

CPI Inflation Monitor: June 2026

Technical Note on inflation movement – National and major microfinance states

New CPI Series (Base 2024 = 100) | Data released by MoSPI on 13 July 2026

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Key Messages

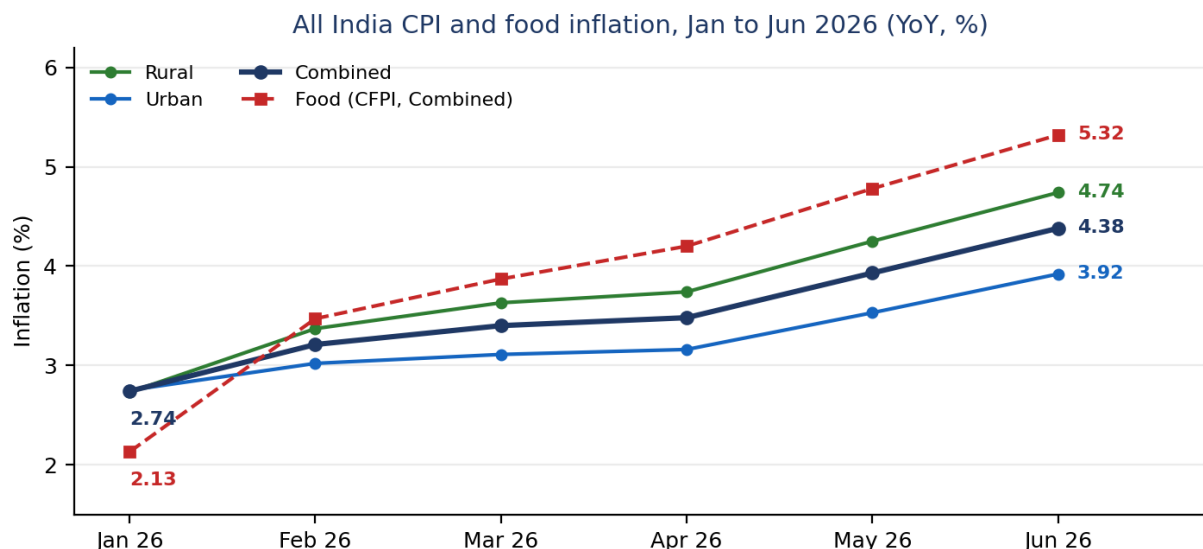
- **Headline:** All India CPI inflation rose for the sixth straight month to 4.38% in June 2026 (Rural 4.74%, Urban 3.92%), up from 2.74% in January. Food inflation (CFPI) is running ahead of the headline at 5.32%.
- Rural households faced higher inflation than urban in every month of 2026; the gap widened to 82 basis points in June, directly relevant for microfinance borrowers.
- Across the top 15 GLP states, inflation is highest in Andhra Pradesh (5.39%) and Tamil Nadu (5.24%), and lowest in Bihar (3.28%). Eleven of 36 States/UTs are above the All-India rate.
- Food is the single largest driver of inflation in every top 15 GLP states. Of Bihar's total inflation of 328 bps (3.28%), food alone contributes 196 bps, or 60%. In Uttar Pradesh food accounts for 168 of 456 bps and in Tamil Nadu 214 of 524 bps. Across the top 15 states, transport adds a further 18 to 55 bps and LPG/piped gas 4 to 19 bps.
- Fastest 6-month accelerations: Odisha (+3.3 pp since January), Assam (+2.8), Andhra Pradesh (+2.6), Madhya Pradesh (+2.4).

1. All India: inflation is climbing, and food is leading it

Table 1: All India inflation, June 2026 (Provisional, YoY)

Indicator (YoY, %)	Rural	Urban	Combined	Combined, May 2026
CPI General inflation	4.74	3.92	4.38	3.93
Food inflation (CFPI)	5.45	5.09	5.32	4.78

Source: MoSPI. Data as released on 13 July 2026.

