



Analysis on Consumer Price Index – July 2026

PHDCCI Research Bureau

Consumer Price Index Inflation (Y-o-Y) stands at 4.45% in July, 2026

All India Division-wise inflation rates (%) based on CPI (General) and CFPI: June 2026

	June 2026 (F)	July 2026 (P)
CPI Inflation	4.38%	4.45%
CFPI Inflation	5.32%	5.52%

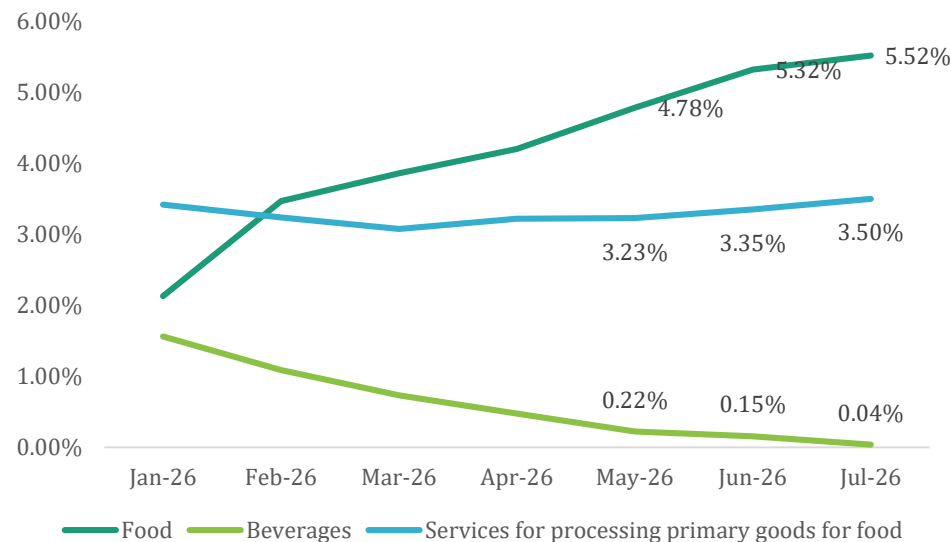
Weights	Division	June 2026 (F)	July 2026 (P)
100	CPI (General)	4.38%	4.45%
36.75	Food and beverages	5.06%	5.24%
17.67	Housing, water, electricity, gas and other fuels	1.99%	2.16%
6.383	Clothing and footwear	3.22%	3.37%
3.333	Education services	3.34%	3.65%
4.469	Furnishings, household equipment and routine household maintenance	2.19%	2.40%
6.1	Health	1.42%	1.34%
3.609	Information and communication	0.42%	0.64%
2.989	Paan, tobacco and intoxicants	4.83%	4.78%
5.038	Personal care, social protection and miscellaneous goods and services	16.73%	14.78%
1.516	Recreation, sport and culture	1.75%	1.64%
3.348	Restaurants and accommodation services	6.91%	7.72%
8.796	Transport	4.31%	4.44%

Drivers of CPI Inflation

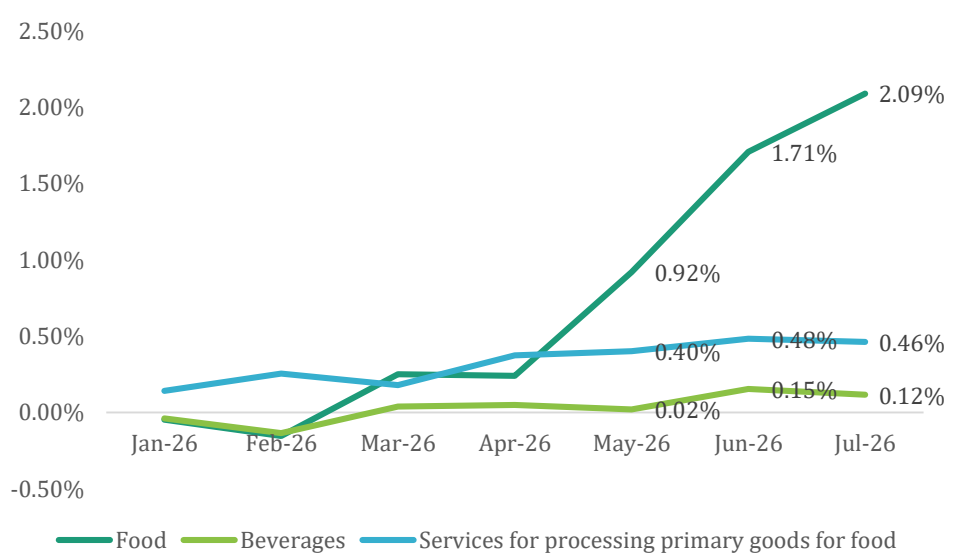
- Inflation within the 'Food and beverage' division, weighed the highest, increased from 5.06% in June, 2026 to 5.24% in July, 2026. This increase is due to increase in inflation of 'Food' group from 5.32% to 5.52% in the same period.
- Personal care, social protection and miscellaneous goods and services showed the highest decrease in inflation rates from 16.73% in June, 2026 to 14.78% in July, 2026. This reduction was primarily driven by decrease in inflation within the 'Other personal effects' group from 50.17% in June, 2026 to 43.54% in July, 2026.

