

Inflation Monitor

October 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

© 2010 State Bank of Pakistan

Contents

1.	Overview	1
2.	Consumer Price Index	2
	2.1 Food Inflation	3
	2.2 Non-food Inflation	3
	2.3 Income Group-wise Inflation	5
	2.4 City-wise Inflation	5
3.	Wholesale Price Index	6
4.	Sensitive Price Indicator	8
5.	Global Commodity Prices	9
	Annexure A:	14
	Table A1: CPI Inflation (YoY) by Groups	
	Table A2: Distribution of Price Changes of CPI Basket October 2010	
	Table A3: Top Ten Contributors to YoY CPI Inflation in October 2010 (YoY)	
	Table A4: Distribution of YoY Price Changes - Selected CPI Items October 2010	
	Table A5: City-wise CPI Inflation (YoY) by Income Groups October 2010	
	Table A6: City wise Inflation in CPI (YoY) October 2010	
	Table A7: Income Group-wise Inflation	
	Table A8: Distribution of Price Change (YoY)-WPI Items: October 2010	
	Table A9: SPI Item-wise Price Movements	
	Table A10: Consumer Price Index Numbers by Major Groups and Selected Commodities	
	Table A11: Wholesale Price Index Numbers by Major Groups and Selected Commodities for October 2010	
	Table A12: Price Indices-Base 2000-01=100	
	Table A13: International Commodity Prices/Indices	
	Figure A1: CPI Non-food Inflation	
	Figure A2: Frequency Distribution of Price Changes of CPI Items October 2010	
	Figure A3: Frequency Distribution of Price Changes of WPI Items October 2010	
	Annexure B: Technical Notes	30

Team

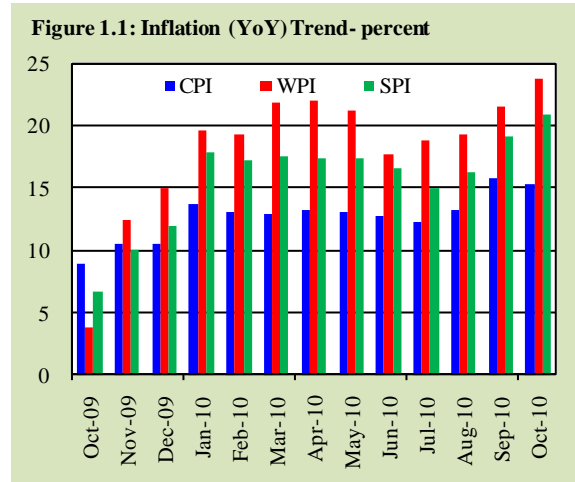
Imran Naveed Khan	imran.naveed@sbp.org.pk
Waseem Fazal Ur Rehman	waseem.fazal@sbp.org.pk
Zahid Hussain	zahid.hussain@sbp.org.pk
Fatima Khaliq	fatima.khaliq@sbp.org.pk

Editorial Assistance

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

1. Overview

Inflationary pressures remained strong during October 2010 (**Figure 1.1**). CPI headline inflation (YoY) weakened only slightly to 15.3 percent in October 2010, the second highest figure during the last one and half year. In contrast to CPI, WPI inflation (YoY) further strengthened during the month under review (see **Table 1.1**). Similarly, inflation measured by SPI continued an uptrend in the month of October 2010.



The inflation is mainly driven by rising international commodity prices, domestic supply shortages, upward adjustment in administered prices of fuel and electricity, supply shortages of perishable food commodities and sugar, as well as, support to aggregate demand from continued government's budgetary borrowings from the central bank.

Table 1.1: Inflation Trends

	CPI				Core Inflation				WPI	SPI**				
	General		Food		Non-food		NFNE *				YoY	MoM		
	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM						
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
Jul-10	12.3	1.2	12.8	1.5	12.0	1.0	10.3	0.5	12.0	0.7	18.7	1.7	14.9	1.8
Aug-10	13.2	2.5	15.6	5.1	11.2	0.3	9.8	0.4	12.5	0.7	19.2	2.6	16.2	2.6
Sep-10	15.7	2.7	21.2	5.3	11.0	0.3	9.4	0.4	12.8	0.9	21.5	2.1	19.1	3.5
Oct-10	15.3	0.6	20.1	0.1	11.3	1.1	9.3	0.7	12.8	1.0	23.8	3.1	20.9	1.7

*: Non-food non-energy **SPI for all income groups combined.

Core inflation YoY (measured by NFNE) continued to decline in the first four months of the current fiscal year. NFNE inflation dropped to 9.3 percent YoY in

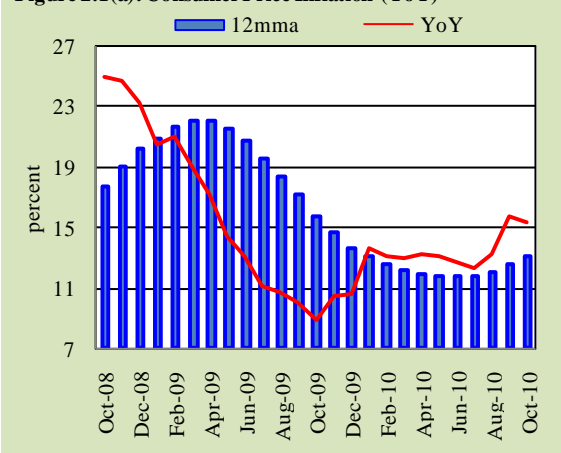
October 2010 from 9.4 percent in the last month. In contrast, core inflation measured by 20% trimmed mean remained sticky at 12.8 percent in October 2010 compared to 10.6 percent in the corresponding month of preceding year.

IMF global commodity price index rose further on YoY basis during the month of October 2010 compared to a fall in the corresponding month of 2009. This climb is broad based and came from all sub-groups (except of energy sub-sector, where some pressure eased during this month).

2. Consumer Price Index

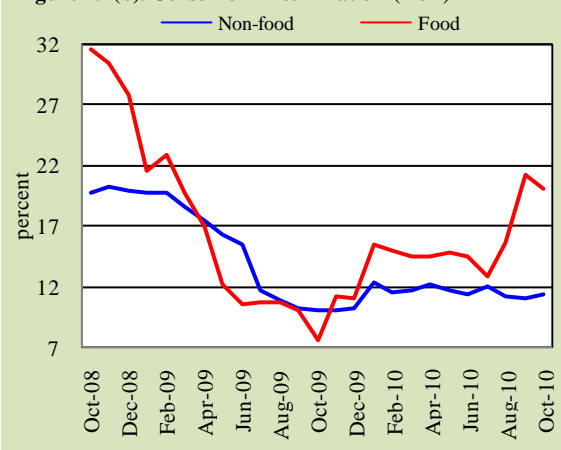
CPI inflation (YoY) eased during October 2010 to 15.3 percent from 15.7 percent last month. However, it is still substantially higher than the 8.9 percent recorded during October 2009.

Figure 2.1(a): Consumer Price Inflation (YoY)



A similar trend was observed in CPI month on month inflation, which was 0.6 percent in October 2010 against 2.7 percent in September 2010 and 1.0 in October 2009. Whereas the long term trend measured by 12MMA, showed continuous rise during last three months to reach 13.1 percent in October 2010 (see **Figure 2.1a**).

Figure 2.1(b): Consumer Price Inflation (YoY)



Despite an ease of 0.4 percentage points in October, an uncomfortably high CPI (YoY) inflation is largely derived from rising food prices. Non-food inflation is relatively stable in recent months. However, infrastructure damages and high WPI inflation due to rising international commodity prices are likely to impact non-food inflation in the coming months (see **Figure 2.1b**).

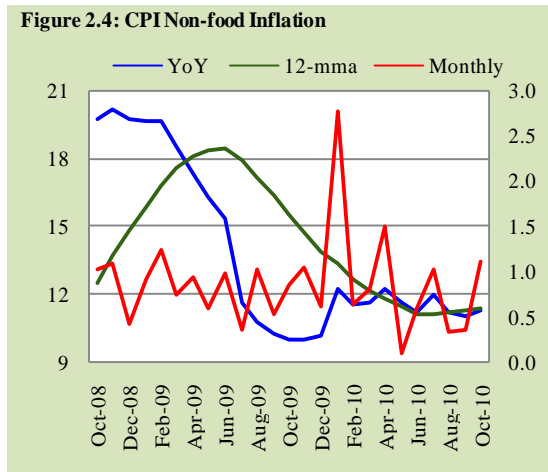
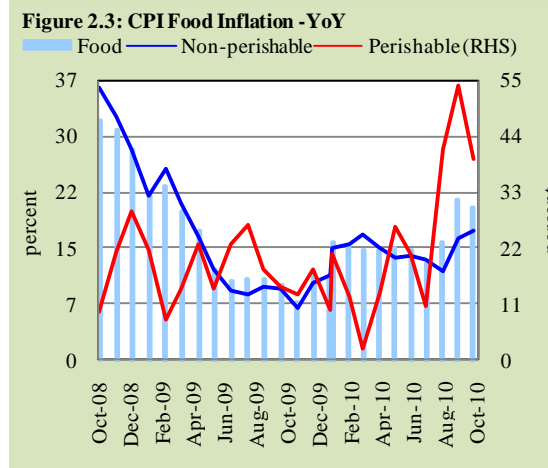
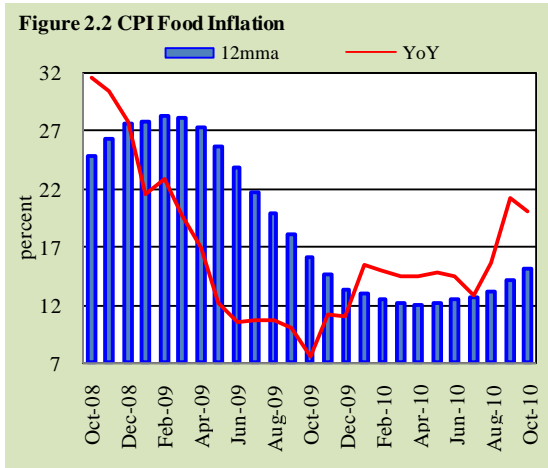
2.1 CPI Food Inflation

CPI food inflation decelerated by 1.1 percentage points in October 2010 to 20.1 percent YoY. Similarly, on MoM basis, CPI food inflation was at 0.1 percent compared to 5.3 percent in September 2010 (see **Figure 2.3**). This ease in food inflation is mainly attributed to a slowdown in the pace of rise in the prices of vegetables, fruits, and sugar, after some improvement in supply (see **Figure 2.4**).

Item-wise analysis shows that out of the reported 115 items, prices of 8 items witnessed decline or no change during October 2010. Another nine items registered subdued inflation (between 0 - 5 percent), while 21 items witnessed price rise between 5-10 percent. The remaining 77 items showed price rise of above 10 percent during October 2010, compared with 73 items in October 2010.

