

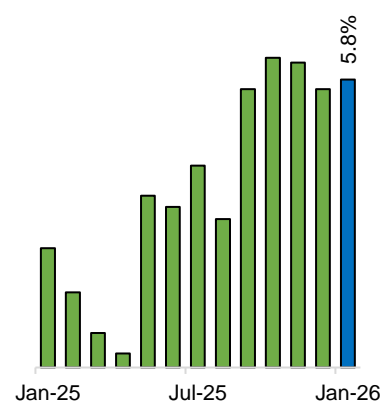
Day Break

Tuesday, February 3, 2026

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Securities

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Exhibit: Monthly CPI trend



Source: IGI Research, PBS

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

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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

Abdullah Farhan
Abdullah.farhan@igi.com.pk

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

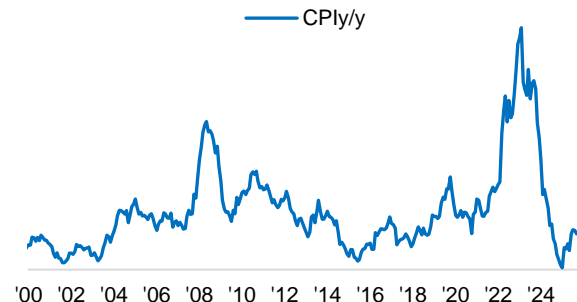
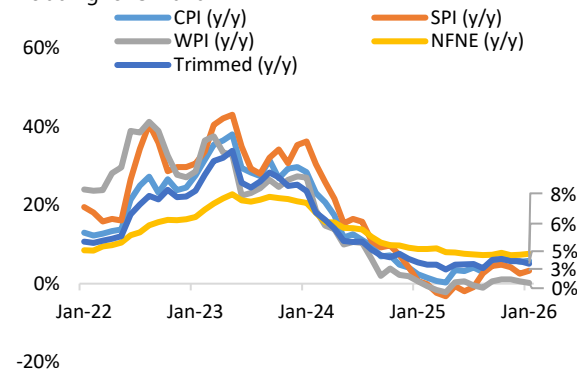


Exhibit: Major Price Indices

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

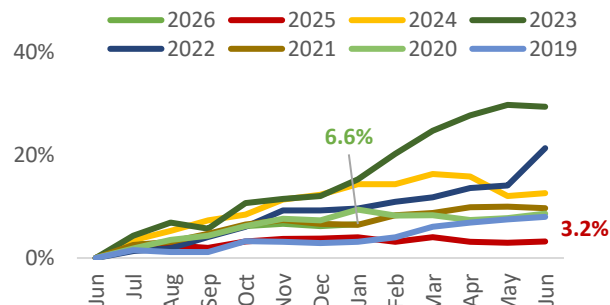
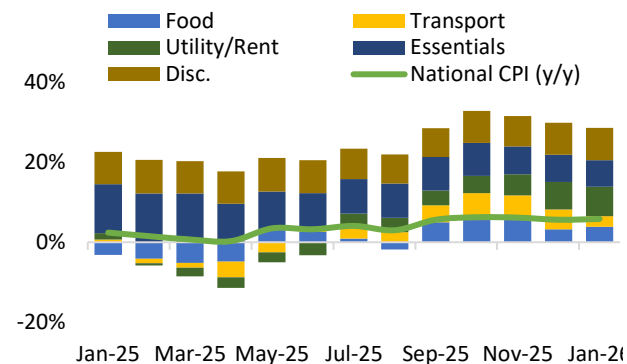


Exhibit: Percentage point impact of each group on headline figure

Higher house rent and uptick in food prices keep inflation higher



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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Syeda Mahrukh Hameed	Regional Head (North)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Faraz Naqvi	Branch Manager (Karachi)	Tel: (+92-21) 111 234 234 Ext: 826	faraz.naqvi@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Syed Muzammil Hasan Rizvi	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 569	muzammil.rizvi@igi.com.pk
Sufyan Siddiqui	Database Officer	Tel: (+92-21) 111-234-234 Ext: 888	sufyan.siddiqui@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600

UAN: (+92-21) 111-444-001

Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
Packages Mall

Tel: (+92-42) 38303560-69

Fax: (+92-42) 38303559

Islamabad Office

3rd Floor, Kamran Centre,
Block- B, Jinnah Avenue, Blue Area

Tel: (+92-51) 2604861-2, 2604864, 2273439

Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
Regency International 949, The Mall
Faisalabad

Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road

Tel: (+92-68) 5871652-3

Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road

Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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