

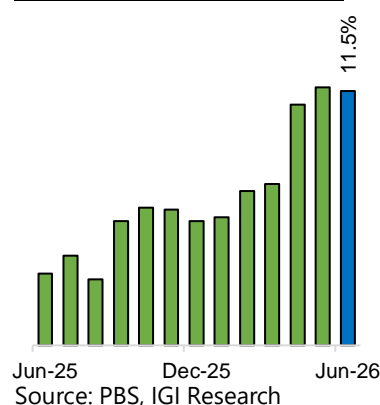
Day Break

Tuesday, June 30, 2026



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Exhibit: Headline inflation during the month of Jun-26 likely to post +11.5%/y growth



Inflation

Jun-26: CPI Likely to Print +11.5%/y Growth

- For Jun-26, we estimate national CPI to clock in at +11.51%/y growth compared to the previous month's +11.67%/y. On a monthly scale, Jun-26 is estimated to depict a +0.10%/m growth compared to +0.52%/m increase in May-26.
- CPI is expected to increase on monthly basis likely owing to higher food prices despite lower POL prices and stand below its last 12-month average increase of +0.93%/m. As a result, average inflation for FY26 is likely to stand at 7.1% compared to 4.6% in the same period last year.
- Going forward, inflation is likely to ease slightly in coming month owing to decline in global oil prices as tensions in Middle East Conflict ease. Inflation is also likely to come down further post Sep-26 owing to high base effect. Nevertheless, inflation outlook remains uncertain as negotiations are still underway for a final agreement between US-Iran.

We preview Jun-26 National CPI estimates.

Monthly Inflation to Clock in at +11.5%/y

For Jun-26, we estimate national CPI to clock in at +11.51%/y growth compared to the previous month's +11.67%/y. On a monthly scale, Jun-26 is estimated to depict a +0.10%/m growth compared to +0.52%/m increase in May-26. CPI is expected to increase on monthly basis likely owing to higher food prices despite lower POL prices and stand below its last 12-month average increase of +0.93%/m. On yearly basis, CPI is likely to increase in Jun-26 owing to higher electricity, POL and gas prices despite slightly higher base effect. As a result, average inflation for FY26 is likely to stand at 7.1% compared to 4.6% in the same period last year.

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

Estimated For the month of: Jun, 2026

	Wt.	y/y	m/m	FY26	FY25	FY24
National	100.0%	11.5%	0.1%	7.1%	4.6%	23.9%
Food	35%	9.0%	0.6%	4.7%	-0.6%	22.0%
Transport	6%	28.5%	-5.2%	11.5%	-0.9%	19.9%
Housing	24%	16.4%	0.4%	8.8%	7.4%	29.4%
Essentials	17%	8.7%	1.1%	7.5%	12.7%	17.8%
Disc.	18%	7.5%	0.4%	7.8%	8.8%	29.9%

Source: PBS, IGI Research

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Food prices to increase during Jun-26

Monthly Sensitive Price Index (SPI), which is a proxy index for volatile food prices, suggests prices are likely to increase by +0.58%/m. During the month of Jun-26, key food items including Wheat flour, Chicken, Eggs and Pulses declined over the previous month whereas prices of Milk, Cooking Oil, Tomatoes, Potatoes and Onions have increased.

Housing Index to increase by 0.4%/m during Jun-26

Moreover, housing index is likely to increase by +0.4%/m against 1.3%/m decline during the month of May-26 amid decline in liquid hydrocarbon prices. Electricity and gas prices remained unchanged during the month.

Transport index to decline during Jun-26

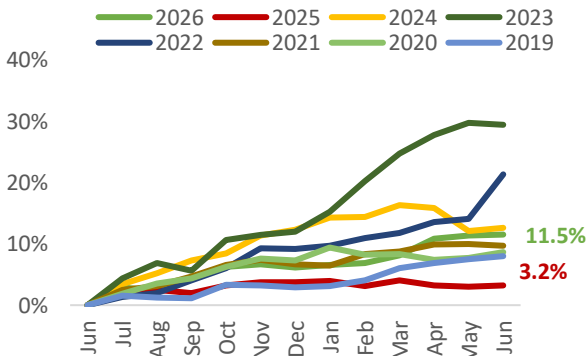
For the month of Jun-26, the transport index is likely to decline by 5.2%/m as POL prices decline owing to ease in Middle East conflict as US-Iran signed MoU for ceasefire while initiating talks for a deal agreement. Prices of major motor vehicle manufacturers remained relatively unchanged during the month.

Outlook

Going forward, inflation is likely to ease slightly in coming month owing to decline in global oil prices as tensions in Middle East Conflict ease. Inflation is also likely to come down further post Sep-26 owing to high base effect. Nevertheless, inflation outlook remains uncertain as negotiations are still underway for a final agreement between US-Iran.

Exhibit: Rebased CPI trend

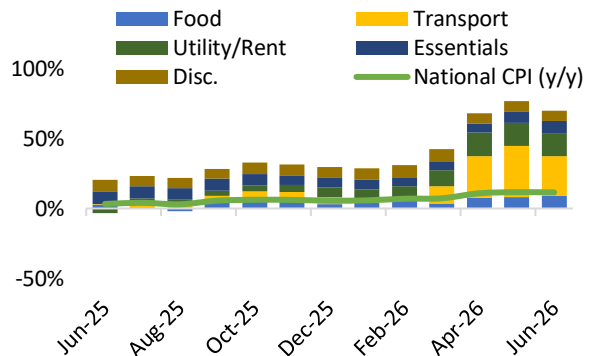
Headline inflation rebased to Jun-25, is estimated to surge by +11.5% during the month of Jun-26 compared to +3.2% recorded last year same month.



Source: PBS, S&P Global, IGI Research

Exhibit: Percentage point impact of each group on the headline figure

Decline in Transport index likely to keep CPI reading in check



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