144.29	146.46
50 HIDES	140.34	134.42	138.01	139.49
51 SKINS	104.23	103.35	103.92	104.48
52 PIG IRON	324.02	321.93	321.93	321.93

(continued)

(continued)				
Table A11: Wholesale Price Index Numbers by major Groups and Selected Commodities				
Item and Specifications	Index			
	Jun-09	Apr-10	May-10	Jun-10
FUEL & LIGHT	269.94	318.67	316.79	304.00
53 COAL	141.00	141.00	141.00	142.50
54 COKE	624.58	610.70	666.22	666.22
55 DIESEL OIL	395.84	479.20	463.84	448.03
56 MOTOR SPRIT	202.35	244.57	224.88	221.32
57 MOBIL OIL	197.80	202.36	204.08	208.33
58 FURNACE OIL	303.99	373.11	382.95	341.81
59 KEROSENE OIL	402.79	467.69	444.56	443.81
60 NATURAL GAS	227.25	256.00	256.00	256.00
61 ELECTRICITY IND. SUPPLY TARIFF-B	162.36	201.01	201.01	201.01
62 ELEC. AGRICULTURE TARIFF-D	177.78	205.07	205.07	205.07
63 FIRE WOOD	260.16	283.62	283.62	282.24
MANUFACTURE	141.24	164.72	170.15	168.82
64 SOLE LEATHER	131.99	134.06	134.06	134.06
65 CHROME LEATHER	194.84	212.23	212.23	212.23
66 COTTON YARN	102.40	162.69	178.55	164.37
67 BLENDED YARN	131.52	182.14	187.25	186.61
68 NYLON YARN	108.20	123.53	127.19	128.09
69 COTTON TEXTILES	146.35	152.04	155.26	154.95
70 HOSIERY	153.83	157.29	159.36	160.37
71 SILK & REYON TEXTILES	144.01	149.62	152.07	152.12
72 WOOLEN TEXTILES	134.54	143.32	143.32	143.32
73 JUTE MANUFACTURES	123.97	132.09	133.49	135.59
74 MATTRESSES	135.72	142.61	142.61	142.61
75 READY MADE GARMENTS	115.48	118.87	118.87	118.87
76 UTENSILS	146.64	148.88	149.53	149.53
77 PLASTIC PRODUCTS	137.44	141.25	144.57	144.91
78 GLASS PRODUCTS	168.15	179.81	179.81	179.81
79 CHEMICALS	161.22	206.18	211.80	201.43
80 DYING MATERIALS	88.36	92.57	92.57	93.46
81 SOAPS	180.55	183.97	184.22	185.38
82 COSMETICS	119.58	123.62	123.62	123.62
83 DRUGS & MEDICINES	110.29	118.79	119.40	120.90
84 FERTILIZERS	295.38	307.46	311.31	312.14
85 PESTICIDES & INSECTICISED	146.54	149.39	150.11	150.11
86 MACHINERY	175.23	178.80	185.14	183.67
87 TRANSPORTS	124.03	131.55	131.55	131.55
88 TYRES	208.67	219.20	219.35	219.60
89 TUBES	184.79	193.47	198.01	198.01
90 AUDIO-VISUAL INSTRUMENTS	92.25	92.31	92.59	92.59
91 OTHER ELECTRICAL GOODS	130.36	131.27	133.22	134.41
92 CIGARETTES	171.57	197.49	197.49	246.75
93 PAPER	105.98	105.98	105.98	106.36
94 MATCHES	124.26	124.26	124.26	124.26
95 FOOT WEAR	177.36	192.15	192.15	192.15
BUILDING MATERIAL	194.63	217.18	221.07	220.29
96 CEMENT	142.29	126.28	126.71	127.57
97 BRICKS	232.05	248.68	250.44	250.44
98 CEMENT BLOCKS	166.63	170.83	170.83	170.83
99 TILES	99.67	99.67	99.67	99.67
100 IRON BARS & SHEETS	235.75	287.66	294.74	292.64
101 PIPE FITTINGS	178.36	183.46	183.46	183.46
102 TIMBER	208.92	208.88	217.14	217.94
103 GLASS SHEETS	166.88	177.94	177.94	178.68
104 PAINTS & VARNISHES	146.05	149.43	149.43	149.43
105 SANITARY WARES	144.03	162.56	162.22	162.22
106 WIRES AND CABLES	259.37	270.43	272.09	272.09

