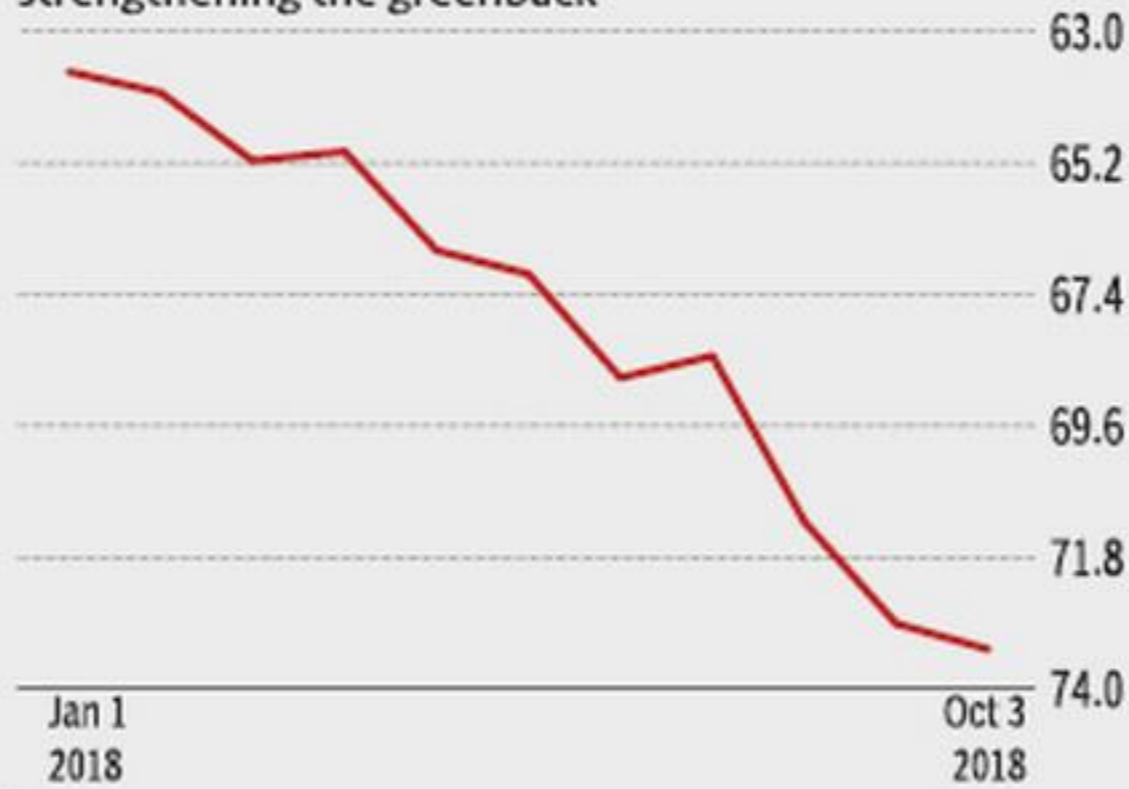


Inflation still insulated from weak rupee

Since the beginning of the year, consumer price inflation has only moved lower despite a weak rupee and higher fuel prices. This is largely due to a drop in food inflation. One needs to wait and see if the significant hike in MSP for kharif and rabi crops will push up food inflation