2.2 CPI Non-food

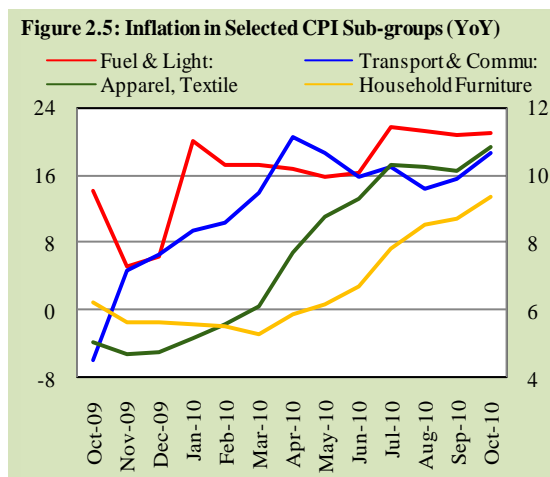
CPI non-food inflation increased from 11.0 percent in September 2010 to 11.3 percent during October 2010. This was a result of higher inflation in five sub-groups of the non-food component. The remaining, three sub-groups registered decline in inflation compared to the previous month while one recorded no change in the



review month (see **Figure 2.4**).

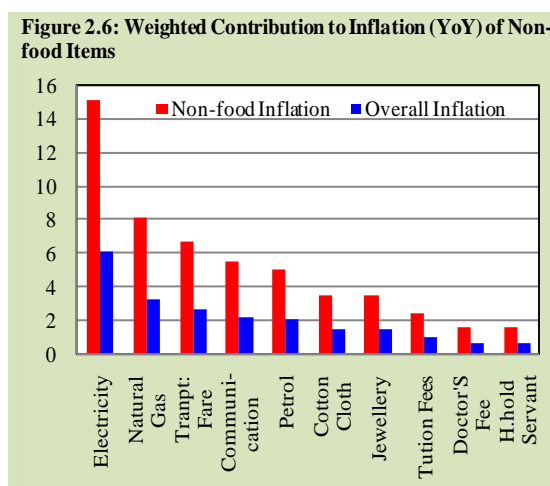
Rise in CPI non-food inflation can be attributed to higher prices of administered fuels and impact of rise in domestic cotton prices as reflected in increase in prices of cotton cloth and other textile products.

Earlier declines in non-food inflation were mostly driven by falling HRI index. However, rise in inflation in fuel & lighting, transport & communication, textile & apparel, and household furniture & equipment sub-groups offset the impact of falling HRI (see **Figure 2.5**).



In terms of contribution to inflation, HRI, which has highest weight in overall CPI basket as a single item, has the highest contribution to the overall inflation and non-food inflation. The other major contributors in non-food inflation belong to: fuel & lighting, transport & communication, and apparel & textile, household & equipment, medicare, and education sub-groups (see **Figure 2.6**).

Segregated item-wise analysis shows that out of the 250 non-food items, 122 items witnessed price rise up to 5.0 percent, only 22 items recorded price rise up to 10.0 percent, and the remaining 106 items registered significant price rise, i.e. above 10.0 percent. Earlier, number of items registering price change in the three categories (up to 5.0 percent, up to 10.0 percent, and above 10.0 percent) was somewhat equally distributed. Nonetheless, during the month



under review, number of items registering subdued price change and significant price change increased sharply, while those recording moderate price rise declined.

2.3 Income group wise

The incidence of inflation remained higher on the low income group because a large part of income of this group is spent on food staples. High food inflation did not influence the lower income groups only but it also affected the higher income groups. As evident, even the lowest food inflation for all income groups, i.e. of 19.7 percent YoY for highest income group is uncomfortably high.

	Upto 3000			Rs 3001-5000			Rs 5000-12000			Above Rs 12000		
	Aug-10	Sep-10	Oct-10	Aug-10	Sep-10	Oct-10	Aug-10	Sep-10	Oct-10	Aug-10	Sep-10	Oct-10
Year on Year												
General	13.6	17.0	16.5	13.7	17.0	16.3	13.5	16.3	15.7	13.0	14.8	14.8
CPI food	15.5	21.9	21.0	15.4	21.8	20.7	15.4	21.4	20.1	16.0	20.7	19.7
CPI non-food	11.1	10.6	10.6	11.6	11.1	10.8	11.4	11.1	11.0	11.1	11.1	11.8
Month on Month												
General	1.9	0.5	1.1	1.8	0.5	1.2	1.7	0.5	1.0	1.6	0.4	0.8
CPI food	2.6	0.3	1.1	2.7	0.3	1.1	2.6	0.4	1.1	2.4	0.5	0.9
CPI non-food	0.8	0.9	1.0	0.8	0.8	1.2	0.8	0.7	0.9	1.2	0.3	0.7

Similarly, incidence of non-food inflation is higher for the higher income groups since a greater share of their budget spent on non-food items. Rise in prices of energy including fuels, electricity and gas hit the high income groups the most (see **Table 3.6**).

2.4 City- wise Inflation

City- wise inflation data of the federal and provincial capitals shows that CPI inflation remained higher than overall inflation in Peshawar; whereas inflation in other provincial capital and Islamabad remained lower than the overall inflation (see **Table 3.7**). High inflation in Peshawar can be attributed to

	Oct-09		Sep-10		Oct-10	
	MoM	YoY	MoM	YoY	MoM	YoY
Overall CPI	1.0	8.9	2.7	15.7	0.6	15.3
Islamabad	0.4	8.1	1.8	12.0	0.8	12.4
Lahore	0.4	8.4	2.2	15.1	0.2	14.9
Karachi	0.7	7.5	1.9	14.3	0.4	13.9
Quetta	0.9	6.5	0.7	13.6	2.1	15.0
Peshawar	0.7	5.2	3.0	17.4	-0.2	16.3

severe damages to supply chain of essential food items due to floods.

Lower than overall inflation in other province`al capital and Islamabad, can be attributed to the perception that temporary supply disturbances did not severely hit major urban centers, rather inflationary pressures stemmed from small urban centres.

Bahawalnagar recorded the highest inflation and Islamabad recorded the lowest overall inflation whereas, lowest food inflation was seen in Loralai.

3. Wholesale Price Index

WPI inflation (YoY) witnessed an increase during October 2010 compared to the previous month.

All groups witnessed increase, but strong inflation (YoY) in *food, raw materials* and *manufacture* sub-groups pushed up WPI inflation to the current level of 23.8 percent

YoY. Recent surge in WPI inflation is principally attributed to substantially higher international commodity prices relative to a year earlier. In particular, rise in the prices of crude oil, cotton, and metals in international market have been major driver of WPI inflation in recent months.

Similarly, WPI inflation on MoM basis rose to 3.1 percent during October 2010 compared with 2.1 percent in September 2010. Major contribution to WPI inflation (MoM) was came from non-food component. However, WPI food inflation decelerated to 1.8 percent (MoM) during October 2010 as against a sharp increase of 4.5 percent in September 2010. In contrast, non-food inflation accelerated to 4.2 percent (MoM) in October 2010

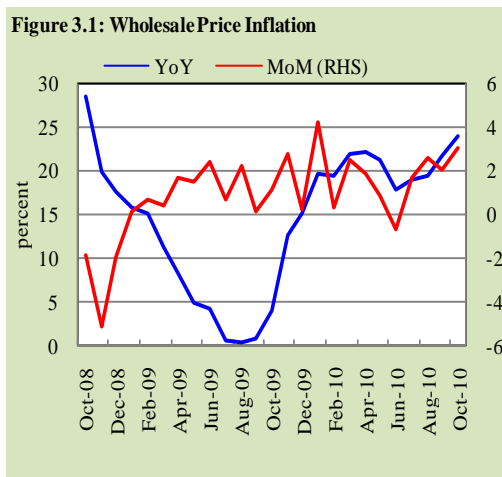
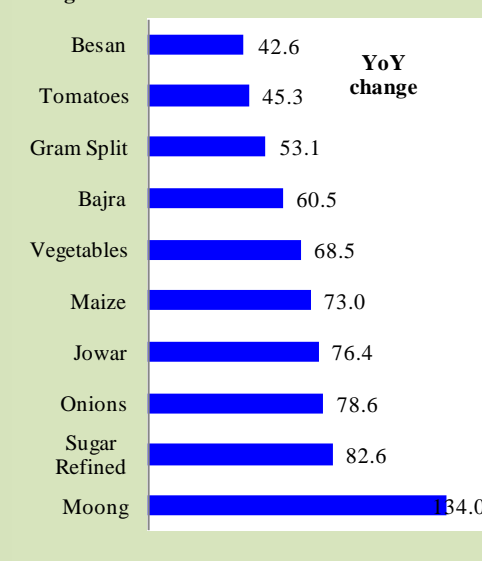


Figure 3.2: Top Ten Food items registered increase during October 2010



compared to only 0.2 percent last month.

Food Group

WPI food inflation rose to 22.2 percent YoY during October 2010 compared to 21.1 in September 2010. Within 43 food items in the WPI basket, 28 items recorded double digit increase during October 2010 whereas only 3 items registered decline.

Significant rise in the prices of perishable food items is a result of supply shortages e.g., tomatoes, moong pulse and sugar), strong external demand (e.g., onions) and rising international prices (e.g., moong pulse, maize and sugar). Anecdotal evidence suggests that speculative hoarding and profiteering behavior of traders also pushed up the prices of many food items (see **Figure 3.2**).

Non Food Group

WPI non-food inflation increased significantly during October 2010, registering 25.1 percent YoY rise compared to 21.8 percent in September 2010. Prices of cotton and sugarcane increased due to crop damages during recent flood

and higher international prices of these commodities. International prices of cotton are rising due to demand pressures and concerns over supply amid China's

Figure 3.4: Inflation (YoY) in Selected Raw Materials

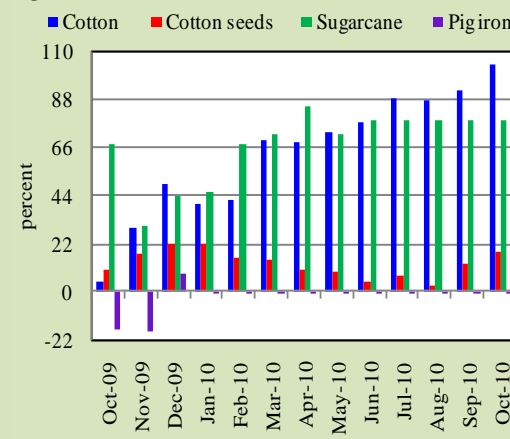
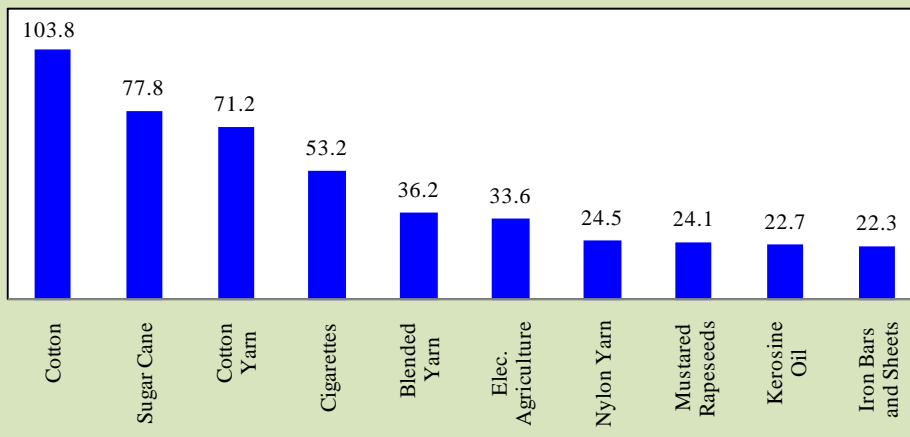