Table A12: 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
2009-10	213.41	241.23	194.60	226.49	239.01	217.39	236.87
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
May	223.58	252.62	203.94	243.98	248.81	240.47	249.51
Jun.	225.03	254.42	205.15	242.44	251.73	235.68	250.61

*: all groups combined

Table A13: International Commodity Prices/Indices

	Jun-09	May-10	Jun-10
Energy			
Crude Oil (US\$ per barrel)*	69.1	75.8	74.7
IMF Energy Index (2005 =100)	127.6	141.1	139.8
WB Energy Index (1990=100) @	201.7	214.1	213.9
Food			
Rice (\$/MT)	548.6	375.6	459.8
Wheat (\$/MT)	253.4	181.6	157.7
Sugar (US cent / pound)	16.6	14.6	15.4
Palm Oil (\$/MT)	690.8	775.9	764.9
Soybean Oil (\$/MT)	831.6	832.7	821.0
Non-Food Non-Energy			
Cotton Outlook 'A' Index #	61.4	90.1	91.7
IMF Metal Price Index (2005=100)	118.5	159.1	151.2
Copper (\$/MT)	5,013.3	6,843.2	6,501.5
Aluminum (\$/MT)	1,586.3	2,044.7	1,929.4
Iron Ore (\$ cents/dry MT)	101.0	167.0	167.0
Tin (\$/MT)	15,009.1	17,565.0	17,257.7
Nickel (\$/MT)	14,962.0	21,930.0	19,411.3
Zinc (\$/MT)	1,555.5	1,969.8	1,746.5
Lead (\$/MT)	1,668.2	1,876.8	1,707.3
Uranium (\$/pound)	51.5	41.3	40.8
DAP (\$/MT)	277.8	460.6	448.0
Urea (\$/MT)	237.4	229.6	229.3