Accelerating growth momentum of inflation for the Food group drove prices in the Food and Beverages division

Y-o-Y inflation rates for groups within the Food and beverage division



M-o-M inflation rates for groups within the Food and beverage division



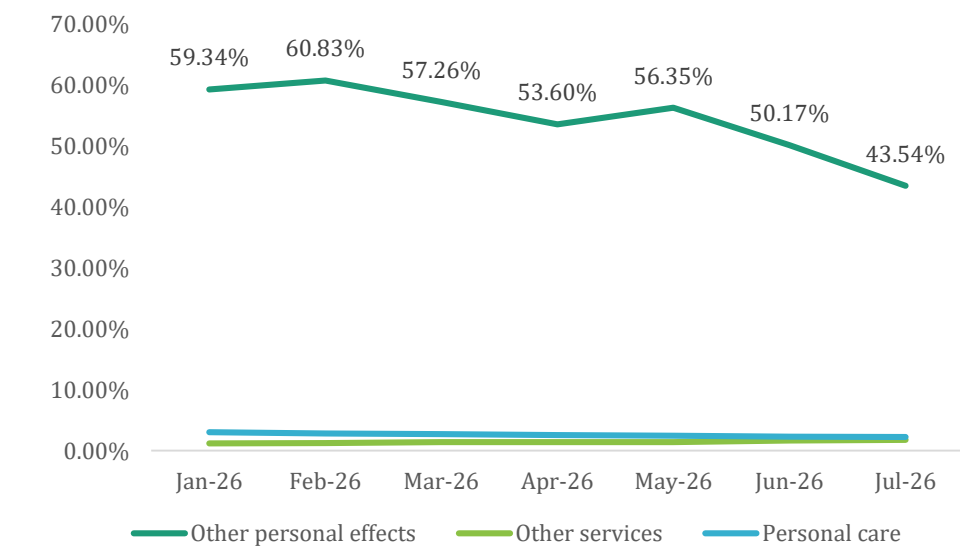
Food and Beverages

- Within the Food and Beverage division, the Food group Y-o-Y inflation rate shows an upward trend from January, 2026 to June, 2026.
- The inflation rate for the Food group in June, 2026 was 5.32% with an index of 107.15. Despite a high base index value in June, 2026, the Y-o-Y inflation of the Food group further increased to 5.52% in July, 2026. This indicates that despite prices already being high, they continued to increase starkly in July, 2026 compared to July, 2025.
- M-o-M inflation rates for the Food group increased from 0.92% in May, 2026 to 1.71% in June, 2026 and further to 2.09% in July, 2026. This indicates that the increase in prices of items within the food group from June, 2026 to July, 2026 was more than the increase in prices from May, 2026 to June, 2026, suggesting accelerating inflation rates within the Food group