Figure 3.3: Top Ten Non-food Items Registering Price Rise in October 2010 (percent)



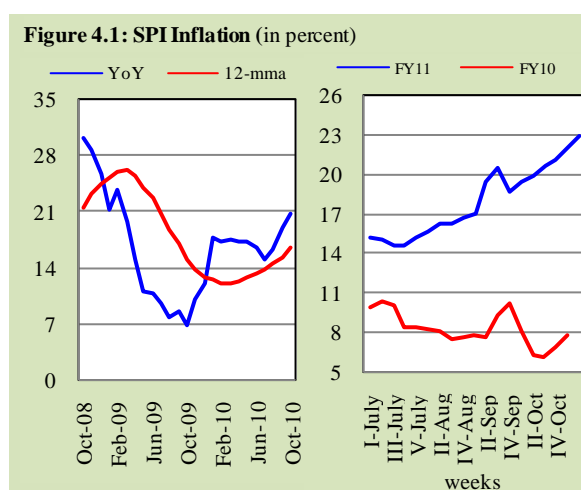
demand and La Nina weather pattern.

Within the sub-indices of WPI non-food group, all sub-indices witnessed increase in inflation during October 2010. Specifically, inflation (YoY) in *raw materials* sub-group registered the highest growth of 65.8 percent. Hefty growth in prices of raw materials is mainly attributed to cotton, cotton seeds and sugar prices. Uptick in cotton and sugar prices is due to increasing international prices and domestic shortages due to crop damages amid flood (see **Figure 3.4**). Higher inflation in raw material is causing inflation in manufactured items also, as surge in cotton prices is reflected in higher prices of yarn and textiles, whereas inflation in sugarcane is reflected in prices of gur and refined sugar.

4. Sensitive Price Indicator (SPI)

Despite some ease in CPI inflation during October 2010, SPI inflation showed a continued uptrend in recent months. This is due to a disproportionately higher weight of perishable food items in SPI basket. SPI inflation (YoY) was recorded 20.9 percent during October 2010 compared to 19.1 percent in September 2010 and 6.7 percent in October 2009 (see **Figure 4.1**).

Similarly, weekly SPI (YoY) remained very strong since the start of FY11 and reached 90 weeks high level in the second week of November 2010. Previous high level was recorded in last week of February 2009 i.e., 24.5 percent.



5. Global Commodity Prices

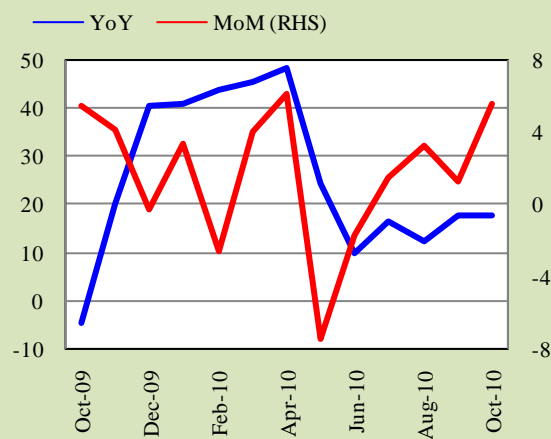
Overview

IMF commodity price index climbed further on YoY basis during the month of October 2010 compared to a fall in the corresponding month of preceding year (see **Figure 5.1**). Recent rise in commodity prices came from all sub-groups (except of energy sub-sector, where some pressure were eased during this month). Consequently, IMF commodity prices index increased by 17.7 percent on YoY basis in October 2010 as against a decline of 4.7 percent in the same month of previous year. The rise in

commodity prices is generally attributed to depreciation of US currency against major currencies on the back of second round of quantity easing of US\$ 600 billion by Fed Reserves, US payrolls increase in October 2010 - first increase in payrolls in four months, manufacturing activity expanded in Eurozone, US manufacturing output in October 2010 jumped to the highest pace in five months, acceleration in pace of recovery

in US non-manufacturing services sector and strong demand from China.

Figure 5.1: Trend of IMF Commodity Price Index (percent)



As in YoY rise in world commodity prices, pace of monthly increase in commodity prices during October 2010 is higher than the preceding month. IMF commodity index rose by 5.6 percent on MoM basis in October 2010 compared with a smaller increase of 1.3 percent in the preceding month. The higher month-over-month increase in global commodity prices particularly came from rise in the prices of POL.

Food Group

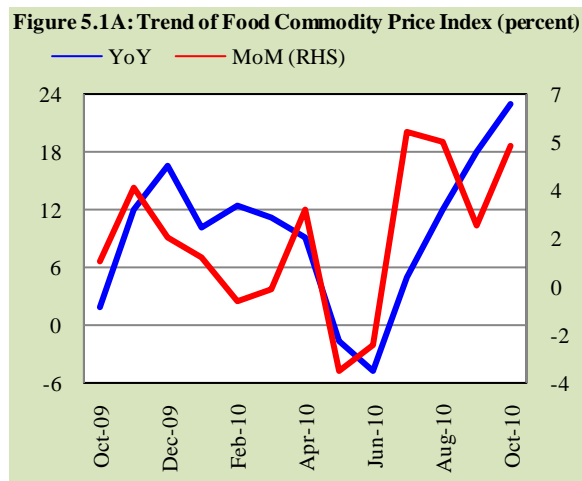
Prices of most of the commodities in the food group increased during October 2010 as indicated by IMF food price index, which increased by 23.1 percent on YoY basis compared to 18.1 percent in the previous month and subdued growth of 1.9 percent in the corresponding month of preceding year (see **Figure 5.1A**). Prices of wheat increased by 35.9 percent on YoY basis compared to 42.3 percent last month, however, slight decline of 0.6 percent was observed on MoM basis due to improved prospects for winter crops in the Midwest amid rains. Moreover Argentina's wheat output is expected to rise as rain and high soil moisture levels

raise the expectations of a higher wheat crop. According to new estimates, wheat output in Argentina for the 2010-2011 crops will likely to be more than 12.0 million tons, up from an earlier estimate of 11.3 million tons.

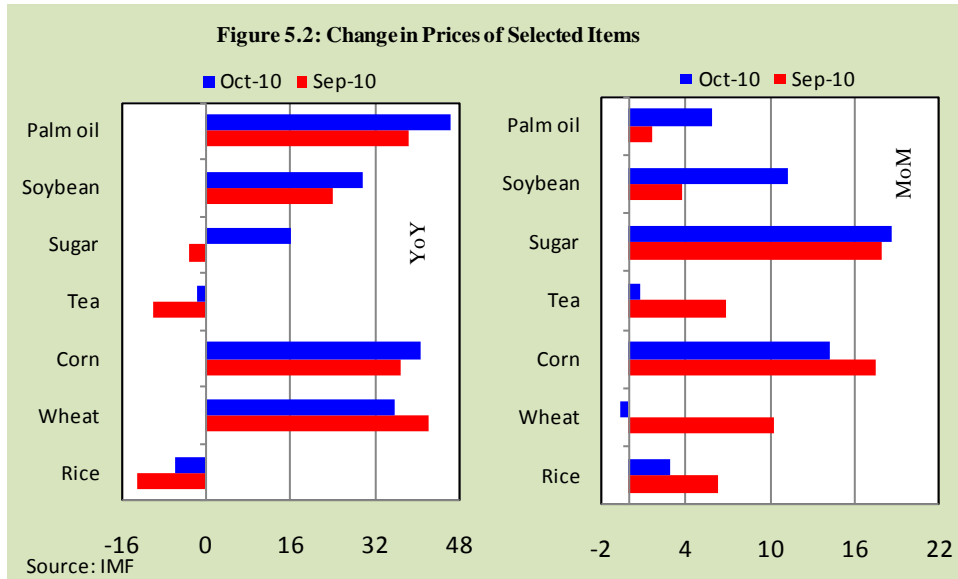
International corn prices surged by 41.0 percent compared to 36.9 percent in the month of October 2010 on renewed concern that US production will decline further after adverse weather and as a weaker dollar boosts demand from overseas buyers. According to USDA, US corn harvest will fall 3.4 percent from last year due to adverse weather conditions.

Sugar prices witnessed increase of 16.3 percent in October 2010 after a consecutive decline for five months (see **Figure 5.2**). Prices increased on concerns that adverse weather will hamper supplies from sugar producing countries. Lower cane crop in Brazil is pushing up prices of the sweetener in the international market. According to analysts, drought in the Center South region of Brazil is likely to reduce the next year's crop by 5.0 percent. It is estimated that 574.9 million tons of cane would be produced this year, which is lower than 585.2 million tons forecast in July 2010. Record rain is slowing sugarcane harvesting in Australia, the third-largest exporter. It is expected that US sugar output will be cut by about

20.0 percent next year as farmers are not allowed to plant genetically modified beets. The limited availability of conventional seed will severely restrict planting of sugar beets in 2011. Moreover, doubts over the size of Indian sugarcane harvest and gloomy prospects of export substantial sugar in the coming months also supported the bullish sentiments in the sugar market.



Prices of palm oil observed a sharp increase of 46.6 percent YoY during the month under review on account of a weather-related production concerns, increase demand from China and India and substitution demand because of a lower-than forecast global soybean crop. US Department of Agriculture projected that soybean output will be 3.4 billion bushels, lower than the 3.5 billion projected earlier in September 2010; supply disruptions caused by La Nina rains.



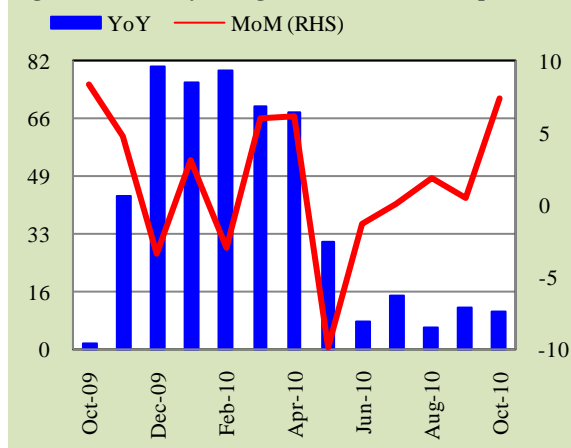
According to Malaysian Palm Oil Board, output in Malaysia fell by 2.7 percent to 1,562,912 tons in September 2010. It is expected that palm oil prices may rise further due to concerns over soybean production in South America. Moreover, weak dollar increased the demand for commodities as a hedge against inflation.

