



FINANCIAL ANALYSIS

Reading inflation data

How to read a CPI release: the index and the rate, this month against last year, provisional against final

CPI figures up to September 2026, released by MoSPI on 12 October 2026

For training and education only. Not investment advice.

The inflation rate compares this month's prices with the same month a year ago. So last year's prices move it.

So the rate can rise while prices rise slowly, or barely move while prices rise fast. Reading the index alongside the rate shows which is happening.

Four terms in every CPI release



The index

A number that tracks the cost of a fixed basket. It is set to 100 for the year 2024. September 2026: 109.49.



Year-on-year rate

The index against the same month a year earlier. This is the headline inflation figure: 5.54% for September 2026.



Monthly change

The index against the month before. It is not the headline figure, but anyone can work it out from two index values.



Provisional, final

Each month's figure is first provisional and is made final a month later. August 2026: 4.82% first, 4.83% final.

Sources: MoSPI CPI press releases (base 2024=100) for August 2026 (14 Sep 2026) and September 2026 (12 Oct 2026).

Reading the September 2026 figure

SEPTEMBER 2026

All India CPI, rural and urban combined.

Index: August 2026 108.74,
September 2026 109.49.

A year earlier: August 2025 103.74,
September 2025 103.74.

- 1 Year on year: $109.49 \div 103.74 = 1.0554$. Inflation is 5.54%, the provisional figure MoSPI published.
- 2 This month: $109.49 \div 108.74 = 1.0069$. Prices rose 0.69% during September 2026.
- 3 A year ago the index did not move from August to September 2025. It was 103.74 in both months.
- 4 With the base unchanged, the rate rose by about this month's price rise: 0.71 point, from 4.83% to 5.54%.

When last year's index was flat, this month's price rise passes almost straight into the rate.

Actual figures: MoSPI CPI release for September 2026, 12 Oct 2026. September 2026 is provisional.

The base effect: July 2026

JULY 2026

Index: June 2026 107.00, July 2026 107.95.

A year earlier: June 2025 102.51, July 2025 103.35.

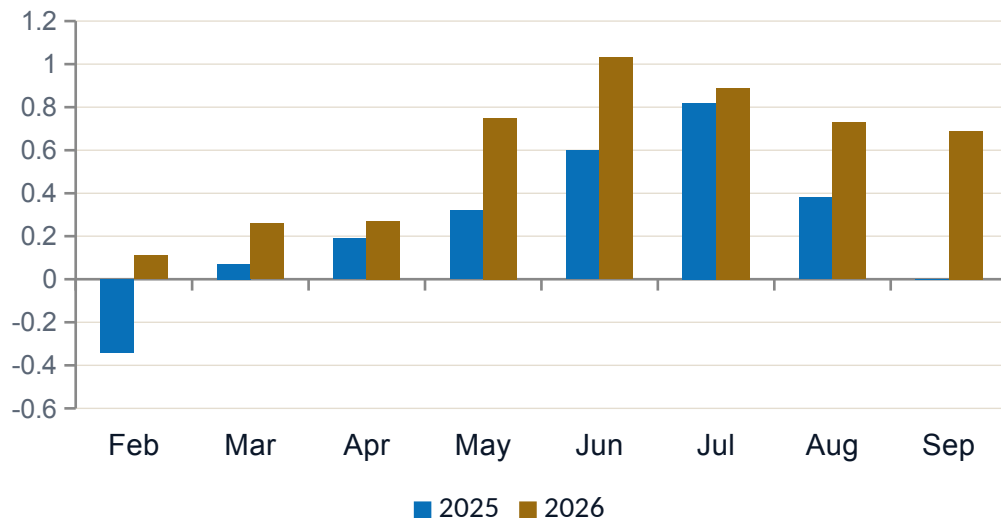
- 1 This month: $107.95 \div 107.00 = 1.0089$. Prices rose 0.89% in July 2026.
- 2 A year ago: $103.35 \div 102.51 = 1.0082$. Prices had also risen 0.82% in July 2025.
- 3 The rate compares 107.95 with 103.35: 1.0445, so inflation is 4.45%.
- 4 It rose only 0.07 point from June's 4.38%, because the base had risen almost as much as prices did.

A large price rise a year ago holds this year's rate down. That is the base effect.

Actual figures: MoSPI CPI (base 2024=100), All India Combined, release of 12 Oct 2026 (Annexure IV).

This month against a year ago

Monthly change in the CPI index, per cent



Read the chart

- When the 2026 bar is taller than the 2025 bar, the yearly rate goes up that month.
- When it is shorter, the rate goes down, even though prices are still rising.
- July: 0.89% against 0.82%. The rate rose only from 4.38% to 4.45%.
- September: 0.69% against 0.00%. The rate rose from 4.83% to 5.54%.

Source: computed from MoSPI CPI indices (base 2024=100, All India Combined), release of 12 Oct 2026, Annexure IV. September 2026 is provisional.

