

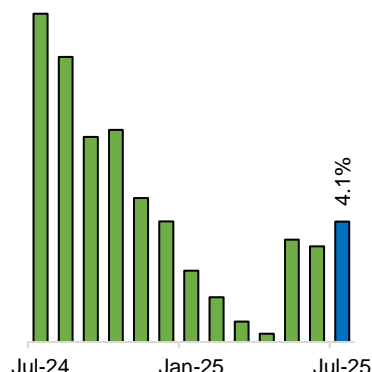
Day Break

Monday, August 4, 2025

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Securities

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Exhibit: Monthly CPI trend



Source: IGI Research, PBS

Inflation

Jul-25: CPI Prints +4.1%y/y Growth

- Recent inflation data released by Pakistan Bureau of Statistics (PBS), shows for the month of July-25, headline CPI registered a +4.1%y (up by +2.92%m) growth compared to previous month, +3.24%y (up by 0.23%m).
- Growth in monthly CPI reading was mainly led by higher food, transport and electricity/gas prices. On yearly basis, inflation picked up mainly due to higher gas prices despite high base effect. Food index surged by 3.0%m/m during Jul-25 owing to increase in prices of Rice, Meat, Chicken, Pulses (Masoor, Mash and Gram), Potatoes, Onions, Tomatoes and sugar. Housing index increased by +7.1%m/m mainly due to increase in electricity and gas charges.
- After declining marginally in Jun-25, inflation picked up sharply during Jul-25 owing to energy price adjustments and higher food prices. Rise in oil prices and PKR depreciation remain key risk to our inflation outlook. We expect inflation to average between 5-6% for FY26.

July-25: Inflation prints +4.07%y/y, up by +2.9%m/m

Recent inflation data released by Pakistan Bureau of Statistics (PBS), shows for the month of July-25, headline CPI registered a +4.1%y (up by +2.92%m) growth compared to previous month, +3.24%y (up by 0.23%m). Growth in monthly CPI reading was mainly led by higher food, transport and electricity/gas prices. On yearly basis, inflation picked up mainly due to higher gas prices despite high base effect.

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

Estimated For the month of: July, 2025

	Wt.	y/y	m/m	1MFY26	1MFY25	1MFY24
National	100.0%	4.1%	2.9%	4.1%	11.1%	28.29%
Food	35%	0.9%	3.0%	0.9%	1.6%	39.5%
Transport	6%	2.7%	3.5%	2.7%	12.2%	13.6%
Utility/Rent	24%	3.6%	7.1%	3.6%	25.3%	10.8%
Essentials	17%	8.5%	0.3%	8.5%	17.5%	16.7%
Disc.	18%	7.6%	0.5%	7.6%	11.6%	43.5%

Source: PBS, IGI Research

Analyst

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Increase in food, gas and electricity prices led to higher inflation reading
Food index surged by 3.0%*m/m* during Jul-25 owing to increase in prices of Rice, Meat, Chicken, Pulses (Masoor, Mash and Gram), Potatoes, Onions, Tomatoes and sugar over the previous month whereas prices of Eggs, Fresh Fruits, Wheat, Condiments & Spices and Cooking Oil have declined. Housing index increased by +7.1%*m/m* mainly due to increase in electricity and gas charges.

Transport index inclined by +3.5%*m/m*

Transport index increased by +3.5%*m/m* likely due to higher POL prices along with increase in motor vehicle prices and transport service cost.

Urban inflation higher compared to rural

Urban inflation inched up by +3.45%*m/m* or up +4.43%*y/y* during the month of Jul-25, whereas rural inflation increased by +2.15%*m/m* or up by +3.53%*y/y*.

SPI drops in Jul-25

Other indices, Wholesale Price Index (WPI) registered a 0.49%*y/y* decline and increased by +1.2%*m/m* during July-25. Sensitive Price Index (SPI) recorded a 0.9%*y/y* decline and up by +3.1%*m/m* during the month of Jul-25 compared to 1.9%*y/y* decline in the preceding month.

