INDIAN ECONOMY 23 October 2026

# RBI Bulletin: Broad-Based Increase in Food Prices and Rural Inflation

The Reserve Bank of India released its October bulletin highlighting a broad-based surge in food prices and higher rural inflation.

The RBI Bulletin is a monthly publication providing insights into macroeconomic trends, monetary policy stance, and economic indicators in India.

## KEY EXAM POINTS

- High-frequency data collected by the **Reserve Bank of India** up to **October 19, 2026**, indicated a broad-based increase in food prices.
- **Inflation** in **rural areas** was observed to be higher compared to urban areas across the country.
- Headline **Consumer Price Index (CPI) inflation** edged upward over recent months, showing greater generalisation across commodities.
- Among food items, prices of **cereals** including rice and wheat, along with major **pulses**, continued to increase sequentially.
- Despite price pressures, overall **Gross Domestic Product (GDP)** growth remained supported by sustained **domestic demand** and the services sector.

## DID YOU KNOW..!?

The Reserve Bank of India was established on **April 1, 1935**, in accordance with the provisions of the **Reserve Bank of India Act, 1934**.

**Consumer Price Index (CPI)** Combined is published monthly by the **National Statistical Office (NSO)** under the Ministry of Statistics and Programme Implementation.

**Monetary Policy Committee (MPC)** in India is statutory and institutionalized under **Section 45ZB** of the RBI Act, 1934 to fix the benchmark policy interest rate.

**Urjit Patel Committee** recommended adopting the **Consumer Price Index (CPI)** as the sole measure of inflation for monetary policy framework in India.

Inflation targeting framework requires the RBI to maintain **retail inflation** at **4 percent** with a band of +/- 2 percent.

The headquarters of the Reserve Bank of India was permanently moved from Calcutta to **Mumbai** in the year **1937**.

**REVISION FLASHCARD**

*RBI Bulletin indicates broad-based food price rise with rural inflation exceeding urban levels.*

Syllabus Relevance: Crucial for understanding RBI policies, inflation trends, and macroeconomic indicators under Unit 6.

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