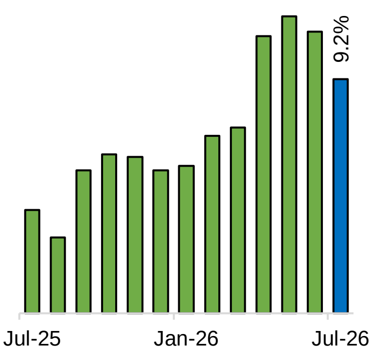
Day Break

Monday, August 3, 2026

Exhibit: Monthly CPI trend



Source: IGI Research, PBS

Inflation

Jul-26: CPI Prints +9.21%y/y Growth

- Recent inflation data released by Pakistan Bureau of Statistics (PBS), shows for the month of Jul-26, headline CPI registered a +9.21%y (up by +1.19%m) growth compared to previous month, +11.07%y (down by 0.29%m).
- Increase in monthly CPI reading was mainly led by hike in Food Prices despite drop in Transport and Housing index owing to decline in oil prices as Middle Ease tensions eased. Core inflation also remained at 8.4%y/y as decline in Urban inflation was offset by increase in Rural.
- Inflation decline in Jul-26 mainly due to high base effect however increase on a monthly basis as food price jack up substantially despite lower electricity and fuel prices. Going forward, inflation is likely to remain in single digit in coming months considering oil prices remain at current levels with further decline drop expected from Sep-26 onwards.

Jul-26: Inflation prints +9.21%y/y, up by +1.19%m/m

Recent inflation data released by Pakistan Bureau of Statistics (PBS), shows for the month of Jul-26, headline CPI registered a +9.21%y (up by +1.19%m) growth compared to previous month, +11.07%y (down by 0.29%m). Increase in monthly CPI reading was mainly led by hike in Food Prices despite drop in Transport and Housing index owing to decline in oil prices as Middle Ease tensions eased. Core inflation also remained at 8.4%y/y as decline in Urban inflation was offset by increase in Rural. This brings average inflation for 1MFY27 to 9.21% compared to 4.06% in the same period last year.

Exhibit: Monthly National Consumer Price Index (CPI) growth estimates

Estimated For the month of: Jul, 2026

	Wt.	y/y	m/m	1MFY27	1MFY26	1MFY25
National	**100.0%**	**9.2%**	**1.2%**	9.2%	4.1%	11.1%
Food	35%	10.6%	4.2%	10.6%	0.9%	1.6%
Transport	6%	15.1%	-5.2%	15.1%	2.7%	12.2%
Utility/Rent	24%	7.1%	-0.6%	7.1%	3.6%	25.3%
Essentials	17%	9.2%	1.2%	9.2%	8.5%	17.5%
Disc.	18%	6.9%	0.4%	6.9%	7.6%	11.6%

Source: PBS, IGI Research

Food prices surged while housing index declined during Jul-26

Food index increased by +4.16%m/m during Jul-26 owing to increase in prices of Wheat Flour, Rice, Meat, Chicken, Eggs, Cooking Oil, Vegetable Ghee, Milk, Fresh Vegetables, Onions, Tomatoes and Potatoes over the

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previous month whereas prices of Pulses, Fresh Fruits and Sugar have declined. Housing index declined by 0.62%m/m mainly due to decline in electricity charges despite quarterly house rent adjustment.

Transport index down by 5.24%m/m

Transport index decreased by 5.24%m/m mainly due to substantial drop in motor fuel prices (MS and HSD primarily) over the previous month along with decline in transport service cost owing to decrease in international oil prices as Middle East tensions eased.

Rural inflation outpaced growth in Urban

Urban inflation increased by +1.2%m/m or up +8.7%y/y during the month of Jul-26, whereas rural inflation increased by +1.2%m/m or up by +9.9%y/y.

SPI picks up further in Jul-26

Other indices, Wholesale Price Index (WPI) registered a +9.4%y/y increase and flat on monthly basis during Jul-26. Sensitive Price Index (SPI) recorded a +12.04%y/y growth and up by +2.4%m/m during the month of Jul-26 compared to +12.82%y/y increase in the preceding month.

