ECONOMY

Retail inflation eases to 3.16%, the lowest in nearly six years

Cooling food prices pulled consumer inflation down in April for a third month below the RBI's 4% target, strengthening the case for more rate cuts.

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Retail inflation eases to 3.1%, the lowest in 14 months

In 60 seconds

1. CPI inflation fell to 3.16% in April 2025 from 3.34% in March.
2. It is the lowest rate since July 2019.
3. Food inflation dropped to 1.78%, its lowest since October 2021.
4. Inflation has stayed below the RBI's 4% target for three months.

India's retail inflation eased to 3.16% in April 2025, from 3.34% in March, data from the statistics ministry showed on Tuesday. It was the lowest annual rate since July 2019 and came in below economists' expectations.

Food prices lead the fall

The main driver was food. Food inflation fell to 1.78%, the lowest since October 2021, as prices of vegetables, pulses and other staples cooled after a good harvest.

Core inflation, which strips out volatile food and fuel prices, was steadier at about 4.1%, a reminder that price pressures outside food have not disappeared entirely.

> *Inflation has now been below the RBI's 4% target for three straight months.*

Room for the RBI

Lower inflation gives the Reserve Bank of India more space to cut interest rates to support growth. The RBI has already lowered its repo rate twice this year, in February and April, and economists said the latest data strengthens the case for further easing at its June meeting.

What it means for households

Slower price rises leave households with more spending power, especially lower-income families who spend a large share of their budgets on food. If the RBI cuts rates again, borrowers could also see lower EMIs on loans linked to the repo rate.