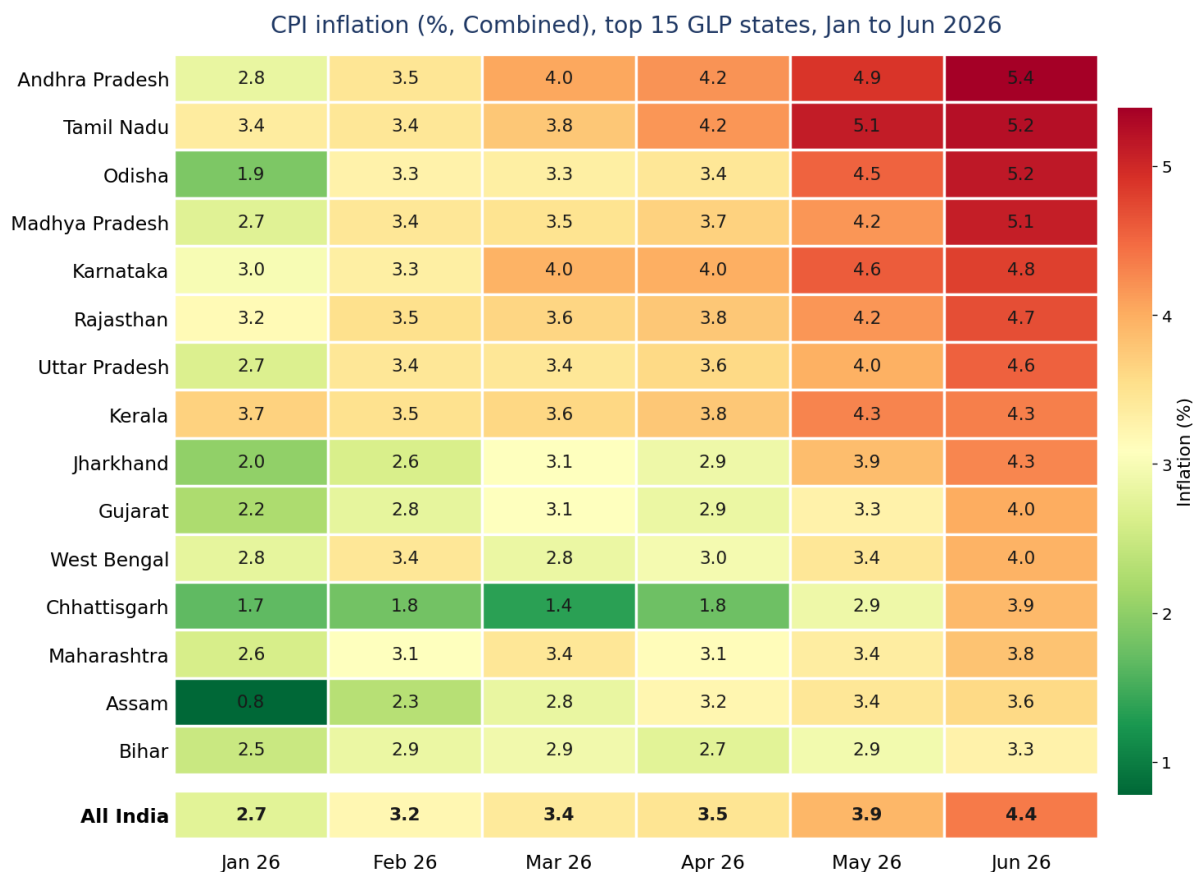


Source: MoSPI, MFIN calculations.

Headline inflation has risen every month of 2026, from 2.74% in January to 4.38% in June. Food inflation crossed the headline in February and reached 5.32% in June. Rural inflation (4.74%) exceeds urban (3.92%) and the gap has widened for four consecutive months. For microfinance borrowers, whose consumption basket is dominated by food and fuel, effective inflation is closer to the rural and food readings than to the headline.

2. State heat map: where inflation is concentrated

Figure 2: CPI inflation (Combined), top 15 states by microfinance GLP, sorted by June 2026. Colours run green (low) to red (high).



Source: MoSPI, MFIN calculations.

The southern belt is averaging high: Andhra Pradesh and Tamil Nadu have climbed steadily into the mid 5s, while Kerala (4.34%) sits just below the national rate but carries rural inflation of 5.07%, well above the all India rural rate of 4.74%. Odisha shows the sharpest uptick, from 1.87% in January to 5.15% in June. At the other end, Bihar (3.28%), Assam (3.59%) and Maharashtra (3.81%) remain below the national rate.

3. What is driving it: food, transport and LPG in basis points

Table 2 deconstructs each state's June inflation into contributions, in basis points, from the three heads that have a direct bearing on microfinance households.