Similarly, soybean prices surged by 29.7 percent on increased demand (especially from China) for US supplies. According to China National Grain & Oils Information Center, soybean imports by China may reach 60 million metric tons in the 2010-2011 marketing year on strong crushing margins. A downward revision in estimates of soybean production by USA and dry weather in Brazil and Argentina also put upward pressures on soybean prices. Moreover, biofuels are also boosting demand for vegetable oil. Biodiesel output is expected to increase by 18 million tons this year, five times more than produced in 2005.

Non Food Group

Crude oil prices gain on YoY basis in international market in the month of October 2010 and reached at the level of

Figure 5.3: Monthly Changes in Crude Oil Prices (percent)

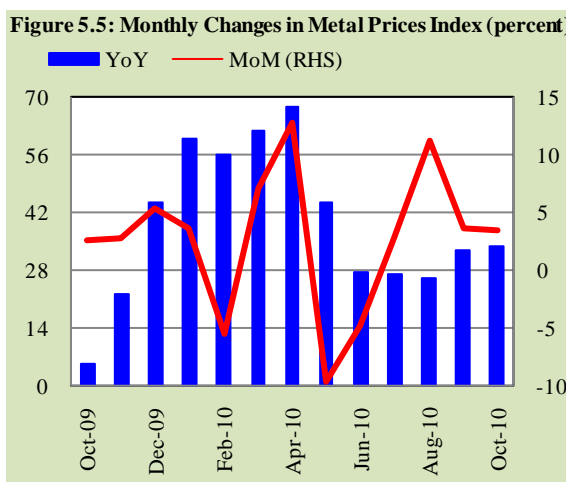
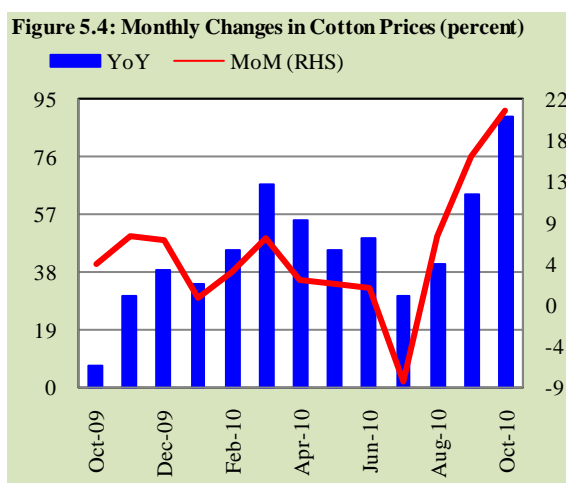


about US\$ 82 per barrel - a six month high prices. The prices of crude oil significantly increased by 10.6 percent in October 2010 (see **Figure 5.3**) on top of an 11.7 percent increase in the previous month. A continues fall in crude oil inventories(although US stock remain high) closure of oil refineries in autumn, strikes in oil refineries in France, strong import demand of crude oil by China, production quotas remained unchanged for OPEC member countries, etc., were the main factors for the rising prices of crude oil during October 2010.

Similar to crude oil prices trend, international cotton prices also increased sharply on YoY basis in October 2010. Cotton prices surged by 89.4 percent in the month under review- the highest rise since October 1987 (see **Figure 5.4**).

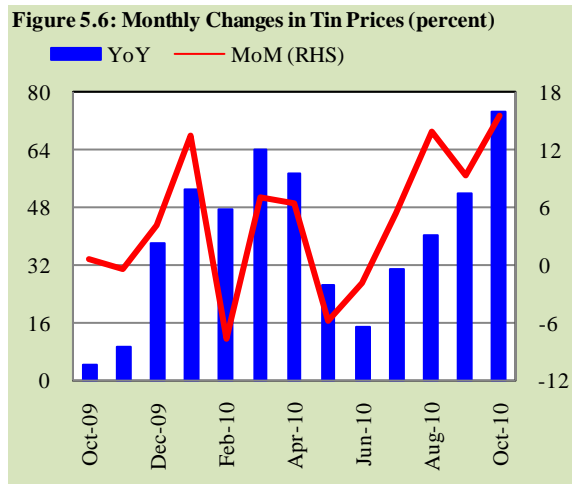
Cotton prices soared by 20.8 percent MoM in October 2010 compared to a rise of 15.9 percent in the last month. This gain is largely due to lower level of global stock, higher demand from millers and supply shortages. The revised upward estimation of US Department of Agriculture shows that global demand is expected to increase to 120.8 million bales in the year that began August 1, 2010 on account of higher estimated demand from China in the form of 19 percent rise in cotton imports. On the other hand, worldwide supply is re-estimated at 116.7 million bales, down from the earlier estimation of 117 million due to lower production in Pakistan and China on the back of adverse weather. Moreover, uncertainty regarding Indian cotton export policy also contributed to the rise in global cotton prices.

Metal commodities prices



index reached 185.3 in October 2010 with an increase of 34.0 percent on YoY basis, which is not only slightly higher than 32.9 percent YoY increase in September 2010, but also significantly higher than 5.2 percent over the corresponding month of the preceding year (see **Figure 5.5**). Acceleration in Chinese manufacturing activities, reflected by an increase in purchasing managers' index, depreciation of US dollar and reasons stated above are the main factor for the rise in metals prices during October 2010

Within the metal groups, prices of gold reached US\$ 1359.4 per troy ounce by the end of October 2010 with 4.9 percent rise over the price level of last month after Japan cut its key interest rate and said it would step up asset purchases and as the dollar weakened, boosting demand for gold as a “safe haven” investment. Similarly, tin prices rose by 74.5 percent and 15.6 percent on YoY and MoM basis respectively in the month under review compared to 51.9 percent and 9.5 percent increase



respectively in the previous month (see **Figure 5.6**). This sharp increase was due to strong demand in China, falling production in Indonesia due to heavy rains, declining inventories, and cuts in output by China.

Annexure A

	Weights	MoM change			YoY change		
		Oct-09	Sep-10	Oct-10	Oct-09	Sep-10	Oct-10
I. Food Group	40.3	1.1	5.3	0.1	7.5	21.2	20.1
II. Non-Food Group	59.7	0.8	0.3	1.1	10.0	11.0	11.3
Apparel, textile, etc.	6.1	0.2	0.6	0.9	5.1	10.1	10.8
House rent	23.4	0.9	0.3	0.4	16.0	7.6	7.1
Fuel & lighting	7.3	1.4	0.2	1.7	14.1	20.8	21.1
Household furniture & equipment	3.3	0.4	0.6	1.0	6.2	8.7	9.4
Transport & communication	7.3	0.1	-0.1	2.7	-5.9	15.6	18.5
Recreation & entertainment	0.8	0.0	0.0	0.0	2.1	14.4	14.5
Education	3.5	0.5	0.0	0.3	13.7	6.5	6.3
Cleaning, laundry, etc.	5.9	1.5	0.7	2.0	10.7	10.0	10.5
Medicare	2.1	2.0	1.2	0.2	5.4	12.5	10.5
Headline	100.0	1.0	2.7	0.6	8.9	15.7	15.3

Groups	% Change	Total Number of Items	No. of Items in each Inflation Range								
			Decrease or no change (0% or less)		Subdued increase (>0% but <5%)		Moderate increase (>5% but <10%)		Double digit increase (over 10%)		
			Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10	
I. Food Group	20.1	112	112	21	8	15	9	15	20	61	75
II. Non-Food Group	11.3	250	250	66	48	56	32	73	73	55	97
Apparel, textile, etc.	10.8	42	42	6	5	7	2	25	18	4	17
House rent	7.1	1	1	0	0	0	0	0	1	1	0
Fuel & lighting	21.1	15	15	6	1	2		0	1	7	13
Household furniture & equipt	9.4	44	44	1	1	18	4	19	25	6	14
Transport & communication	18.5	43	43	26	13	6	4	9	8	2	18
Recreation & entertainment	14.5	16	16	6	3	8	6	0	1	2	6
Education	6.3	24	24	4	6	2	7	6	7	12	4
Cleaning, laundry, etc.	10.5	36	36	3	6	8	4	13	11	12	15
Medicines	10.5	29	29	14	13	5	5	1	1	9	10
Overall	15.3	362	362	87	56	71	41	88	93	116	172

Note: Prices of 12 seasonal items were not reported during the month.

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

Items	Weights	YoY change		Weighted Contribution
		Oct-09	Oct-10	
A. Ranked by Weighted Contribution				
1 House Rent Index	23.43	15.97	7.14	10.55
2 Vegetables	1.92	19.41	47.68	8.4
3 Sugar	1.95	18.99	81.21	8.02
4 Milk Fresh	6.66	14.34	15.35	7.54
5 Meat	2.70	17.67	27.90	6.93
6 Electricity	4.37	28.56	27.18	6.06
7 Vegetable Ghee	2.67	-11.76	18.56	3.61
8 Natural Gas	2.05	1.97	18.04	3.24
9 Onions	0.60	-6.10	65.07	2.93
10 Transport Fare/Charges	2.12	-3.62	15.56	2.65
Total	48.46			59.91
B. Ranked by Percentage Change				
1 Pulse Moong	0.22	7.31	160.79	2.09
2 Sugar	1.95	18.99	81.21	8.02
3 Onions	0.60	-6.10	65.07	2.93
4 Pulse Mash	0.20	47.43	56.10	0.87
5 Vegetables	1.92	19.41	47.68	8.39
6 Pulse Gram	0.43	-20.72	44.11	1.00
7 Communication	1.93	0.10	39.98	2.19
8 Besan	0.13	-17.75	39.47	0.29
9 Tomatoes	0.46	54.27	39.11	1.33
10 Honey	0.04	24.82	30.33	0.07
Total	7.86			27.18
C. Ranked by Weights				
1 House Rent Index	23.43	15.97	7.14	10.55
2 Milk Fresh	6.66	14.34	15.35	7.54
3 Wheat Flour	5.11	5.20	3.22	1.53
4 Electricity	4.37	28.56	27.18	6.06
5 Bakery & Confectionary	2.98	5.17	5.61	0.77
6 Meat	2.70	17.67	27.90	6.93
7 Vegetable Ghee	2.67	-11.76	18.56	3.61
8 Tution Fees	2.36	8.70	7.42	0.97
9 Transport Fare/Charges	2.12	-3.62	15.56	2.65
10 Natural Gas	2.05	1.97	18.04	3.24
Total	54.45			43.84

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 15.3 percent in October 2010.