Which inflation number is which

Measure	What it covers	Latest
CPI, combined	Prices households pay, rural and urban together. The headline figure, and the index in which RBI's 4% target is set.	5.54% (Sep)
Rural and urban CPI	The same kind of basket, priced separately in villages and in towns.	6.08% / 4.88% (Sep)
Food (CFPI)	MoSPI's Consumer Food Price Index. Food prices can swing more than the rest of the basket.	7.74% (Sep)
Core inflation	CPI without food and beverages and fuel, as RBI defines it. MoSPI's CPI release gives no core figure.	4.2% (Aug)
WPI	Wholesale prices of goods: primary articles, fuel and power, manufactured products. Base 2022-23.	11.39% (Sep)

Sources: MoSPI CPI release, 12 Oct 2026; DPIIT WPI release, 14 Oct 2026; RBI Governor's Statement, 7 Oct 2026 (core); RBI monetary policy overview (target).

Where things stand

Latest official figures. September figures are provisional and can be revised next month.

CPI INFLATION

5.54%

September 2026, up
from 4.83% in August.
Index 109.49.

FOOD (CFPI)

7.74%

September 2026, up
from 5.97% in August.

WPI INFLATION

11.4%

Sep 2026: 11.39%
(base 2022-23), up
from 9.92% in Aug
(provisional).

NEXT CPI RELEASE

12 Nov

October 2026 figures:
12 November 2026, or
the next working day.

Sources: MoSPI CPI press release for September 2026, 12 Oct 2026; DPIIT Office of the Economic Adviser, WPI press release for September 2026, 14 Oct 2026.

If you learnt this from older material

What older decks say

- Inflation is quoted from a weekly Wholesale Price Index.
- The CPI has base year 2012 or earlier.
- WPI is on base year 2011-12 or an earlier base.
- There is no formal inflation target.

What holds now

- Headline WPI is monthly. Weekly food data stopped in Feb 2012.
- CPI base year is 2024, from the release of 12 February 2026.
- WPI base year is 2022-23 from 15 June 2026, with 957 items in place of 697.
- RBI's target is 4% CPI inflation, within 2% to 6%, since August 2016.

Sources: MoSPI CPI release, 12 Feb 2026; DPIIT note for WPI users, 1 Jun 2026, and WPI FAQs; RBI monetary policy overview; PTI report, 2 Feb 2012 (weekly WPI).

Four things people get wrong



'The rate barely moved, so prices did too.'

It may be the base. In July 2026 prices rose 0.89% in the month, yet the rate rose only 0.07 point.



'CPI and WPI should match.'

They price different baskets at different stages. For September 2026, CPI showed 5.54% and WPI 11.39%.



'Provisional means unreliable.'

It means first estimate, made final a month later. August 2026 moved from 4.82% provisional to 4.83% final.



'5.54% means my costs rose 5.54%.'

It is an average for the country. In the same month rural CPI showed 6.08% and urban CPI 4.88%.

Sources: MoSPI CPI releases, 14 Sep and 12 Oct 2026; DPIIT WPI release, 14 Oct 2026.

Reading a CPI release in four steps

1

Note the month and status

Which month, and is it provisional or final? Each release gives the latest month provisional and the one before final.

2

Read the rate and the index

The rate is the headline. The index lets you check it: this year's index $\div$ last year's, minus 1.

3

Find this month's change

Divide this month's index by last month's. That is how much prices moved in the month itself.

4

Check the base

Do the same for the same month a year ago. If last year's rise was bigger, the rate falls; if smaller, it rises.

We explain the numbers. We do not say where inflation or interest rates are heading.

Source: MoSPI CPI press releases (base 2024=100), format as of the release of 12 Oct 2026.

Check yourself

Q1

An index is 120.0 this month and was 115.0 in the same month last year (assumed figures). What is the year-on-year inflation rate?

Q2

Prices rise 0.5% this month. In the same month last year they rose 0.8% (assumed figures). Does the yearly rate go up or down?

Q3

A client says WPI inflation is 11.39%, so household costs must be up 11%. What would you explain?

Sources and disclaimer

SOURCES FOR THE FIGURES IN THIS DECK

- CPI and CFPI rates, rural and urban rates, and index values from January 2025 to September 2026: MoSPI CPI press release for September 2026 (base 2024=100), 12 Oct 2026.
- August 2026 provisional rate: MoSPI CPI press release, 14 Sep 2026. CPI 2024 series and January 2026 provisional rate: MoSPI first release on base 2024=100, 12 Feb 2026.
- WPI for September 2026 and August 2026, base 2022-23: DPIIT Office of the Economic Adviser, press release of 14 Oct 2026; note for WPI users, 1 Jun 2026; WPI FAQs.
- Core inflation and its definition: RBI Governor's Statement, 7 Oct 2026. Inflation target: RBI, monetary policy overview on [rbi.org.in](https://www.rbi.org.in).
- End of the weekly WPI release: PTI report of the Commerce Ministry statement, 2 Feb 2012 (secondary source).
- Monthly changes on slides 4 to 6 are computed from MoSPI's published indices. Quiz figures are assumed.

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