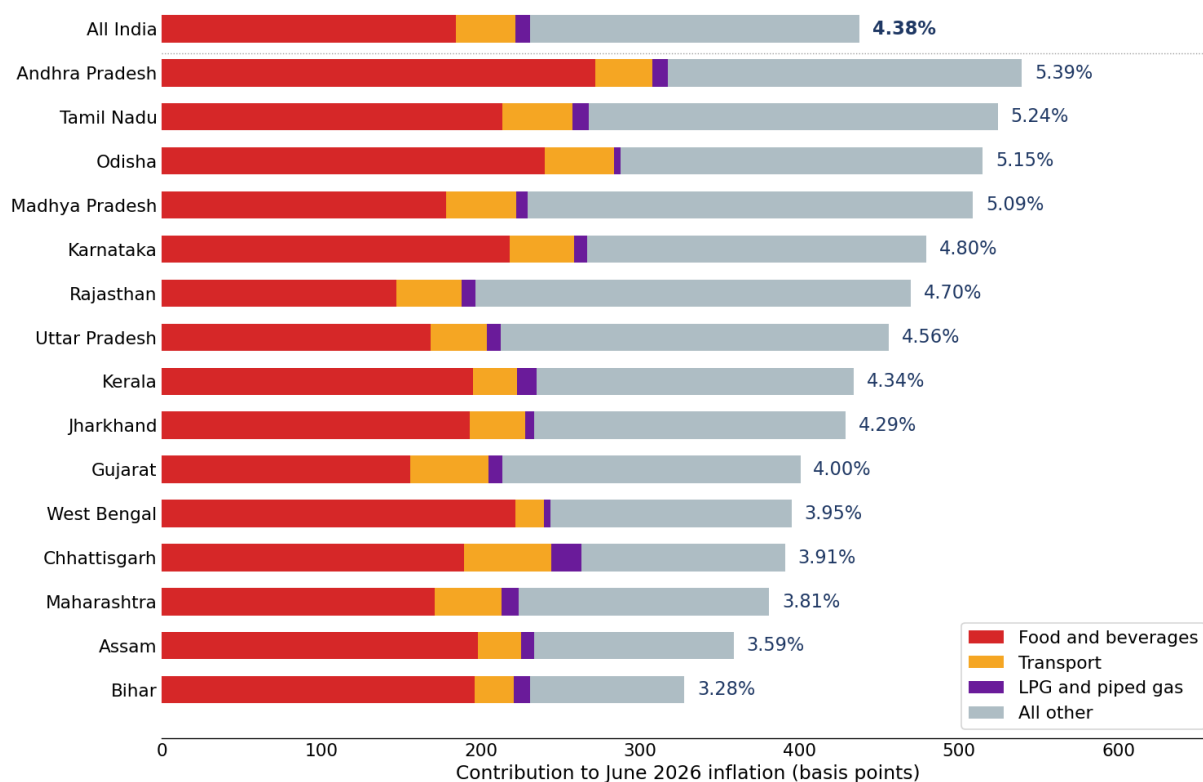
Table 2: Contribution to June 2026 inflation (basis points), top 15 GLP states

State	Combined				Rural			
	Infl (%)	Food bps	Trpt bps	LPG bps	Infl (%)	Food bps	Trpt bps	LPG bps
Bihar	3.28	196	25	10	3.38	196	25	10
Uttar Pradesh	4.56	168	36	9	4.94	187	36	8
Tamil Nadu	5.24	214	44	10	5.49	246	47	12
Karnataka	4.80	218	41	8	5.26	259	41	9
West Bengal	3.95	222	18	4	4.38	246	19	3
Maharashtra	3.81	171	42	11	4.79	247	52	13
Madhya Pradesh	5.09	178	44	7	5.26	199	46	6
Odisha	5.15	240	43	4	5.40	262	40	4
Rajasthan	4.70	147	41	8	5.09	158	41	7
Jharkhand	4.29	193	35	5	4.65	212	32	4
Andhra Pradesh	5.39	272	36	9	5.71	311	39	10
Kerala	4.34	195	27	12	5.07	286	24	13
Assam	3.59	198	27	8	3.93	227	27	8
Gujarat	4.00	156	49	9	4.39	191	46	11
Chhattisgarh	3.91	189	55	19	4.44	228	54	14
All India	4.38	184	37	9	4.74	217	37	9

Trpt = Transport division. LPG = item LPG cylinder and piped natural gas. Remaining bps come from housing, clothing, health, education and other divisions.

Source: MoSPI, MFIN calculations.

What drove June 2026 inflation (Combined): contribution in basis points



Source: MoSPI; MFIN calculations.

- Food is the dominant driver everywhere: it accounts for 31 to 60% of total inflation across the top 15 states, with the largest absolute contributions in Andhra Pradesh (272 bps), Odisha (240) and West Bengal (222).