Table A4: Distribution of Price Changes (YoY)- Selected CPI Items, October 2010				
Groups	Decrease or no change	Subdued increase (upto 5%)	Moderate increase (5 to 10%)	Increase of over 10%
Food Group	Sweetmelon (Garma), Sweetmelon (Sarda), Pulse Masoor, Maida, Cuminseed White National, Corriander Seed Powd.Nationa, Toffee (Hilal), Chowkelate Candy (Small Size)	Wheat, Curry Powd. National 200 Gm, Coconut Dry Av.Qlty, Wheat Flour Fine/Superior, Ice Cream Walls, Pepper Black National, Biscuits-Packed, Wheat Flour Bag, Betel Nuts	Rice Basmati 385/386, Milo 200 Gm, Bread Tandoori St. Size, Chillies Powd.National 200 Gm, Rice Basmati Broken, Rice Basmati Sup. Qlty, Almonds Whole Av.Qlty, Fruit Juice Tetra Pack, Butter Local Packed	Beef With Bone, Rooh Afza, Vegetable Ghee (Loose), Pomegranate (Annar), Gur Av.Qlty, Tea Prepared (Ordinary), Lady Finger, Guava, Potatoes
Apparel & Textile	Gents Shoes Paul Bata, Gents Sandal Bata, Child Shoe Power Lite Bata	Tailoring Coat-Pant Suit, Tailoring Coat-Pant Suit, Shoe Repair Half Sole	Ladies Spoung Chappal Bata, Frock W/Wear Girls, Shirt Boy 24"/26" Length	Tailoring Suit Female, Tailoring Shirt, Dopatta Georgette Av.Qlty.
House Rent Index			House Rent Index	
Fuel & Lighting	Match Box Small		Firewood Whole	Kerosene Oil, Gas Cylinder Stand. Size, Bulb Philips 100-Watts, Elect.Charges 301 - 1000 Uni
Household Furniture & Equipment	Washing Machine Singer	Carpet Plain Av. Qlty Tea-Set S.Steel 3 Pcs. M.Siz S.Steel Deghchi Medium Size	Sewing Machine(Singer) Cot Iron (With Niwar)Av.Qlty Blanket (90" X 54")	Bedsheet Single Bed Sup.Qlty,Dari Cotton (6'X2 1/2') Av.Q Marriage Hall With Furniture
Transport & Communication	Train Fare A/C Slp > 500Km., Plateform Ticket, Postal Registration Charges U.M.S. Reg Charges Min.	Motorcycle Yamaha 100Cc.	Full Tonga Charges T.C.S. Ch. Min. With In Zone, A/C Bus Fare Outside City Bus Fare Outside City	Bus Fare Max (Within Cit,Bus Fare Min (Within City), Mimibus Fare Min.With In Cit Telephone Charges Local Call
Recreation & Entertainment	Daily "Dawn" Monthly "Naunehal Digest", Dry Cell 1.5 Volt(Local)	T.V. 20" Colored With R/Cont, Tape Recorder Cassette Blan, Vid. Cassette Blk. Tdk/Sony	Cinema Non-A/C High Class	Daily "Jang", Daily "Nawa-E-Waqt", Cinema A/C. Highest Class
Education	Com. C.D. (Tdk/Imation), English Book Class Ix Or X, Urdu Book Ist.Year/Inter	Urdu Book Class Ix/X(T.B.B), Maths Book Class Ix Or X Ball Pen (Local)	Maths Book Ist.Year (T.B.B), Eng. Book Ist.Yr Complete Se School Fee Primary Eng.Med.	Pencilgoldfish/Deer Exercise.Book Lined 80/100 P, Govt. Engg. Coll. Fee I Year
Cleaning & Laundry	Surf (Medium) 160 Grm Washing Powder 1000 Grm Robin Blue (35 Grams) Toilet Soap Lux 95 Grams	Facecream Ponds (Medium) Talc Powder Vice Roay,B.Cat Blade Treet Ordinary 10'S Brylcreem 210 ML.	Disposable Razor Gillet-Ii Beauty Porl Hair Styl Charge Toilet Soap Lifebouy 140 Grm Shampoo Plain Medora 200 ML.	Toothpowder Dentonic 90 Grm Finis 500 MI Washing Ch. (Kamiz-Shalwar) Hair-Oil Amla/Chambeli
Medicare	Septran Tablets Brufen Tabs 200-Mg. Panadol Tab. Extra/Plain	Renitec Tab. 5 Mg. Daonil Tab. 5 Mg. Ventolin Tab. 2Mg.	Cotton Bandage 2" - 4"	Burnol Cream 30 Grm Polyfax Eye Ointment Dettol (Medium)

Table A5: City-wise Inflation by Income Groups, October 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	0.1	16.1	-0.5	22.0	1.1	7.8	0.0	16.1	-0.7	22.0	1.1	8.3
2	Faisalabad	-0.7	15.3	-1.8	22.1	1.3	5.3	-0.5	15.6	-1.4	22.0	1.0	7.5
3	Rawalpindi	-0.7	15.0	-2.1	20.8	1.5	7.0	-1.0	14.9	-2.8	20.6	1.6	7.8
4	Multan	0.0	19.8	-0.5	25.5	0.9	12.1	0.0	19.5	-0.5	25.2	0.8	12.0
5	Gujranwala	0.1	17.8	-0.2	24.3	0.5	8.6	0.0	16.1	-0.5	21.6	0.6	9.3
6	Islamabad	0.2	13.5	-0.3	21.6	0.9	3.3	-0.1	13.9	-1.2	21.4	1.6	4.8
7	Sargodha	0.9	16.1	0.8	21.3	1.1	9.1	0.5	15.9	0.0	20.2	1.1	10.4
8	Sialkot	0.5	14.1	0.3	16.0	0.8	11.5	0.5	14.9	0.2	18.0	0.8	10.6
9	Bahawalpur	1.0	19.9	1.1	25.5	1.0	12.0	0.9	19.1	0.8	24.3	1.1	12.4
10	Karachi	0.1	15.2	-0.3	19.1	0.5	10.2	0.1	15.9	-0.3	20.9	0.5	9.9
11	Hyderabad	1.2	15.0	1.6	18.1	0.6	10.8	1.3	15.3	1.7	18.5	0.7	11.3
12	Sukkur	0.8	17.6	0.9	22.9	0.5	10.7	0.9	16.0	1.2	19.7	0.6	11.6
13	Larkana	0.6	16.2	0.4	20.9	0.9	9.9	0.5	16.5	0.4	21.2	0.8	10.7
14	Peshawar	-0.2	17.4	-1.2	22.5	1.2	10.9	-0.2	17.1	-1.1	21.6	0.9	11.8
15	Bannu	1.1	16.9	1.4	19.5	0.7	13.7	0.9	16.7	1.0	19.1	0.6	13.8
16	Quetta	2.5	15.1	3.6	19.4	0.8	8.9	2.5	15.6	3.8	20.1	0.6	9.7
17	Khuzdar	3.5	11.6	4.3	12.7	2.4	10.2	3.5	12.6	4.4	15.2	2.3	9.6
		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	0.0	15.3	-0.8	21.3	1.0	8.7	0.4	14.3	-0.8	20.7	1.2	10.1
2	Faisalabad	-0.4	15.4	-1.4	21.8	0.7	8.5	0.0	14.3	-1.5	20.7	1.1	10.0
3	Rawalpindi	-0.6	14.2	-2.5	19.5	1.5	8.7	0.3	14.3	-2.1	18.7	1.9	11.6
4	Multan	0.0	17.9	-0.6	23.7	0.8	11.5	0.3	16.7	-0.8	22.6	1.2	12.8
5	Gujranwala	-0.1	15.3	-0.7	21.0	0.6	9.5	-0.1	14.6	-1.1	20.5	0.6	10.9
6	Islamabad	-0.2	13.2	-1.8	20.8	1.7	5.6	0.9	12.3	-1.3	18.9	2.5	8.3
7	Sargodha	0.1	16.3	-0.6	19.8	0.9	12.6	0.6	17.1	-0.6	21.6	1.4	14.1
8	Sialkot	0.2	14.6	-0.2	17.7	0.8	11.1	0.5	14.1	-0.4	16.3	1.1	12.5
9	Bahawalpur	0.4	18.3	-0.2	24.0	1.1	12.0	0.5	17.3	-0.6	23.2	1.4	13.2
10	Karachi	0.2	15.0	-0.1	20.1	0.5	9.9	0.6	12.8	-0.2	19.0	1.1	9.1
11	Hyderabad	1.2	14.9	1.6	17.8	0.7	12.0	1.5	15.2	1.8	17.0	1.3	14.1
12	Sukkur	0.9	15.5	1.3	18.8	0.6	12.4	1.0	15.9	1.0	18.5	1.0	14.3
13	Larkana	1.0	15.8	1.1	20.2	0.9	11.3	1.2	14.2	1.2	17.4	1.1	12.1
14	Peshawar	-0.3	16.2	-1.4	21.0	0.9	11.4	-0.1	16.1	-2.1	21.6	1.3	12.8
15	Bannu	0.7	16.5	0.8	18.9	0.6	14.0	0.8	16.4	0.9	18.3	0.7	15.2
16	Quetta	2.1	14.6	3.3	18.8	0.6	10.3	2.1	15.3	3.1	19.2	1.5	12.8
17	Khuzdar	2.9	11.5	4.2	14.0	1.5	8.8	2.4	9.6	3.3	11.0	1.9	8.7

Inflation Monitor, October 2010

Table A6: City-wise Inflation in CPI (YoY) Oct 2010							
	High inflation cities				Low inflation cities		
	General	Food	Non-food		General	Food	Non-food
Bahawalnagar	18.7	23.4	15.0	Gujranwala	15.3	21.1	10.6
Bahawalpur	18.3	24.0	13.2	Okara	15.1	18.1	12.5
Multan	17.8	23.7	12.5	Hyderabad	15.0	17.6	12.8
Jhang	17.8	23.3	13.3	Quetta	15.0	19.0	11.5
D.G. Khan	17.5	21.3	14.3	Lahore	14.9	21.1	9.4
Samundari	17.4	21.5	14.0	Attock	14.8	20.8	10.1
Mianwali	17.2	23.3	12.1	Faisalabad	14.8	21.3	9.1
Shahdadpur	17.1	20.7	14.2	Jhelum	14.5	19.8	10.1
Nawabshah	17.1	20.8	14.0	Sialkot	14.3	17.0	11.9
D.I.Khan	16.9	21.3	13.2	Rawalpindi	14.3	19.3	10.2
Kunri	16.9	22.9	12.0	Karachi	13.9	19.7	9.3
Abbotabad	16.9	20.3	13.9	Turbat	13.8	16.8	11.6
Bannu	16.5	18.8	14.7	Loralai&Cantt	12.9	15.3	11.1
Sargodha	16.4	20.3	13.1	Islamabad	12.4	19.3	6.8
Peshawar	16.3	21.3	12.1				
Mardan	16.3	19.9	13.2				
Khuzdar	16.2	21.8	11.7				
Vehari	15.7	20.9	11.3				
Sukkur	15.7	19.0	13.2				
Mirpur Khas	15.7	19.5	12.6				
Larkana	15.6	19.8	12.1				