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

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

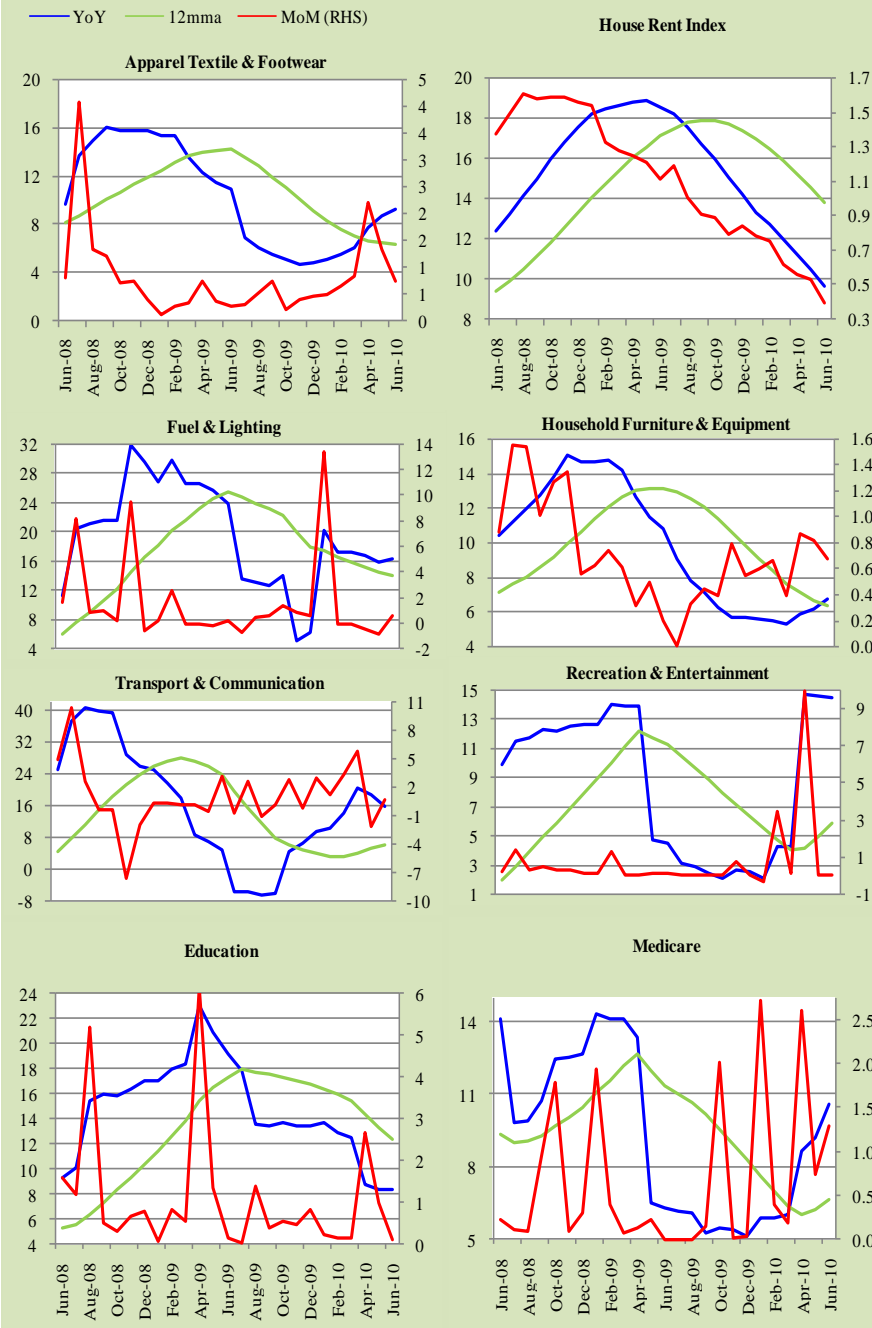
Middling 1-3/32 inch staple, Liverpool Index "A", average of the cheapest Cts/lb five of fourteen styles, CIF Liverpool (Cotton Outlook, Liverpool). From January 1968 to May 1981 strict middling 1-1/16 inch staple. Prior to 1968, Mexican 1-1/16. 2/

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)