- Rural contributions are heavier: in Uttar Pradesh, for example, food contributes 187 bps to rural inflation against 168 bps combined, because food carries a larger weight in the rural basket. Kerala is the sharpest case: food contributes 286 bps to rural inflation against 195 bps combined, on rural food inflation of 8.2%, the highest among the top 15 states. The Rural panel of Table 2 is the better lens for JLG heavy portfolios.
- Transport and LPG are secondary but rising: Chhattisgarh stands out with 55 bps from transport and 19 bps from LPG, the highest fuel pressure among the top 15.

4. What can Member REs do?

- Analyse own state wise GLP and PAR alongside the heat map in Figure 2. Where high or accelerating inflation coincides with a large GLP share or already elevated PAR, keep a close watch on disbursements and repayments.
- Geographies to be watched : Andhra Pradesh, Tamil Nadu, Odisha and Madhya Pradesh, which are above national inflation with steep six month accelerations, and Kerala, where rural inflation (5.07%) and rural food inflation (8.2%) run well above the national rates. Odisha and Assam have accelerated fastest since January.
- Expect pressure on borrower cash flows: with rural food inflation above 5%, household budgets of typical microfinance clients might be squeezed. Field teams should be sensitised for early signs of repayment stress, and collections practices should remain empathetic.
- This note is descriptive: it maps official inflation data; it does not model or predict portfolio outcomes. Each RE should read its own GLP and PAR distribution against these movements.

Annexure A: State/UT wise inflation, June 2026 (YoY, %)

State/UT	Rural	Urban	Combined	Jan	Mar	May
Andaman And Nicobar Islands	6.42	3.67	5.08	4.27	3.44	4.40
Andhra Pradesh	5.71	4.89	5.39	2.83	4.05	4.90
Arunachal Pradesh	2.33	2.87	2.47	1.29	2.31	2.58
Assam	3.93	2.26	3.59	0.78	2.83	3.44
Bihar	3.38	2.67	3.28	2.48	2.92	2.94
Chandigarh	NA	4.26	4.26	2.33	3.17	3.80
Chhattisgarh	4.44	2.89	3.91	1.67	1.35	2.87
Goa	2.58	3.39	3.10	1.92	2.21	2.47
Gujarat	4.39	3.74	4.01	2.23	3.07	3.27
Haryana	4.12	3.49	3.81	2.55	2.68	3.09
Himachal Pradesh	3.12	4.48	3.33	2.92	3.05	3.05
Jammu And Kashmir	3.50	3.38	3.47	1.34	2.20	2.84
Jharkhand	4.65	3.59	4.29	2.02	3.08	3.86
Karnataka	5.25	4.34	4.80	2.99	3.96	4.59
Kerala	5.07	3.74	4.34	3.67	3.62	4.30
Ladakh	4.16	3.64	4.03	1.76	0.94	3.14
Lakshadweep	2.65	3.39	3.19	3.02	3.29	3.57
Madhya Pradesh	5.26	4.82	5.09	2.72	3.49	4.17
Maharashtra	4.79	3.18	3.81	2.60	3.44	3.35
Manipur	3.23	2.33	2.94	0.12	1.96	2.79
Meghalaya	2.70	2.46	2.64	1.66	2.96	2.70
Mizoram	1.88	1.43	1.63	0.25	0.66	1.03
NCT of Delhi	3.92	2.94	2.96	2.15	1.86	2.50
Nagaland	2.87	2.76	2.83	2.36	3.23	3.30
Odisha	5.40	4.47	5.15	1.87	3.32	4.54
Puducherry	6.05	5.10	5.39	3.39	4.18	5.00
Punjab	4.25	3.34	3.83	2.71	2.97	3.34
Rajasthan	5.09	3.98	4.70	3.17	3.64	4.17
Sikkim	4.61	4.27	4.49	3.04	4.28	4.23
Tamil Nadu	5.49	5.05	5.24	3.36	3.77	5.11
Telangana	6.94	5.94	6.36	4.92	5.83	6.15
The Dadra And Nagar Haveli And Daman And Diu	4.68	4.11	4.25	2.58	3.19	3.99
Tripura	1.46	2.27	1.65	1.29	2.25	2.02
Uttar Pradesh	4.94	3.75	4.56	2.67	3.43	3.97
Uttarakhand	4.60	3.32	4.13	2.15	3.31	3.72
West Bengal	4.38	3.42	3.95	2.79	2.84	3.44
All India	4.74	3.92	4.38	2.74	3.40	3.93

NA: Chandigarh has no rural market. Jan, Mar, May columns show Combined inflation for those months of 2026. Colour scale as in Fig 2.
Source: MoSPI, MFIN calculations.