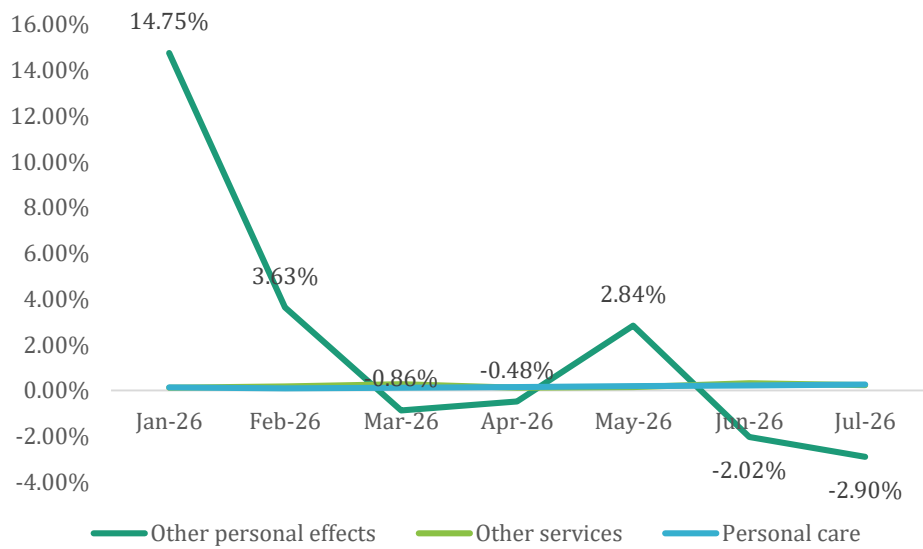
Source: Ministry of Statistics and Programme Implementation, GoI
Note: (F) = Final data, (P) = Provisional data

Inflation slows as prices of items within the ‘Other personal effects’ group decrease in July, 2026 compared to June, 2026

Y-o-Y inflation rates for groups within the Personal care, social protection and miscellaneous goods division



M-o-M inflation rates for groups within the Personal care, social protection and miscellaneous goods division



Transport

- Decreasing Y-o-Y inflation for the Personal care, social protection and miscellaneous goods division is driven by reduction inflation in ‘Other personal effects’ group. This group shows a downward trend in inflation rate from January, 2026 to July, 2026.
- The inflation rate for this group decreasedcd from 50.17% in June, 2026 to 43.54% in July, 2026. This indicates that while prices of items within this group were higher compared to July, 2025, the increase was less compared to the difference in prices between June, 2026 and June, 2025.
- The M-o-M inflation for the ‘Other personal effects’ group decreased from -2.02% in June 2026 to -2.90% in July, 2026. This suggests that there is increasing momentum in the price drop of items within the group on a month-on-month basis.

Source: Ministry of Statistics and Programme Implementation, GoI
Note: (F) = Final data, (P) = Provisional data

Meat, fresh, chilled or frozen shows 15.30% y-o-y inflation rate in July 2026, highest within Food and beverage division

Food and beverages (Division)	June 2026 (F)	July 2026 (P)
Beverages (Group)		
Cocoa drinks	1.33%	1.35%
Coffee and coffee substitutes	3.86%	2.52%
Fruit and vegetable juices	1.23%	1.28%
Other beverages	-0.93%	-1.19%
Soft drinks	-0.59%	-0.36%
Tea, maté and other plant-derived products for infusion	-0.38%	-0.58%
Water	-0.83%	-0.67%
Food (Group)		
Cereals and cereal products	0.94%	1.68%
Fish and other seafood	7.70%	7.86%
Fruits and nuts	8.62%	8.34%
Meat, fresh, chilled or frozen	9.70%	15.30%
Milk, other dairy products and eggs	4.08%	4.76%
Oils and fats	9.46%	9.68%
Ready-made food and other food products	6.75%	8.96%
Sugar, confectionery and desserts	2.39%	3.41%
Vegetables, tubers, plantains, cooking bananas and pulses	4.42%	1.31%
Services for processing primary goods for food (Group)		
Services for processing primary goods for food	3.35%	3.50%

Source: Ministry of Statistics and Programme Implementation, GoI

Coffee driving reduced inflation rates in the Beverages Group

- **Coffee and coffee substitutes** showed the highest inflation rate of 2.52% in July, 2026 among the Beverages group. This is a decrease of 133 Basis Points (BPS) compared to June, 2026. The previously inflated prices due to international supply chain disruption of coffee throughout 2024-25 have started to ease due to strong domestic production. The post-blossom (May onwards) estimates of coffee production in 2026-27 are 2,79,275 Metric Tonnes (MT), 22,580 MT higher than the final estimates of 2025-26. This shows an increase in domestic supply of coffee compared to last year.