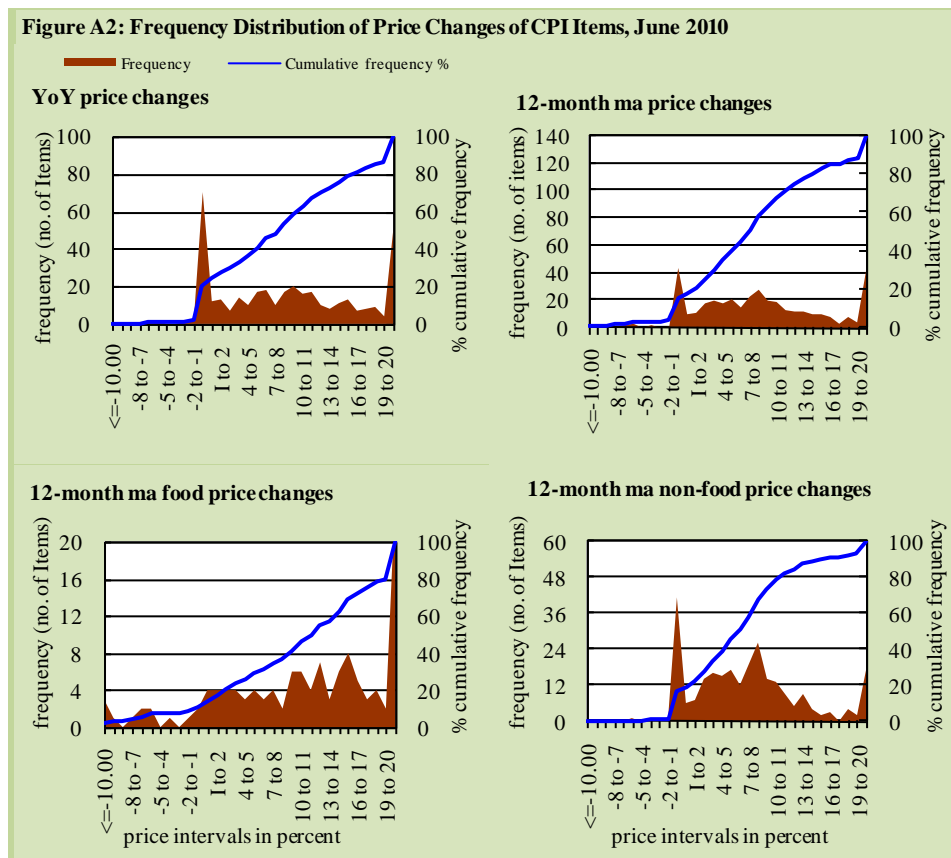
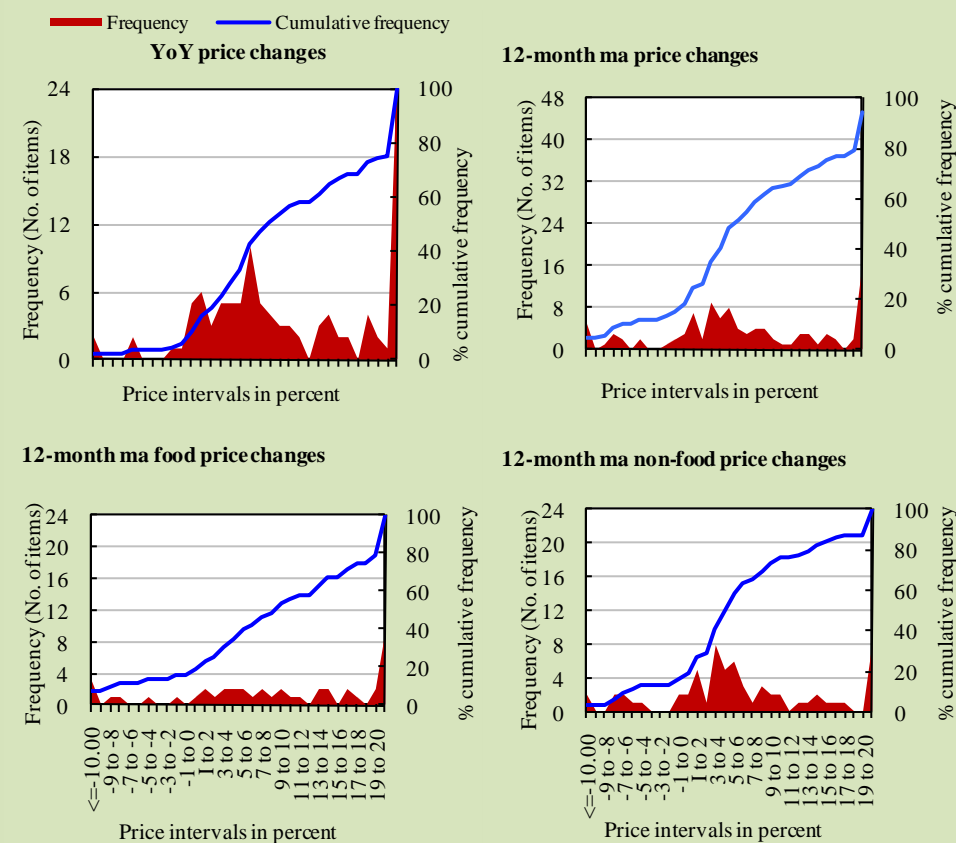


Figure A3: Frequency Distribution of Price Changes of WPI Items, June 2010



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:

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

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