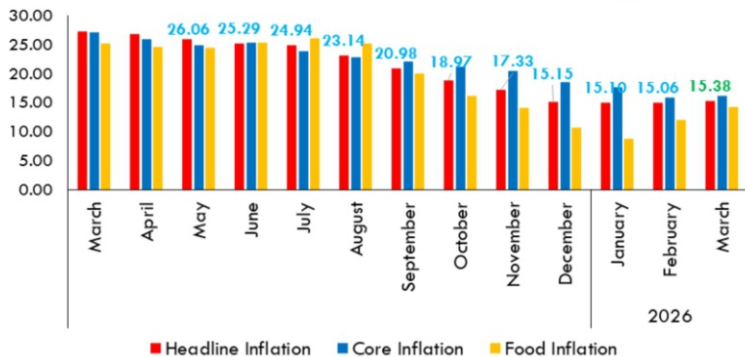


INFLATION REPORT MARCH 2026

Rebased Headline, Core and Food Inflation Movement (y/y)



Our Review:

Headline inflation edged higher to 15.38% in March from 15.06% in February, signaling a pause to the recent disinflation trend. While there was a significant decline when compared to its position in March of the previous year owing largely to base effects, inflationary pressures intensified on a month-on-month basis, driven primarily by the sharp increase in core inflation.

Compared to the previous month, food inflation moderated slightly, suggesting some gradual easing in supply-side pressures involving factors such as favourable weather condition. Core inflation, on the other hand, surged significantly due to pressures from energy cost resulting from lingering global challenges, and import dependence.

Finally, urban inflation declined whereas rural inflation rose, indicating different price trends across regions. Looking ahead, we anticipate inflationary pressure high, causing headline inflation to hit 15.69% in April, driven by persisting geopolitical and global tension and uncertainties.

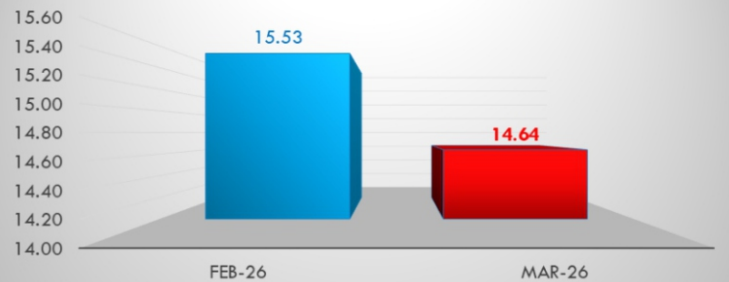
In March, headline inflation rose slightly to 15.38% year-on-year from 15.06% in February 2026, marking a 0.32% increase, while declining by 11.97% when compared to the 27.35% recorded in March 2025.

Similarly, on a month-on-month (m/m) basis, Headline inflation stood at 4.18% in March 2026, reflecting an increase of 2.17%, compared to the 2.01% recorded in February 2026.

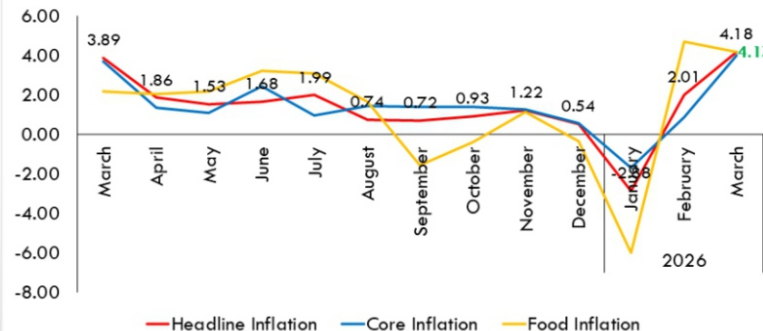
However, **food inflation** moderated to 4.17% in March m/m, declining by 0.52% from 4.69% recorded in February 2026. The **Core Inflation** rate surged to 4.03% m/m in March 2026, indicating a 3.14% rise from February 2026.

On the other hand, the **Urban inflation** rate declined by 0.89%, as it was reported to be 14.64% y/y in March 2026, as against 15.53% computed in February 2026. In contrast, **rural inflation** rose to 17.20% in March 2026, representing a 3.27% increase from 13.93% in the previous month.

Urban Inflation y/y



Headline, Core, and Food Inflation Trend (m/m)



Rural Inflation y/y