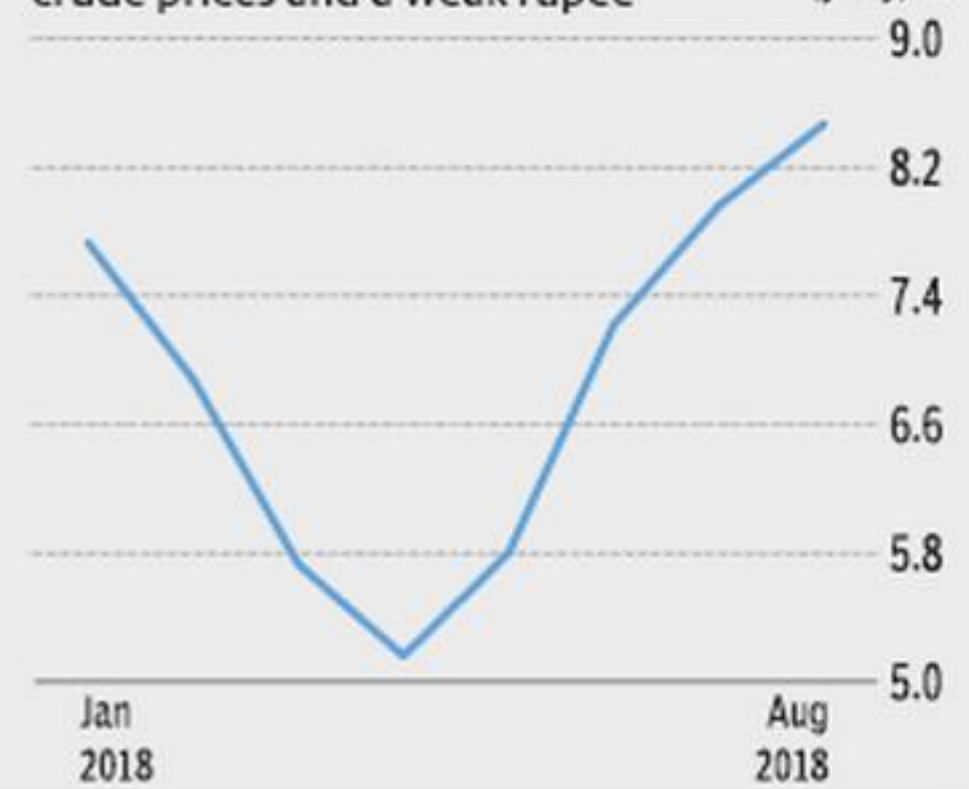
Rupee loses muscle

...vis-à-vis the dollar, with the US rate hikes strengthening the greenback



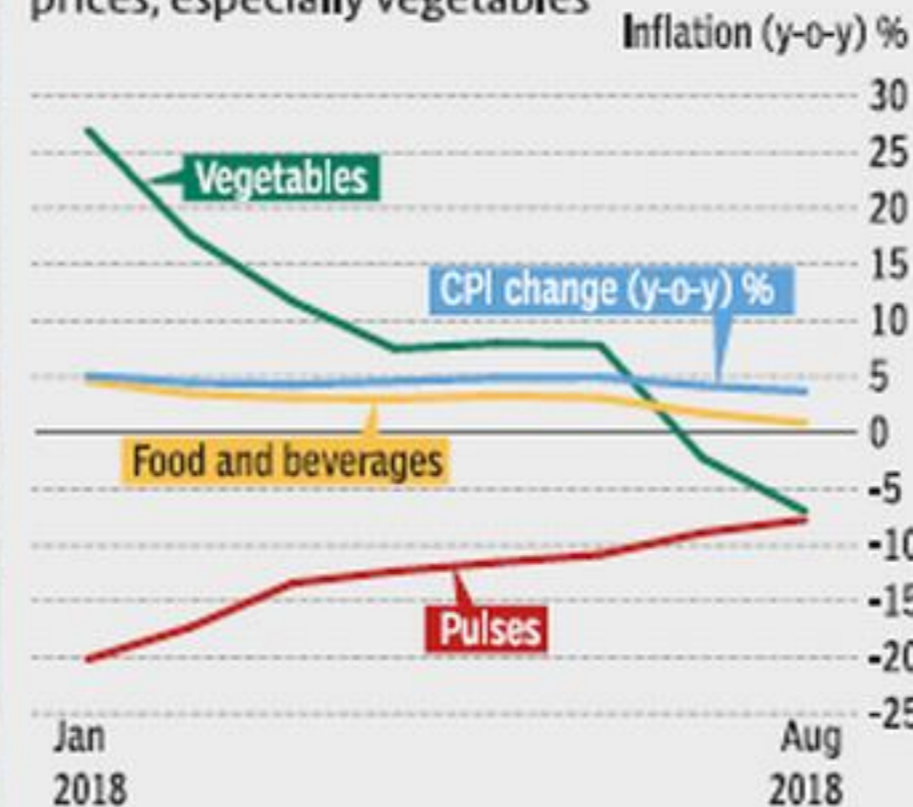
Fuel inflation up

...following higher international crude prices and a weak rupee



But overall inflation is down

...helped by a drop in food prices, especially vegetables



Weightage in CPI

Food and beverages



Will MSP hike lift food prices?

Impact will be known when kharif procurement starts in November

Kharif crops	2017-18	2018-19	MSP in ₹	% change
Paddy	1,550	1,750		12.9
Jowar hybrid	1,700	2,430		42.9
Bajra	1,425	1,950		36.8
Ragi	1,900	2,897		52.5
Maize	1,425	1,700		19.3
Arhar (tur)	5,450	5,675		4.1
Moong	5,575	6,975		25.1
Urad	5,400	5,600		3.7