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## **Inflation seen at 11.98% on September 27th 2008**

*Friday, 10 Oct, 2008*

Reuters reported that inflation rate in India was seen at 11.98% on September 27th 2008 as against 12.13% on September 20th.

The annual inflation rate is expected to remain just below 12% in the last week of September, helped by cheaper prices of fuel and some foods.

According to the median estimate from the poll of 10 economists, the wholesale price index is forecast to have up by 11.98% in the 12 months to September 27th having posted a rise of 11.99% in the previous week.

In early August, the inflation rate was 12.63% the highest reading since annual numbers in the current data series became available in April 1995. It jumped into double digits after a hike in retail fuel rates in June.

Analysts said that inflation has probably already peaked, and may now embark on a downtrend, but the base effect was likely to play a key role in the next few weeks.

Mr Shubhada Rao chief economist at Yes Bank said that "We are likely to see a lower fuel price index and even the primary articles are expected to decline, so we expect inflation one tick lower at 11.98."

Mr Duvvuri Subbarao central bank governor said that inflation was showing signs of moderating but it was too early to conclude whether this was a trend.

A senior finance ministry official said recently said that the rate was unlikely to fall below 10% in 2008 while the deputy head of the government's planning commission said it would fall to single digits in a couple of months.

The India government said that inflation would hit 13% and start moderating from December before settling at 8.0% to 9.0% by the end of the fiscal year in March.

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