

November headline inflation ticked up to 0.7%, driven by fading base effects and an uptick in food prices. Notably, some categories (prepared meals, non-alcoholic beverages, HH goods and services, and tobacco and intoxicants) are likely to have seen further pass-through of GST cuts. Core CPI dipped to 4.3% as gold (and silver) prices took a breather during the month, with core ex-gold rising to 3.4% as a result. December CPI is currently tracking at 1.6%, as base effects fade further and with food prices also increasing marginally. FY26E headline CPI forecast remains unchanged at 1.9%, with core CPI at 4.3%. With the RBI delivering a dovish cut in December, we do not rule out another rate cut in this cycle which is likely to be contingent on evolution of growth-inflation dynamics. We maintain our stance that the Rupee weakness will not constrain further easing but act as a natural stabilizer vs erosion of export competitiveness.

Headline CPI sees an uptick to 0.7% on fading base effect and higher food prices

Headline CPI inflation rose to 0.71% in Nov-25 (Emkay: 0.8%, prior: 0.25%), with food price deflation continuing (F&B CPI: -2.8% YoY). Monthly momentum ticked up to 0.3% MoM (vs 0.15% prior), driven by prices of food (0.6% MoM). Within food, vegetable prices moved higher on the month (2.6% MoM), led by tomatoes (34% MoM); however, deep deflation persists on YoY basis. Other significant movers include eggs (5.2% MoM) and fruit (-0.9% MoM). Notably, various categories (non-alcoholic beverages, prepared meals, HH goods and services, and tobacco and intoxicants) are likely to have seen further pass-through of the GST cuts in November.

Core inflation dips as gold surge moderates

Core inflation (ex-intoxicants) dipped to 4.3% (vs 4.4% prior), with monthly momentum dropping to 0.1% (vs 0.5% prior). A pause in gold-price surge was the major reason for such moderation; gold prices rose only 1% MoM in Nov (vs 12% prior), with silver prices rising 1.8% (vs 22% prior). As a result, the Personal Care category rose only 0.5% MoM (vs 5.7% prior). Other core inflation categories rose 0.1-0.2% MoM, while Education declined 0.1%. With gold prices remaining subdued, core CPI ex-gold rose to 3.4% (vs 3.3% prior), with monthly momentum rising to 0.4%.

December CPI tracking higher at 1.6%; FY26E headline CPI unchanged at 1.9%

Currently, December headline CPI is tracking at 1.6%, as the favorable base effect fades and given the uptick in food prices. FY26E headline CPI remains at 1.9%, slightly lower than the RBI's (2%), while core CPI (ex-intoxicants) forecast is also unchanged, at 4.3%. FY27E headline CPI forecast is at 4.1%, with core CPI moderating to 3.9%.

Terminal repo rate of 5% not ruled out; FX weakness unlikely to be a constraint

While the RBI finally acknowledged the persistent inflation undershoots and delivered a 25bps cut in December, the Governor's tone was also dovish, as he recognized that underlying price pressures are even softer once the effect of gold is stripped out. This added to the dovish tilt of the MPC, reinforcing the message of weak demand-side inflation drivers. The MPC also delivered tactically smart and flexible forward guidance (along with a much-needed liquidity boost), signaling openness to further easing, to avoid undermining monetary policy transmission. These factors imply that another rate cut is still in play, with the policy path ahead hinging on 1) how durable growth proves to be after the festive season and the GST-driven bump, 2) how strongly the inflation rebound is viewed in 2HFY27 by the RBI, 3) how strong are the contours (and timing) of the US-India trade deal, if signed, and 4) how the FX market evolves. Importantly, we continue to argue that the Rupee softness should not be misconstrued as a constraint on further easing. Instead, it acts as a natural stabilizer for growth, especially as India faces a relative erosion of export competitiveness vis-à-vis EM Asia.

Madhavi Arora

madhavi.arora@emkayglobal.com

+91-22-66121341

Harshal Patel

harshal.patel@emkayglobal.com

+91-22-66242434

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions.com)

