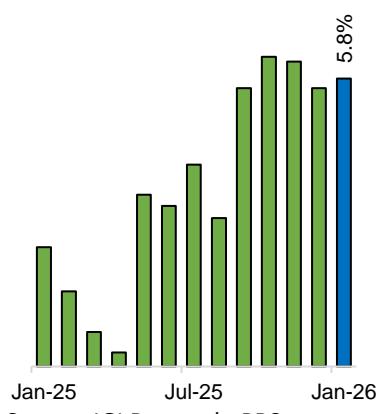


Day Break

Tuesday, February 3, 2026

Exhibit: Monthly CPI trend



Inflation

Jan-26: CPI Prints +5.80%y/y Growth

- Recent inflation data released by Pakistan Bureau of Statistics (PBS), shows for the month of Jan-26, headline CPI registered a +5.80%y (up by +0.39%m) growth compared to previous month, +5.61%y (down by 0.44%m).
- Increase in monthly CPI reading was mainly led by increase in house rent adjustment. However, core inflation picked up marginally to 7.6%y/y as Rural inflation outpaced growth in Urban. This brings average inflation for 7MFY26 to 5.24% compared to 6.5% in the similar period last year.
- Inflation picked up in Jan-25 owing to slight uptick in food prices and house rent adjustment despite decline in POL prices. Inflation is likely to remain higher during 2HFY26 and expected to normalize from FY27. Moreover, rise in oil prices and PKR depreciation remain key risk to our inflation outlook. We expect inflation to average between 6-7% for FY26.

Jan-26: Inflation prints +5.80%y/y, up by 0.39%m/m

Recent inflation data released by Pakistan Bureau of Statistics (PBS), shows for the month of Jan-26, headline CPI registered a +5.80%y (up by +0.39%m) growth compared to previous month, +5.61%y (down by 0.44%m). Increase in monthly CPI reading was mainly led by increase in house rent adjustment. However, core inflation picked up marginally to 7.6%y/y as Rural inflation outpaced growth in Urban. This brings average inflation for 7MFY26 to 5.24% compared to 6.5% in the similar period last year.

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

Estimated For the month of: Jan, 2026

	Wt.	y/y	m/m	7MFY26	7MFY25	7MFY24
National	100.0%	5.8%	0.4%	5.2%	6.5%	28.7%
Food	35%	3.9%	0.1%	3.2%	0.2%	31.2%
Transport	6%	2.6%	-1.4%	4.3%	-0.4%	25.6%
Utility/Rent	24%	7.3%	1.1%	4.9%	14.3%	25.2%
Essentials	17%	6.6%	0.3%	7.7%	14.2%	18.1%
Disc.	18%	8.1%	0.9%	7.7%	9.2%	38.8%

Source: PBS, IGI Research

Food prices inched up while housing index increased during Jan-26

Food index inched up by +0.1%m/m during Jan-26 owing to increase in prices of Wheat, Chicken, Rice, Milk, Fresh Fruits, Cooking Oil and Tomatoes over the previous month whereas prices of Eggs, Sugar, Pulses, Fresh Vegetables, Potatoes and Onions have declined. Housing index

Analyst

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increased by +1.1%m/m mainly due to increase in house rent, solid fuels and water supply.

Transport index down by 1.37%m/m

Transport index decreased by 1.37%m/m mainly due to decline in POL prices despite increase in transport and mechanical services.

Rural inflation picked up sharply compared to Urban

Urban inflation inched up by 0.23%m/m or up +5.81%y/y during the month of Jan-26, whereas rural inflation increased by +0.61%m/m or up by +5.79%y/y.

SPI drops further in Jan-26

Other indices, Wholesale Price Index (WPI) registered a +0.20%y/y increase and down 0.2%m/m during Jan-26. Sensitive Price Index (SPI) recorded a +3.25%y/y growth and down by 0.80%m/m during the month of Jan-26 compared to +2.55%y/y increase in the preceding month.

Outlook

Inflation picked up in Jan-25 owing to slight uptick in food prices and house rent adjustment despite decline in POL prices. Inflation is likely to remain higher during 2HFY26 and expected to normalize from FY27.

Moreover, rise in oil prices and PKR depreciation remain key risk to our inflation outlook. We expect inflation to average between 6-7% for FY26.

Exhibit: National Core-inflation measures

	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25
CPI	5.8	5.6	6.2	6.2	5.6	3.0	4.1	3.2	3.5	0.3	0.7	1.5
SPI	3.3	2.6	4.2	4.8	4.5	2.6	-0.9	-1.9	-0.6	-3.2	-2.3	-0.2
WPI	0.2	0.6	1.1	1.1	0.6	-1.0	-0.5	0.6	0.4	-2.2	-1.6	-0.7
NFNE	7.6	7.4	7.2	7.9	7.3	7.3	7.4	7.6	7.9	8.0	9.0	8.8
Trimmed	5.1	5.7	5.7	6.3	6.0	4.0	5.0	4.9	4.8	3.6	4.8	4.8

Source: PBS, IGI Research

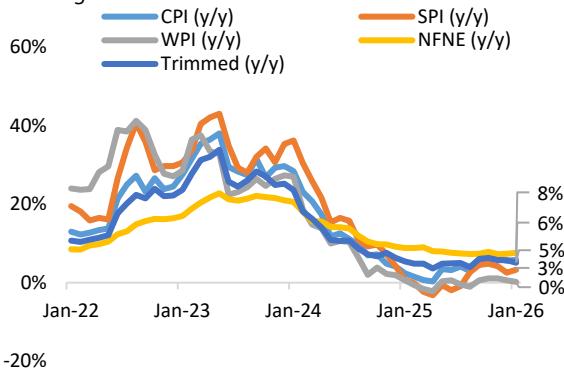
Exhibit: Historical CPI Trend

Headline inflation picks up amid higher house rent



Exhibit: Major Price Indices

All major indices have depicted a slight pickup in growth including for SPI and WPI



Source: PBS, SBP, IGI Research

Exhibit: CPI rebased to June

CPI rebased to June shows rise in inflation

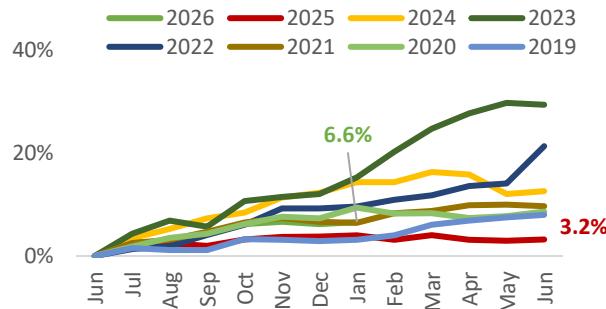
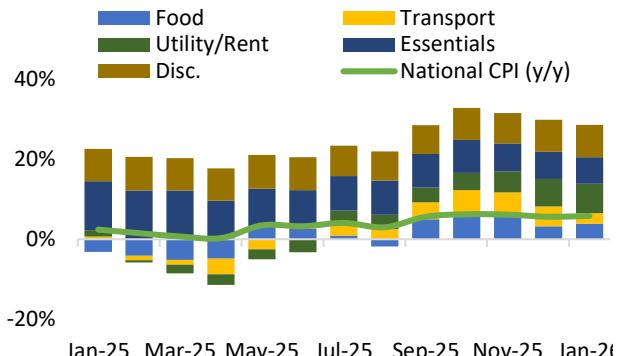


Exhibit: Percentage point impact of each group on headline figure

Higher house rent and uptick in food prices keep inflation higher



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