Outlook

Inflation decline in Jul-26 mainly due to high base effect however increase on a monthly basis as food price jack up substantially despite lower electricity and fuel prices. Going forward, inflation is likely to remain in single digit in coming months considering oil prices remain at current levels with further decline drop expected from Sep-26 onwards.

Exhibit: National Core-inflation measures

	Jul-26	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25
CPI	**9.2**	**11.1**	**11.7**	**10.9**	**7.3**	**7.0**	**5.8**	**5.6**	**6.1**	**6.2**	**5.6**	**3.0**
SPI	12.0	12.8	12.0	10.1	5.6	4.8	3.3	2.6	4.2	4.8	4.5	2.6
WPI	9.4	10.7	12.7	13.6	6.7	1.1	0.2	0.6	1.1	1.1	0.6	-1.0
NFNE	8.4	8.4	8.8	8.2	7.8	7.6	7.6	7.4	7.2	7.9	7.3	7.3
Trimmed	7.7	9.5	9.7	9.1	6.1	5.3	5.1	5.7	5.7	6.3	6.0	4.0

Source: PBS, IGI Research

Exhibit: Historical CPI Trend

Headline inflation drops amid lower fuel and electricity prices

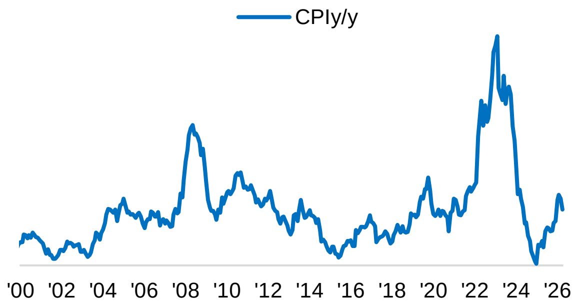


Exhibit: CPI rebased to June

CPI rebased to June shows rise in inflation

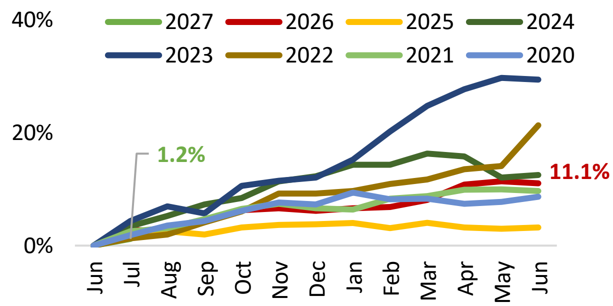


Exhibit: Major Price Indices

All major indices have depicted a decline in growth while Core inflation remained flat

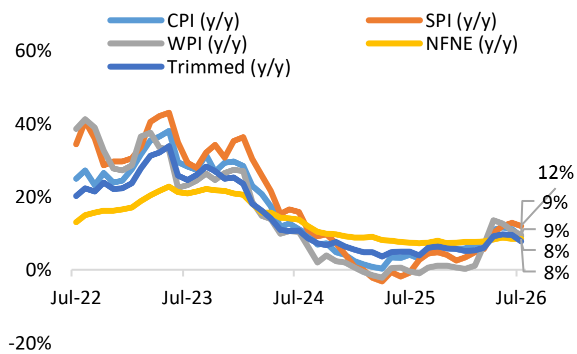
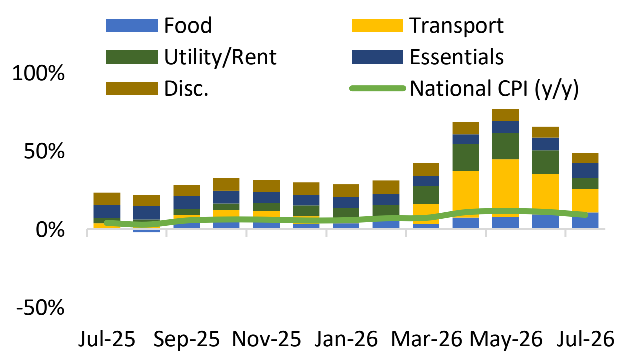


Exhibit: Percentage point impact of each group on headline figure

Higher food prices lift overall inflation despite lower electricity and fuel prices



Source: PBS, SBP, IGI Research

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