



# Data Taste Revealed

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Economic Research Vertical: Canara Bank: Head Office

## Discussion

Whether China's Deflation is being exported to India?

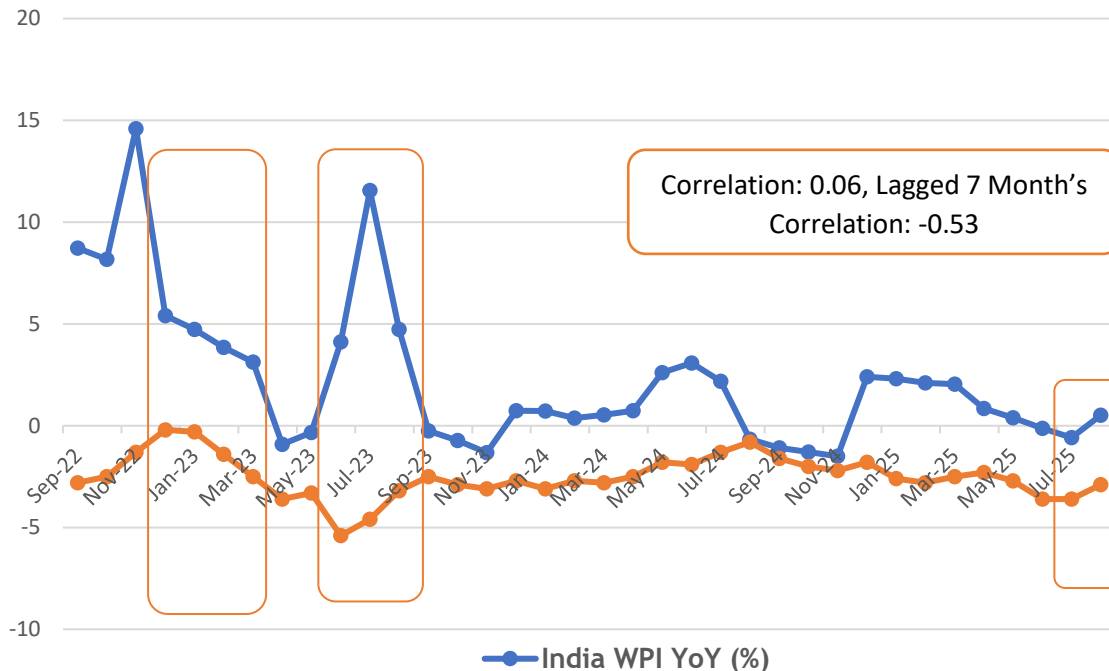
## Data Source

<https://tradingeconomics.com> ,WPI & PPI Data ,2025

## Reflections

- ✓ India WPI YoY (%) shows significant volatility, peaking at 14.59% in November 2022 and dipping into deflation (e.g., -1.50% in November 2024). Recent months (2025) show moderation, with slight deflation in June and July 2025
- ✓ China PPI YoY (%) remains consistently in deflationary territory since September 2022, with the deepest deflation at -5.40% in June 2023. The trend shows persistent negative values, averaging around -2.5% to -3.0%.
- ✓ **Transmitted inflation/deflation from China to India may be seen with a delay of 7 months.**

## Movement of Indian WPI along with PPI of China (Sept-22 to Aug-25)



## Key Takeaway:

*India's WPI tends to be influenced by China's PPI due to import dependencies. Periods of deeper Chinese deflation (e.g., mid-2023) often align with or precede Indian WPI declines, though India's WPI is more volatile due to domestic factors like fuel and food prices.*

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