Meat products and Ready-made food drive inflation in the Food group

- **Meat, fresh, chilled or frozen** showed the highest inflation rate of 15.30% in July, 2026, a stark increase of 560 BPS from June, 2026. This increase is primary due to increase in prices of chicken, which inflated at 19.55% in June, 2026. Poultry has become costlier as poultry feed, especially Soymeal, has become expensive. As of May, Soymeal prices increased by up to 41%, costing INR 66,000/ MT. The poultry industry continues to absorb cost pressures by substituting domestic Soymeal with imports from Africa.
- **Ready-made food and other food products** shows the second highest increase in inflation rate, jumping from 6.75% in June, 2026 to 8.96% in July, 2026. Ginger prices contributed the most to this rise in inflation, with inflation rate for ginger being 83.63% in July, 2026, 33.21% higher compared to June, 2026. The high prices are attributable spread of fungal diseases in ginger crops in major producing states like Karnataka, Maharashtra, and Madhya Pradesh in 2025. This resulted in poor harvest of Ginger in 2025-26 May-June harvesting season, resulting in exorbitant prices.

Households face increased expenses as Liquid fuel price inflate at 7.40% and Solid fuel at 7.03% in June 2026

Housing, electricity, gas and other fuels (Division)	Jun-26 (F)	Jul-26 (P)
Actual rental payments made for housing	1.99%	2.11%
Electricity, gas and other fuels	1.75%	2.02%
Electricity	-3.18%	-3.07%
Gas	4.60%	4.99%
Liquid fuels	7.40%	4.88%
Solid fuels	7.03%	7.48%
Maintenance, repair and security of the dwelling	3.24%	3.41%

Continued high LPG cylinder prices drove inflation rates of Housing, water, electricity and other fuels division

The **Electricity, gas and other fuels** group has the second highest weigh within the division. This group showed the highest increase in inflation rate, going from 1.75% in June, 2026 to 2.02% in July, 2026.

- The **Gas** class, weighed highest in the Electricity, gas and other fuels group had an Y-o-Y inflation of 4.99% in July, 2026.
- The M-o-M inflation of LPG cylinders, the only item under this class, was 0.08% in July, 2026. This indicates that the prices of LPG cylinders remained stable between June, 2026 and July, 2026
- This suggests that while LPG cylinders did not increase in costs in July, 2026 compared to June, 2026, their prices remained significantly higher compared to July, 2025 (up to INR 994 for a 14.2kg cylinder in Hyderabad). This is due to the increased prices of crude oil required to produce LPG.

Source: Ministry of Statistics and Programme Implementation, Gol,

Passenger transport by air gets costlier and Airline companies reduce domestic flights

Transport Divisions	Jun-26 (F)	Jul-26 (P)
Operation of personal transport equipment	7.35%	7.37%
Passenger transport services	2.61%	2.89%
Passenger transport by air	10.14%	22.94%
Passenger transport by railway	3.07%	2.83%
Passenger transport by road	2.21%	2.58%
Passenger transport by sea and inland waterway	0.73%	0.84%
Purchase of vehicles	-4.59%	-4.37%
Transport services for goods	7.71%	7.76%

