

## LPG, Petrol Shock Fears: CPI In February Likely to Remain Benign; Iran-US War May Pose Inflation Risk



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### Continued Middle East Crisis Could Push Retail Inflation

Experts warn that a persistent crude oil supply crisis could push headline CPI inflation by about 20 basis points in the short run.

"India's inflation is highly sensitive to oil shocks. Empirical analysis shows that a 10% rise in crude can lift headline CPI inflation by about 20 basis points in the short run.

With close to 90% import dependence, swings in Brent quickly pass through to fuel costs, logistics, and consumer prices," explained Rajeev Sharan, Head of Research, Brickwork Ratings.

Currency pressures due to rising oil imports m