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

Table A7 : Income Group-wise Inflation							
	MoM			YoY			percent
	Oct-09	Sep-10	Oct-10	Oct-09	Sep-10	Oct-10	
Up to Rs. 3000							
General	1.1	3.6	0.6	8.4	17.0	16.5	
Food	1.1	5.9	0.4	7.4	21.9	21.0	
Non-food	1.0	0.4	1.0	9.9	10.6	10.6	
Rs. 3001-5000							
General	1.2	3.5	0.5	8.8	17.0	16.3	
Food	1.1	5.9	0.2	7.0	21.8	20.7	
Non-food	1.2	0.4	1.0	11.1	11.1	10.8	
Rs. 5000-12000							
General	1.0	3.0	0.5	9.0	16.3	15.7	
Food	1.1	5.5	0.1	7.4	21.4	20.1	
Non-food	0.9	0.4	0.9	10.7	11.1	11.0	
Above Rs. 12000							
General	0.8	2.1	0.8	8.7	14.8	14.8	
Food	0.9	4.6	0.0	7.9	20.7	19.7	
Non-food	0.7	0.3	1.3	9.2	11.1	11.8	
All income groups							
General	1.0	2.7	0.6	8.9	15.7	15.3	
Food	1.1	5.3	0.1	7.5	21.2	20.1	
Non-food	0.8	0.3	1.1	10.0	11.0	11.3	

Table A8: Distribution of Price Change (YoY) - WPI Items: October 2010				
Groups	Decrease or no change	Subdued increase (upto 5%)	Moderate increase (5 to 10%)	More than 10% increase
Food	Masoor, Maida, Wheat	Sugar Confectionary, Wheat Flour, Salt, Powdered Milk, Chicken, Beverages	Condiments, Milk Food, Cooking Oil, Rice, Mineral Water	Tea, Vegetables Prepared/Preserved, Gram Whole, Oil Cakes, Fish, Fresh Milk, Eggs, Dry Fruits, Cotton Seed Oil, Mustard & Rapeseed Oil, Fresh Fruits, Vegetable Ghee, Beans, Fruit Prepared/Preserved, Meat, Gur, Spices, Potatoes, Besan, Mash, Tomatoes, Gram Split, Bajra, Vegetables, Maize, Jowar, Onions, Sugar Refined, Moong
Raw material	Pig Iron	Skins, Hides	Wool	Tobacco, Cotton Seeds, Mustard/Rapeseeds, Sugar Cane, Cotton
Fuel & lighting		Coal, Furnace Oil	Mobil Oil, Fire Wood	Coke, Natural Gas, Motor Sprit, Diesel Oil, Electricity Ind. Supply Tariff-B, Kerosine Oil, Elec. Agriculture Tariff-D
Manufactures		Audio-Visual Instruments, Utensils, Glass Products, Sole Leather, Paper, Matches, Ready Made Garments, Woolen Textiles, Soaps, Other Electrical Goods	Hosiery, Pesticides & Insecticised, Fertilizers, Silk & Reyon Textiles, Plastic Products, Mattresses, Tyres, Cosmetics, Dying Materials, Chrome Leather, Machinery, Drugs & Medicines, Cotton Textiles	Tubes, Foot Wear, Jute Manufactures, Chemicals, Transports, Nylon Yarn, Blended Yarn, Cigarettes, Cotton Yarn
Building material	Cement, Tiles	Pipe Fittings, Cement Blocks	Timber, Sanitary Wares, Glass Sheets, Wires And Cables	Paints & Varnishes, Bricks, Iron Bars & Sheets

Table A9: SPI Item-wise Price Movements					
S.No	Items	Unit	Prices		
			Oct-10	Percentage change	
				YoY	Monthly
1	Wheat	Kg.	26.1	2.9	2.7
2	Wheat flour average qlt.	Kg.	30.4	5.4	5.0
3	Rice basmati broken	Kg.	47.8	8.2	2.5
4	Rice irri-6	Kg.	37.4	8.1	2.1
5	Masur pulse washed	Kg.	121.4	-0.6	1.6
6	Moong pulse washed	Kg.	143.9	150.3	4.0
7	Mash pulse washed	Kg.	171.0	55.4	-0.7
8	Gram pulse washed	Kg.	71.6	45.7	0.1
9	Beef	Kg.	211.4	26.5	1.8
10	Mutton	Kg.	398.1	33.8	2.6
11	Egg hen (farm)	Doz.	82.6	17.4	11.0
12	Bread plain	Each	27.8	7.6	1.3
13	Sugar	Kg.	82.7	82.3	1.7
14	Gur	Kg.	89.6	24.8	2.5
15	Milk fresh	Ltr	47.5	14.9	1.4
16	Milk powdered nido	400g	200.0	11.1	0.0
17	Curd	Kg.	56.2	15.8	1.6
18	Veg.ghee tin	2.5kg	389.6	10.4	3.9
19	Veg.ghee loose	Kg.	135.6	27.0	3.5
20	Mustard oil	Kg.	147.2	12.9	3.2
21	Cooking oil	2.5ltr	388.4	9.7	3.6
22	Potatoes	Kg.	34.1	25.8	-4.4
23	Onions	Kg.	44.2	75.8	10.2
24	Tomatoes	Kg.	55.9	59.8	-0.6
25	Bananas	Doz.	39.0	5.1	-20.1
26	Salt powdered	Kg.	7.0	4.9	0.0
27	Red chillies(powder)	Kg.	195.9	54.8	5.3
28	Garlic	Kg.	223.4	97.0	5.8
29	Tea packet	250g	130.3	13.4	0.0
30	Tea (prepared)	Cup	11.9	26.2	2.7
31	Cooked beef plate	Each	50.6	17.3	1.0
32	Cooked dal plate	Each	32.0	20.7	1.6
33	Cigarettes k-2	10's	13.6	29.9	0.0
34	Coarse latha	Mtr.	51.8	14.0	0.8
35	Lawn (avg.+s.qlty)	Mtr.	106.4	14.5	0.1
36	Voil printed	Mtr.	54.1	14.2	0.9
37	Shirting	Mtr.	86.0	6.9	0.5
38	Sandel gents Bata	Pair	499.0	0.0	0.0
39	Sandel ladies Bata	Pair	399.0	5.3	0.0
40	Chappal spng. Bata	Pair	139.0	7.8	0.0
41	Kerosene	Litr	77.4	12.9	0.4
42	Firewood	40kg	329.7	16.3	2.0
43	Elec. Bulb 60-wats	Each	24.0	27.1	0.0
44	Match box	Each	1.0	0.0	0.0
45	Washing soap	Cake	14.0	10.9	1.2
46	Bath soap lifebuoy	Cake	24.0	9.1	0.0
47	Chicken (farm)	Kg.	132.7	0.9	-8.7
48	Gas chrg. All clb. Comb	mmbtu	337.2	17.8	0.0
49	L.P.G.(cylinder 11kg.)	Each	1089.6	27.0	-1.7
50	Elec.chrg.all slabs comb	per unit	8.8	27.6	1.0
51	Petrol	Ltr	67.6	8.2	-0.5
52	Diesel	Ltr	74.6	14.0	-1.0
53	Telephone local	Call	3.6	48.3	0.0
Maximum				150.3	11.0
Median				14.5	1.0
Minimum				-0.6	-20.1

Table A10: Consumer Price Index Numbers by Major Groups and Selected Commodities				
Item and Specification	Weights	Index		
		Oct-09	Sep-10	Oct-10
General	100.00	207.14	239.69	239.69
Food & Beverages.	40.34	238.12	285.63	285.89
1 Wheat	0.48	297.45	295.47	301.14
2 Wheat Flour	5.11	298.44	299.00	308.04
3 Maida	0.11	280.45	275.83	279.23
4 Besan	0.13	180.83	247.42	252.20
5 Rice	1.34	276.95	289.89	295.10
6 Pulse Masoor	0.22	334.33	327.51	330.40
7 Pulse Moong	0.22	186.91	449.19	487.44
8 Pulse Mash	0.20	245.31	381.85	382.94
9 Pulse Gram	0.43	170.81	239.77	246.16
10 Gram Whole	0.15	195.51	218.11	228.84
11 Mustard Oil	0.05	239.69	260.75	270.61
12 Cooking Oil	0.69	221.73	235.64	243.72
13 Vegetable Ghee	2.67	233.90	266.86	277.31
14 Sugar	1.95	162.65	298.07	294.73
15 Gur	0.07	277.41	336.87	350.20
16 Tea	1.26	181.77	207.52	207.80
17 Milk Fresh	6.66	236.30	271.60	272.57
18 Milk Powder	0.11	208.87	230.59	232.22
19 Milk Products	0.56	221.24	248.12	249.72
20 Honey	0.04	198.04	234.08	258.10
21 Cereals	0.09	241.80	261.73	265.60
22 Jam, Tomato, Pickles & Vinegar	0.25	175.69	206.55	207.97
23 Beverages	0.73	177.13	202.58	204.05
24 Condiments	0.34	242.63	251.95	252.65
25 Spices	0.60	186.90	239.36	240.88
26 Dry Fruit	0.28	318.44	348.95	360.54
27 Bakery & Confectionary	2.98	146.77	153.98	155.01
28 Cigarettes	0.95	205.83	238.59	239.91
29 Betel Leaves & Nuts	0.19	174.23	206.97	206.59
30 Readymade Food	1.68	239.26	268.45	276.88
31 Sweetmeat & Nimco	0.38	243.34	282.76	285.91
32 Fish	0.27	192.86	224.31	230.15
33 Meat	2.70	294.97	368.21	377.26
34 Chicken Farm	0.92	243.38	298.41	265.67
35 Eggs	0.41	262.59	273.51	309.49
36 Potatoes	0.58	288.69	415.54	371.47
37 Onions	0.62	241.37	563.47	398.43
38 Tomatoes	0.48	238.17	406.91	331.32
39 Vegetables	1.84	294.43	410.94	434.82
40 Fresh Fruits	1.62	229.00	289.98	277.88
Apparel, Textile & Footwear.	6.10	159.31	175.04	176.54
41 Cotton Cloth	1.62	160.06	186.53	187.53
42 Silk, Linen, Woolen/Cloth	0.58	158.74	177.38	180.26
43 Tailoring Charges	0.86	174.95	193.03	196.20
44 Hosiery	0.15	172.64	188.22	190.25
45 Readymade Garments	1.20	146.24	156.94	158.66
46 Woolen Readymade Garments	0.15	179.12	200.74	203.70
47 Footwear	1.53	156.93	162.30	162.49
House Rent.	23.43	202.29	215.77	216.73
48 House Rent Index (Combined)	23.43	202.29	215.77	216.73

(continued)