Exhibit 1: Breakdown of CPI and its components

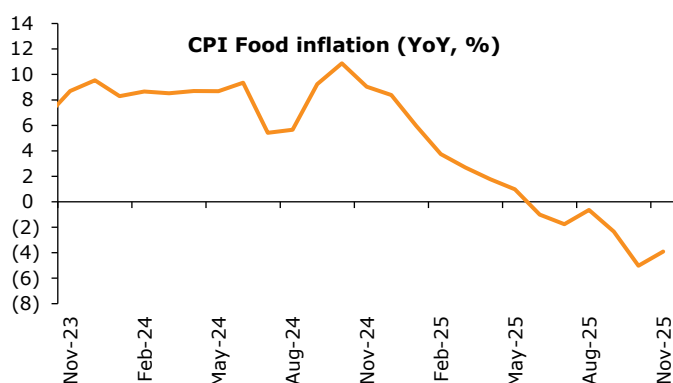
CPI YoY (%)	Wt	Oct-25	Oct-25	Sep-25	Aug-25	Jul-25	Nov-24
Food & Beverages	45.9	(2.8)	(3.7)	(1.4)	0.0	(0.8)	8.2
Pan, Tobacco & Intoxicants	2.4	3.0	2.9	2.7	2.5	2.4	2.3
Fuel & Light	6.8	2.3	2.0	2.0	2.3	2.7	(1.8)
Housing	10.1	3.0	3.0	3.0	3.1	3.2	2.9
Clothing, bedding, footwear	6.5	1.5	1.7	2.3	2.3	2.5	2.7
Miscellaneous	28.3	5.6	5.7	5.4	5.0	5.0	4.3
CPI	100.0	0.7	0.3	1.4	2.1	1.6	5.5
Core CPI (ex intoxicants)	44.9	4.3	4.4	4.5	4.3	4.2	3.8
CPI ex-vegetables	93.1	2.9	3.0	3.5	3.7	3.6	3.7

Source: CEIC, Emkay Research

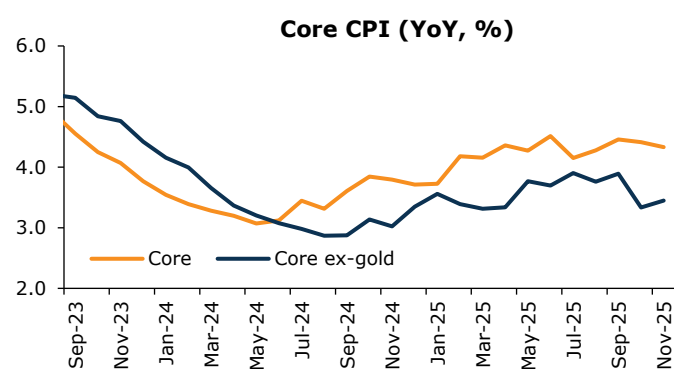
Exhibit 2: Breakdown of food items in CPI

CPI Food (YoY, %)	Wt	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Nov-24
Food	39.1	(3.9)	(5.0)	(2.3)	(0.6)	(1.8)	9.0
Cereals	9.7	0.1	0.9	2.1	2.7	3.0	6.9
Meat & Fish	3.6	2.5	1.7	2.1	1.5	(0.6)	4.7
Eggs	0.4	3.8	1.3	2.8	3.1	2.2	4.8
Milk & products	6.6	2.5	2.4	2.5	2.6	2.7	2.9
Oils & Fats	3.6	7.9	11.2	18.3	21.2	19.2	13.3
Fruits	2.9	6.9	6.7	9.8	11.7	14.5	7.7
Vegetables	6.0	(22.2)	(27.6)	(21.4)	(15.9)	(20.7)	29.4
Pulses	2.4	(15.9)	(16.2)	(15.3)	(14.5)	(13.8)	5.4
Sugar	1.4	4.0	4.0	4.0	3.7	3.3	1.3
Spices	2.5	(2.9)	(3.3)	(3.1)	(3.2)	(3.1)	(7.4)

Source: CEIC, Emkay Research

Exhibit 3: Food prices remained in deflation in Nov-25

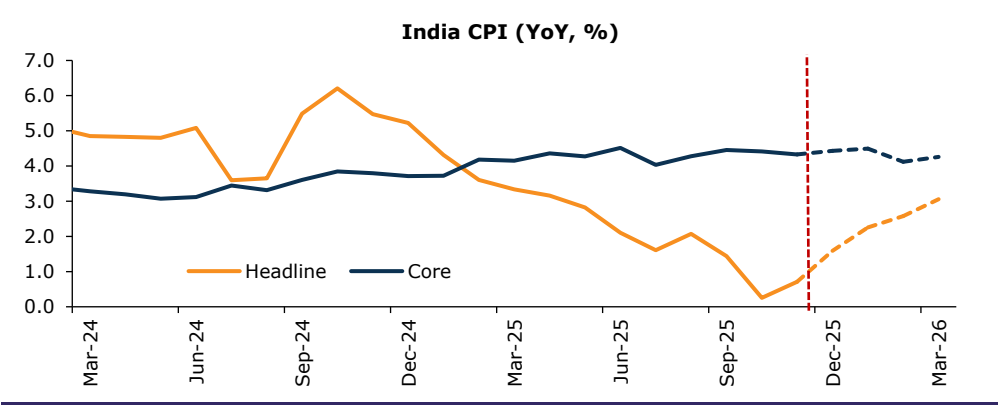
Source: CEIC, Emkay Research

Exhibit 4: Core CPI inched down as the gold price surge moderated

Source: CEIC, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

Exhibit 5: FY26E headline CPI maintained at 1.9%; core at 4.3%



Source: CEIC, Emkay Research estimates

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions.com)

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of December 14, 2025
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of December 14, 2025
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the December 14, 2025
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.comThis report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions.com)

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions.com)