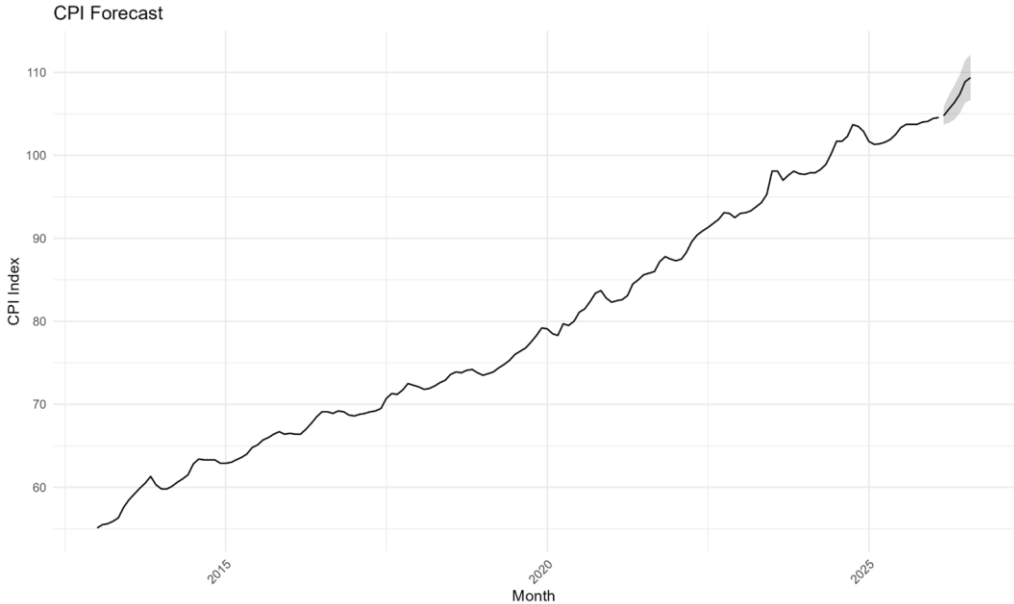
Source: Ministry of Statistics and Programme Implementation, GoI,

Passenger transport by air contributes significantly to increasing inflation in the Transport division

Passenger transport services, weighed the second highest within the Transport division, showed the highest increase in inflation rates, going from 2.61% in June, 2026 to 2.89% in July, 2026.

- Within the Passenger transport Services group, the class of **Passenger transport by air** showed the highest inflation rate of 22.94% in July, 2026 This is more than twice the inflation rate of 10.14% in June, 2026.
- When comparing monthly prices, the Passenger transport by air shows a 0.50% deflation rate, indicating that there was a slight decrease in air travel prices in July, 2026 compared to June, 2026.
- The above inflation rates suggest that while air travel prices have remained relatively constant from June, 2026 to July, 2026, they have increased significantly compared to the respective months in 2025. This increase is primarily due to supply chain disruptions in crude oil which is resulting in costlier Aviation Turbine Fuel. This has resulted in airlines to reduce the extent of their domestic flights by up to 22%. Reduced availability of flights have led to a supply shortage, causing inflation rates to balloon.

CPI inflation remains below predicted inflation levels computed in March, 2026



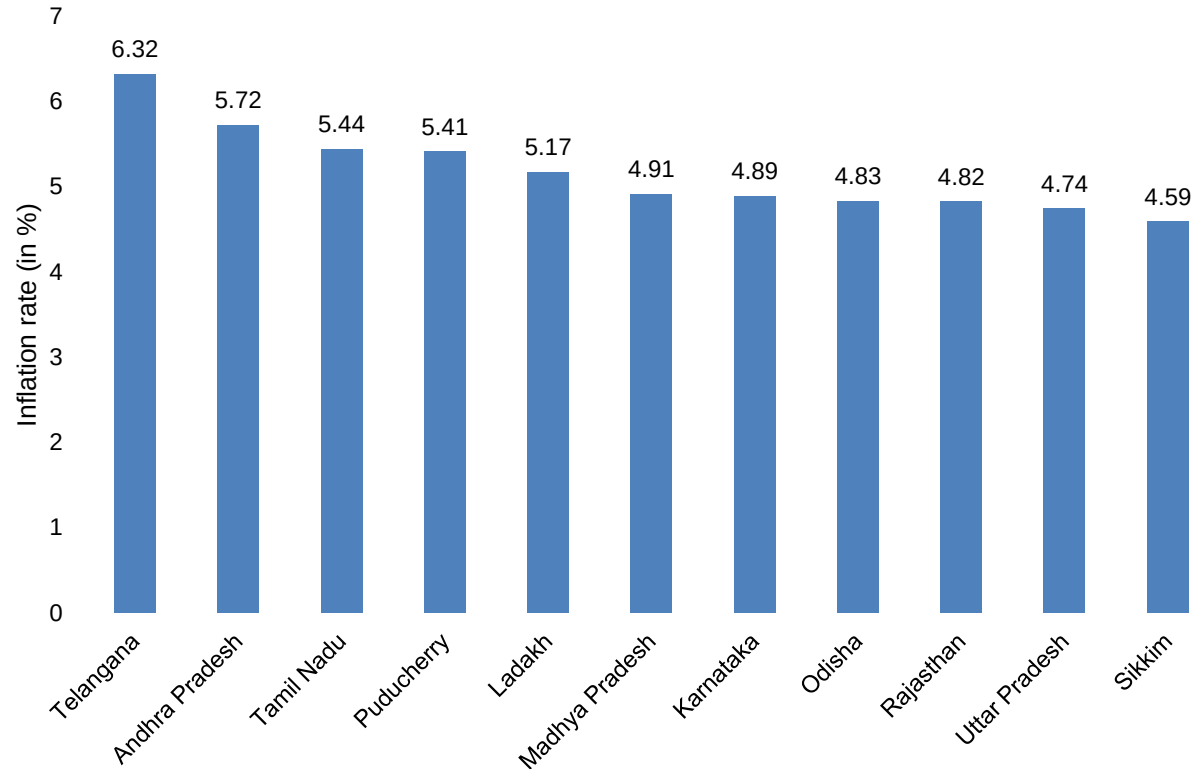
Date	Forecast
26-Mar	3.33%
26-Apr	3.96%
26-May	4.38%
26-Jun	4.75%
26-Jul	5.35%
26-Aug	5.43%