Table A10: Consumer Price Index Numbers by Major Groups and Selected Commodities				
Item and Specification	Weights	Index		
		Oct-09	Sep-10	Oct-10
Fuel And Lighting.	7.29	212.12	252.69	256.98
49 Kerosene	0.14	418.45	466.47	497.88
50 Firewood	0.48	325.62	350.23	357.93
51 Match Box	0.13	200.00	200.00	200.00
52 Bulb & Tube	0.13	129.29	142.26	149.58
53 Electricity	4.37	163.57	203.92	208.03
54 Natural Gas	2.05	281.60	330.24	332.39
H.Hold. Furniture & Equipment Etc.	3.29	166.77	180.62	182.40
55 Utensils	0.37	154.72	164.39	165.31
56 Plastic Products	0.11	199.72	223.41	227.11
57 Suitcase	0.05	160.43	175.96	177.02
58 House Hold Equipments	0.10	154.35	170.20	171.14
59 Furniture (Ready Made)	0.31	177.50	196.23	198.36
60 Furnishing	0.64	159.29	171.86	174.44
61 Elect. Iron Fans & Washing Machine	0.19	160.98	171.89	172.37
62 Sewing Machine, Clock And Needles	0.13	144.33	156.46	158.43
63 Refrigerator & Air conditioner	0.18	131.72	141.63	142.26
64 Marriage Hall	0.04	196.40	217.30	219.33
65 House Hold Servant	1.19	177.45	191.89	193.68
Transport & Communication.	7.32	192.39	222.01	227.96
66 Petrol	1.73	203.16	220.69	240.37
67 Diesel	0.21	411.98	469.66	498.07
68 CNG . Filling Charges	0.16	206.43	235.17	235.78
69 Service Charges	0.38	172.15	185.37	188.81
70 Vehicles	0.26	129.28	138.67	140.52
71 Tyre & Tube	0.28	161.39	183.47	185.52
72 Transport Fare/Charges	2.12	256.93	296.33	296.91
73 Train Fare	0.15	253.24	253.24	253.24
74 Air Fare	0.10	342.93	365.51	365.51
75 Communication	1.93	91.37	127.87	127.90
Recreation & Entertainment.	0.83	121.69	139.25	139.28
76 Recreation	0.34	131.89	142.98	142.98
77 Entertainment	0.49	114.55	136.65	136.69
Education.	3.45	182.80	193.70	194.24
78 Tuition Fees	2.36	177.33	189.89	190.49
79 Stationery	0.35	177.63	191.89	193.17
80 Text Books	0.69	211.68	215.90	215.90
81 Computer & Allied Products	0.05	84.57	85.71	85.71
Cleaning Laundry & Per. Appearance.	5.88	176.86	191.61	195.47
82 Washing Soap & Detergent	1.55	165.08	172.65	174.92
83 Toilet Soap	0.74	186.50	194.80	194.80
84 Tooth Paste	0.40	114.79	119.57	119.57
85 Shaving Articles	0.35	151.29	159.77	161.95
86 Cosmetics	1.43	161.29	171.69	173.05
87 Watches	0.06	138.77	150.91	152.90
88 Jewellery	0.39	381.25	457.01	493.88
89 Laundry Charges	0.22	182.01	206.07	208.52
90 Hair Cut & Beauty Parlour Charges	0.73	160.28	178.35	180.11
Medicare.	2.07	153.89	169.67	170.04
91 Drugs & Medicares	1.08	124.63	136.48	137.18
92 Doctor's Fee	1.00	185.03	205.44	205.44

Table A11: Wholesale Price Index Numbers by major Groups and Selected Commodities				
Item and Specifications	Oct-09	Aug-10	Sep-10	Oct-10
GENERAL	215.01	252.93	258.22	266.19
FOOD	232.35	267.12	279.03	283.96
1 WHEAT	304.12	280.25	295.41	300.46
2 WHEAT FLOUR	294.00	268.31	287.07	294.87
3 MAIDA	290.56	267.47	273.28	275.44
4 BESAN	162.67	214.81	227.80	232.02
5 RICE	317.60	326.92	342.52	347.10
6 MAIZE	199.79	349.25	355.32	345.65
7 JOWAR	218.70	388.77	381.56	385.88
8 BAJRA	174.37	253.72	280.97	279.95
9 BEANS	238.86	301.39	304.84	304.94
10 GRAM WHOLE	209.15	208.18	226.41	233.53
11 GRAM SPLIT	148.24	212.40	222.67	226.89
12 MASOOR	351.16	305.28	313.36	317.13
13 MASH	229.53	326.32	334.56	328.13
14 MOONG	194.81	410.95	442.30	455.83
15 POTATOES	264.97	371.20	418.03	374.91
16 ONIONS	251.24	286.89	546.32	448.80
17 TOMATOES	239.17	345.65	372.91	347.41
18 VEGETABLES	322.67	440.66	480.83	543.71
19 FRESH FRUITS	168.88	228.29	225.37	208.26
20 DRY FRUITS	235.52	263.91	264.68	274.09
21 FRESH MILK	202.47	223.39	225.41	233.59
22 POWDERED MILK	221.74	227.54	228.19	228.52
23 MILK FOOD	169.90	182.57	183.39	183.61
24 VEGETABLE GHEE	251.54	298.02	305.68	316.21
25 MUSTARD & RAPESEED OIL	259.88	291.29	304.10	313.33
26 COTTON SEED OIL	258.63	292.62	296.50	305.41
27 COOKING OIL	217.81	234.09	236.55	237.87
28 OIL CAKES	305.57	350.94	350.33	345.44
29 GUR	249.56	305.29	327.86	332.82
30 SUGAR REFINED	164.38	267.97	299.53	300.19
31 CHICKEN	260.11	267.77	303.34	268.78
32 EGGS	269.88	267.66	273.69	313.62
33 FISH	135.01	146.90	151.17	155.00
34 MEAT	278.70	342.54	353.85	362.56
35 SPICES	195.72	275.27	276.68	276.80
36 CONDIMENTS	285.74	300.72	300.98	301.29
37 SALT	167.44	171.87	171.87	171.87
38 TEA	152.92	170.40	169.43	168.34
39 BEVERAGES	141.02	147.02	146.09	147.28
40 MINERAL WATER	125.87	135.11	135.11	138.18
41 FRUIT PREPARED/PRESERVED	174.56	220.47	221.04	223.48
42 VEGETABLES PREPARED/PRESERVED	175.33	192.68	193.22	194.41
43 SUGAR CONFECTIONARY	100.46	100.57	100.57	100.57
RAW MATERIAL	197.29	302.27	309.74	327.07
44 COTTON	157.33	282.57	292.38	320.57
45 COTTON SEEDS	266.81	295.10	305.32	315.54
46 MUSTARD/RAPESEEDS	269.70	297.69	314.41	334.77
47 TOBACCO	215.81	245.54	247.24	247.25
48 SUGAR CANE	280.70	499.09	499.09	499.09
49 WOOL	142.90	148.99	151.09	153.73
50 HIDES	132.08	138.72	138.25	138.66
51 SKINS	104.82	104.50	105.27	106.18
52 PIG IRON	323.33	321.93	321.93	321.93

(continued)

Table A11: Wholesale Price Index Numbers by major Groups and Selected Commodities				
Item and Specifications	Oct-09	Aug-10	Sep-10	Oct-10
FUEL & LIGHT	283.96	317.83	313.03	325.57
53 COAL	141.00	142.50	142.50	142.50
54 COKE	624.58	693.98	693.98	693.98
55 DIESEL OIL	409.47	460.79	457.22	486.97
56 MOTOR SPRIT	200.72	219.11	218.19	237.66
57 MOBIL OIL	199.00	210.76	210.76	210.65
58 FURNACE OIL	354.09	372.61	355.22	370.17
59 KEROSENE OIL	392.72	445.10	446.67	481.70
60 NATURAL GAS	217.12	256.00	256.00	256.00
61 ELECTRICITY IND. SUPPLY TARIFF-B	179.27	214.08	214.08	217.55
62 ELEC. AGRICULTURE TARIFF-D	177.78	231.01	231.01	237.51
63 FIRE WOOD	267.74	285.69	288.45	290.86
MANUFACTURE	145.36	173.16	175.40	182.66
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	115.73	171.92	174.23	198.09
67 BLENDED YARN	140.89	187.33	187.69	191.95
68 NYLON YARN	113.13	131.84	133.93	140.89
69 COTTON TEXTILES	146.43	157.50	159.50	160.30
70 HOSIERY	155.79	163.18	163.64	164.21
71 SILK & REYON TEXTILES	146.35	152.52	152.72	155.31
72 WOOLEN TEXTILES	138.26	143.64	143.79	144.42
73 JUTE MANUFACTURES	123.97	137.69	139.08	141.53
74 MATTRESSES	137.17	144.89	145.94	148.33
75 READY MADE GARMENTS	118.27	121.18	121.18	121.18
76 UTENSILS	148.79	149.98	149.98	149.98
77 PLASTIC PRODUCTS	138.22	148.09	148.67	148.83
78 GLASS PRODUCTS	179.65	182.18	182.18	182.18
79 CHEMICALS	172.61	204.43	204.08	206.69
80 DYING MATERIALS	88.36	93.46	94.80	96.14
81 SOAPS	181.72	188.57	190.11	190.31
82 COSMETICS	119.58	123.62	128.74	129.81
83 DRUGS & MEDICINES	113.17	120.96	122.68	123.55
84 FERTILIZERS	290.78	307.14	306.78	308.54
85 PESTICIDES & INSECTICISED	147.16	152.90	155.88	156.11
86 MACHINERY	175.23	188.11	191.25	191.25
87 TRANSPORTS	124.15	133.41	144.27	149.09
88 TYRES	208.57	225.03	226.09	226.31
89 TUBES	185.99	199.49	205.86	205.86
90 AUDIO-VISUAL INSTRUMENTS	92.28	92.60	92.60	92.60
91 OTHER ELECTRICAL GOODS	130.56	136.83	136.83	136.83
92 CIGARETTES	171.57	267.32	265.10	262.79
93 PAPER	105.98	106.36	106.36	107.79
94 MATCHES	124.26	124.26	126.93	126.93
95 FOOT WEAR	177.36	199.97	199.97	199.97
BUILDING MATERIAL	190.23	214.88	215.35	219.69
96 CEMENT	127.53	123.89	126.48	127.27
97 BRICKS	236.42	262.69	273.20	276.71
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	236.12	282.84	281.31	288.78
101 PIPE FITTINGS	181.03	185.07	185.07	185.42
102 TIMBER	209.27	221.30	221.30	222.34
103 GLASS SHEETS	172.95	184.74	184.74	187.35
104 PAINTS & VARNISHES	146.05	161.25	167.15	170.10
105 SANITARY WARES	151.56	162.40	162.40	162.40
106 WIRES AND CABLES	262.08	280.06	286.09	286.09

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	214.41	242.59	195.36	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
Jul	227.79	258.19	207.23	246.48	256.40	239.26	255.13
Aug	233.50	271.35	207.91	252.93	267.12	242.60	261.70
Sep	239.69	285.63	208.62	258.22	279.03	243.08	270.75
Oct	241.17	285.89	210.93	266.19	283.96	253.26	275.31

