

CPI Inflation Eases but Food Prices Remain Volatile in December 2025

India's headline consumer inflation edged up in December 2025, even as food prices stayed in deflationary territory. The all-India Consumer Price Index (CPI) rose 1.33% year-on-year, marking a 62-basis point increase from November. Food inflation, measured by the Consumer Food Price Index (CFPI), remained negative at -2.71%, although it narrowed sharply compared to the previous month. The rise in overall inflation was largely driven by higher prices of vegetables, pulses, meat, fish, eggs, spices, and personal care items.

Rural inflation remained relatively muted at 0.76%, while urban inflation climbed more sharply to 2.03%, reflecting stronger price pressures in cities. Housing, education, and health inflation stayed elevated but showed marginal easing, while fuel, transport, and communication inflation softened slightly. Overall, the data suggests inflation is contained for now, but food price volatility continues to influence monthly movements.

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