The Seasonally adjusted forecast for July, 2026 (computed in March, 2026) indicates:

- The forecasted Y-o-Y CPI inflation for July, 2026 was 5.35% compared to the provisional reported inflation of 4.45% in the same period.
- The actual inflation being lower than predicted level suggests that the Indian economy, guided by various government policies and decisions made by the Monetary Policy Committee, has managed to absorb most of the supply side pressured caused by the geo-political tensions in Wes-ASIA.

Agriculture oriented states continue to face supply side pressures as El-Nino conditions persist

State-wise Y-o-Y inflation rates for July 2026, for states with inflation > 4.45% (General inflation rate)



Source: Ministry of Statistics and Programme Implementation, GoI

The state-wise breakdown of CPI inflation rates indicate:

- 11 out of 36 total states have a combined CPI inflation higher than the all India average of 4.45% in June 2026.
- The diffusion index for June 2026 for states showing inflation higher than the combined CPI inflation is 30.5, indicating that the spread of high inflation rates is confined across India.
- Telangana shows highest combined CPI inflation of 6.32% in July, 2026.
- The states presented are agriculture-oriented. With the presence of El Nino conditions and subsequent supply disruptions for agricultural produce, higher food prices pushed the overall inflation rates in these states higher than the general level.

Disclaimer

“PHDCCI Analysis of CPI” is prepared by PHD Chamber of Commerce and Industry. This report may not be reproduced, wholly or partly in any material form, or modified, without prior approval from PHD Chamber of Commerce and Industry. It may please be noted that this report is for guidance and information purposes only. Though due care has been taken to ensure accuracy of the information to the best of the PHD Chamber's knowledge and belief, it is strongly recommended that readers should seek specific professional advice before making any decisions. Please note that the PHD Chamber of Commerce and Industry do not take any responsibility for outcome of decisions taken as a result of relying on the content of this report. PHD Chamber of Commerce and Industry shall in no way, be liable for any direct or indirect damages that may arise due to any act or omission on the part of the reader or user due to any reliance placed or guidance taken from any portion of this publication.

Copyright 2026

PHD Chamber of Commerce and Industry

ALL RIGHTS RESERVED

No part of this publication including the cover, shall be reproduced, stored in a retrieval system, or transmitted by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of, and acknowledgement of the publisher (PHD Chamber of Commerce and Industry).



Research Team

Mr. Sanat Kumar
Chief Economist

Dr. Mansi Vinaik
Deputy Secretary

Ms. Riyanshi Singh
Research Associate

Mr. Aryan Bisoi
Research Associate