



Inflation jumps to 5-month high

TIMES NEWS NETWORK

New Delhi: Rising vegetable prices and the impact of a weak rupee pushed inflation to a five-month high of 5.79% in July, posing yet another challenge for Asia's third-largest economy battling to defend the rupee and boost growth.

Official data released on Wednesday showed inflation, as measured by the wholesale price index, jumped to 5.79% in July from the previous month's 4.86%. Easing wholesale price inflation had fuelled expectations of a moderation in tight monetary policy but the slide of the rupee against the dollar has dashed those hopes for now.

Food inflation shot up to double-digit in July as onion prices spurted nearly 144.94% year-on-year, while overall vegetable prices rose an annual 46.59%. Cereal prices rose an annual 17.66% in July sustaining the pressure but prices of pulses declined 7.39%. Some relief was visible in softening milk and fruits prices.

Retail inflation is hovering around double digits and FM P Chidambaram has acknowledged that consumer price inflation is a problem and supplies need to be raised to tackle the situation. Policymakers said they expect a good monsoon to moderate food prices.

NO SIGHT OF RESPITE						
	Feb	Mar	Apr	May	Jun	Jul
Food Articles	11.95	8.63	6.08	8.25	9.74	11.91
Cereals	18.63	17.86	15.52	15.95	17.18	17.66
Rice	17.75	17.56	17.09	18.48	19.11	21.15
Wheat	21.81	19.35	13.55	12.37	13.83	13.42
Pulses	13.95	10.84	10.52	5.95	1.59	-7.39
Vegetables	19.88	-1.68	-8.88	5.21	16.47	46.59
Potato	50.14	15.8	-0.63	1.28	-14.22	-6.45
Onion	182.36	110.74	90.83	94.28	114	144.94
Fruits	10.16	5.67	0.56	0.67	-0.43	-4.8
Milk	4.52	4.42	4.04	4.46	3.74	2.35
Egg, Meat & Fish	12.37	11.42	10.44	11.38	12.23	10.94
Overall	7.28	5.65	4.77	4.58	4.86	5.79