*: all groups combined

Table A13: International Commodity Prices/Indices			
	Aug-10	Sep-10	Oct-10
Energy			
Crude Oil (US\$ per barrel)*	75.9	76.2	81.7
IMF Energy Index (2005 =100)	141.4	142.0	151.0
WB Energy Index (1990=100) @	228.2	237.5	252.1
Food			
	0.0	0.0	0.0
Rice (\$/MT)	486.9	517.7	533.1
Wheat (\$/MT)	246.4	271.9	270.3
Sugar (US cent / pound)	19.2	22.7	26.9
Palm Oil (\$/MT)	865.2	880.5	933.5
Soybean Oil (\$/MT)	895.6	929.8	1,034.9
Non-Food Non-Energy			
	0.0	0.0	0.0
Cotton Outlook 'A' Index #	90.4	104.7	126.6
IMF Metal Price Index (2005=100)	172.9	179.2	185.3
Copper (\$/MT)	7,302.7	7,729.6	8,289.8
Aluminum (\$/MT)	2,110.5	2,171.3	2,342.2
Iron Ore (\$ cents/dry MT)	205.0	205.0	182.0
Tin (\$/MT)	20,733.1	22,694.4	26,237.1
Nickel (\$/MT)	21,448.8	22,690.1	23,793.7
Zinc (\$/MT)	2,047.5	2,151.0	2,373.6
Lead (\$/MT)	2,082.8	2,192.9	2,383.6
Uranium (\$/pound)	46.1	46.7	48.8
DAP (\$/MT)	496.1	518.5	575.0
Urea (\$/MT)	273.0	318.8	329.4
\$/MT = US\$ per metric tonne.			
* Crude Oil (petroleum), simple average of three spot prices; Dated Brent, West Texas Intermediate, and the Dubai Fateh			
# Middling 1-3/32 inch staple, Liverpool Index "A", average of the cheapest Cts/lb five of fourteen styles, CIF Liverpool (Cotton Outlook, Liverpool). From January 1968 to May 1981 strict middling 1-1/16 inch staple. Prior to 1968, Mexican 1-1/16. 2/			
DAP: Diammonium Phosphate			
@ World bank commodity index for low and middle income countries			
Source: IMF and World Bank.			

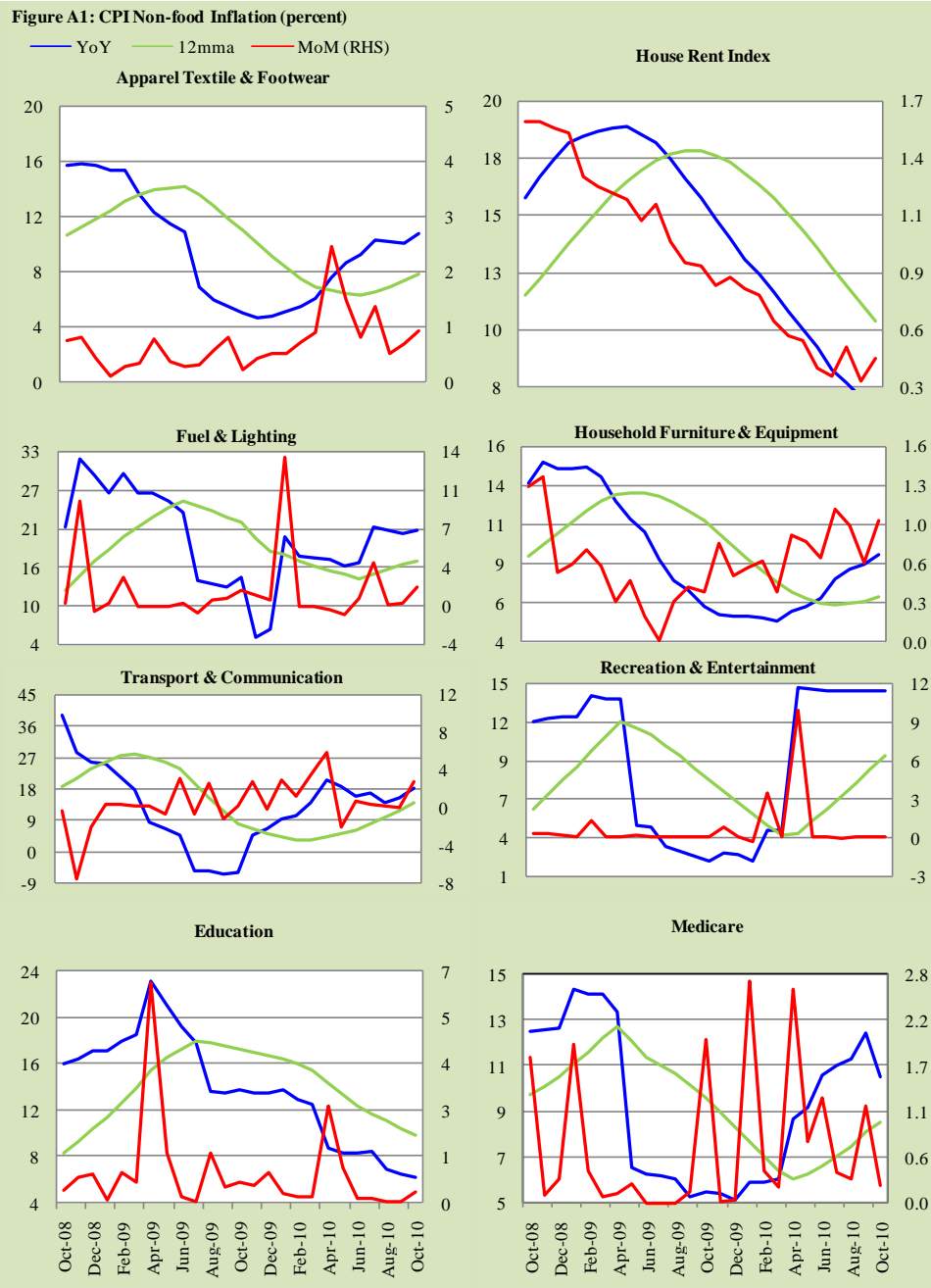


Figure A2: Frequency Distribution of Price Changes of CPI Items, October 2010

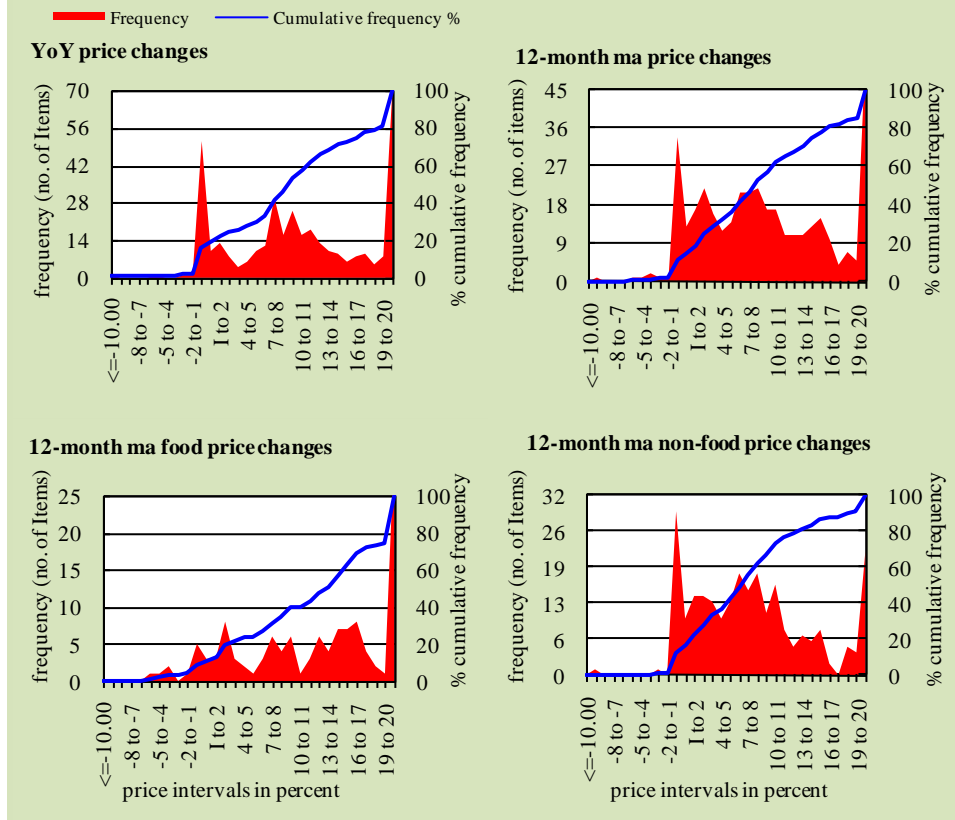
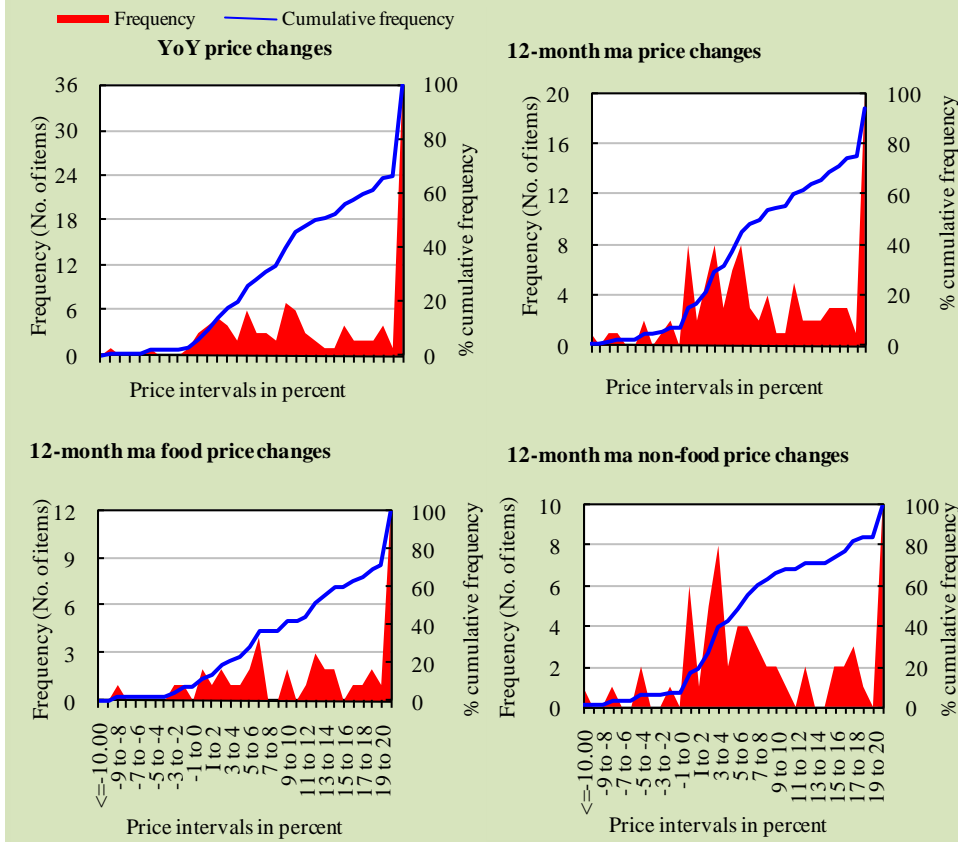


Figure A3: Frequency Distribution of Price Changes of WPI Items, October 2010



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