Outlook

After declining marginally in Jun-25, inflation picked up sharply during Jul-25 owing to energy price adjustments and higher food prices. Rise in oil prices and PKR depreciation remain key risk to our inflation outlook. We expect inflation to average between 5-6% for FY26.

Exhibit: National Core-inflation measures												
	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24	Aug-24
CPI	4.1	3.2	3.5	0.3	0.7	1.5	2.4	4.1	4.9	7.2	6.9	9.6
SPI	-0.9	-1.9	-0.6	-3.2	-2.3	-0.2	0.7	4.2	7.3	9.7	9.2	10.9
WPI	-0.5	0.6	0.4	-2.2	-1.6	-0.7	0.6	1.9	2.3	3.9	2.0	6.3
NFNE	7.4	7.6	7.9	8.0	9.0	8.8	8.8	9.1	9.7	9.8	10.4	11.9
Trimmed	5.0	4.9	4.8	3.6	4.8	4.8	5.4	6.3	7.6	6.7	7.2	8.6

Source: PBS, IGI Research

Exhibit: Historical CPI Trend

Headline inflation picks up as energy prices rise

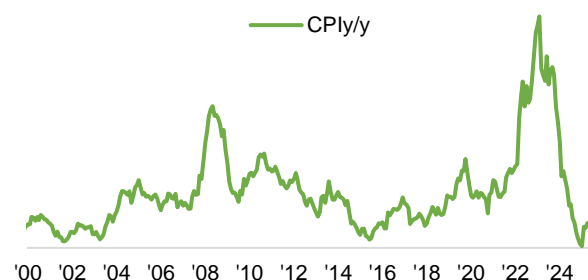
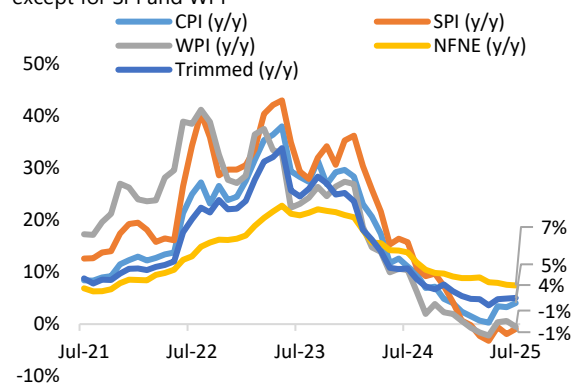


Exhibit: Major Price Indices

All major indices have depicted a slowdown in growth except for SPI and WPI



Source: PBS, SBP, IGI Research

Exhibit: CPI rebased to June

CPI rebased to June shows decline in inflation

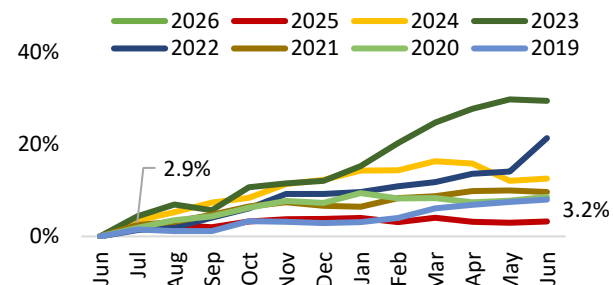
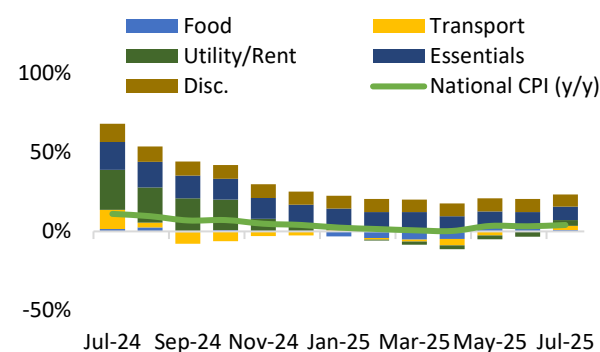


Exhibit: Percentage point impact of each group on headline figure

Food and electricity/gas prices lift overall inflation index



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