

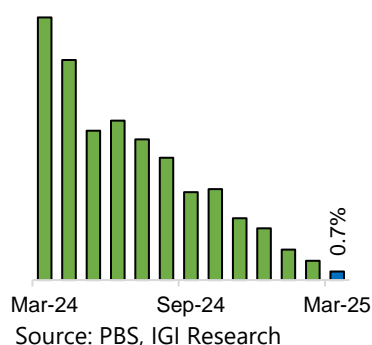
# Day Break

Monday, March 24, 2025

**IGI**  
Securities

SERVING YOU SINCE 1994

**Exhibit:** Headline inflation during the month of Mar-25 likely to post +0.7%y/y growth



## Inflation

### Mar-25: CPI Likely to Print +0.7%y/y Growth

- For Mar-25, we estimate national CPI to clock in at +0.7%y/y growth compared to the previous month's +1.52%y/y. On a monthly scale, Mar-25 is estimated to show a +0.9%m/m increase compared to decline of 0.8%m/m in Feb-25.
- CPI is likely to slowdown further in Mar-25 owing to high base effect and lower POL prices despite increase in food prices. As a result, 9MFY25 average inflation is likely to stand at 5.4% compared to 27.2% in the same period last year.
- Lower CPI reading has been supported by high base effect, subdued food prices and lower electricity charges. Going forward, inflation is likely to remain in single digits in coming months due to high base effect and slowdown in food prices before rising again by end of FY25 owing to low base effect. Rise in global oil and commodity prices and PKR depreciation remain key risk to our inflation outlook.

We preview Mar-25 National CPI estimates.

### Monthly Inflation to Clock in at +0.7%y/y

For Mar-25, we estimate national CPI to clock in at +0.7%y/y growth compared to the previous month's +1.52%y/y. On a monthly scale, Mar-25 is estimated to show a +0.9%m/m increase compared to decline of 0.8%m/m in Feb-25. Growth in CPI is expected on monthly basis compared to its last 12-month average increase of +0.1%m/m. CPI is likely to slowdown further in Mar-25 owing to high base effect and lower POL prices despite increase in food prices. As a result, 9MFY25 average inflation is likely to stand at 5.4% compared to 27.2% in the same period last year.

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

Estimated For the month of: Mar, 2025

	Wt.	y/y	m/m	9MFY25	9MFY24	9MFY23
National	100.0%	0.7%	0.9%	5.4%	27.2%	27.19%
Food	35%	-5.6%	1.4%	-0.9%	28.2%	36.5%
Transport	6%	-1.7%	-0.8%	-0.6%	22.8%	52.8%
Housing	24%	-2.2%	-0.1%	10.9%	27.7%	13.4%
Essentials	17%	12.2%	1.1%	13.8%	17.9%	14.3%
Disc.	18%	9.0%	1.3%	9.1%	35.2%	29.3%

Source: PBS, IGI Research

#### Analyst

Abdullah Farhan  
[Abdullah.farhan@igi.com.pk](mailto:Abdullah.farhan@igi.com.pk)

### Food prices dropped further during Mar-25

Monthly Sensitive Price Index (SPI), which is a proxy index for volatile food prices, suggests prices are likely to inch up by +1.4%/m. During the month of Mar-24, key food items including Chicken, Eggs, Meat, Tomatoes, Wheat flour, Pulse Moong, Sugar and Fresh Fruit prices have increased over the previous month whereas prices of Pulses (Masoor, Gram and Mash), Cooking Oil, Tea, Onions, Potatoes and Rice have declined.

### Housing Index to decline by 0.1%/m Mar-25

Moreover, housing index is likely to decline slightly by 0.1%/m on account of negative FCA of PKR 2.12/Kwh for Jan-25 (reflected in Mar-25 electricity bills).

### Drop in POL prices to drag Transport index during Mar-25

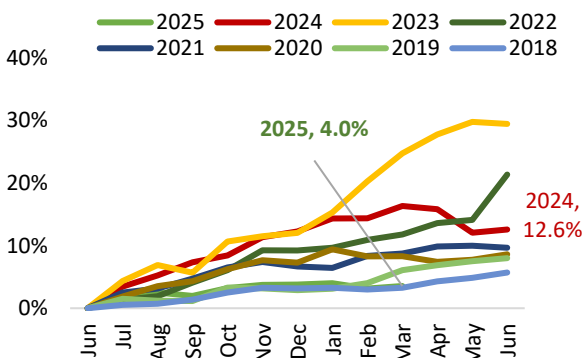
For the month of Mar-25, the transport index is likely to decline by 0.8%/m as petrol and diesel prices decreased. Prices of major motor vehicle manufacturers remained relatively unchanged during the month.

### Outlook

Lower CPI reading has been supported by high base effect, subdued food prices and lower electricity charges. Going forward, inflation is likely to remain in single digits in coming months due to high base effect and slowdown in food prices before rising again by end of FY25 owing to low base effect. Rise in global oil and commodity prices and PKR depreciation remain key risk to our inflation outlook.

#### Exhibit: Rebased CPI trend

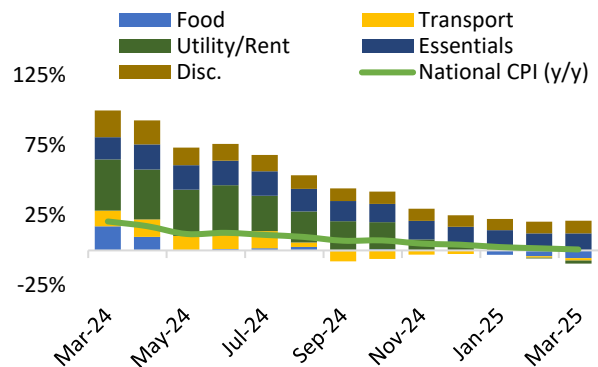
Headline inflation rebased to Jun-24, is estimated to surge by +4.0% during the month of Mar-25 compared to +16.3% recorded last year same month.



Source: PBS, S&P Global, IGI Research

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

Food and housing indexes to keep monthly CPI growth subdued



# Important Disclaimer and Disclosures

**Research Analyst(s) Certification:** The Research Analyst(s) hereby certify that the views about the company/companies and the security/ securities discussed in this report accurately reflect his or her or their personal views and that he/she has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report. The analyst(s) is principally responsible for the preparation of this research report and that he/she or his/her close family/relative does not own 1% or more of a class of common equity securities of the following company/companies covered in this report.

**Disclaimer:** The information and opinions contained herein are prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither, IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. The subject Company (ies) is a client of the IGI Finex Securities Limited and IGI Finex Securities offers brokerage services to Subject Company (ies) on a regular basis, in line with industry practice. This document and the information may not be reproduced, distributed or published by any recipient for any purpose. This report is not directed or intended for distribution to, or use by any person or entity not a client of IGI Finex Securities Limited, else directed for distribution.

**Rating system:** IGI Finex Securities employs three tier ratings system, depending upon expected total return (return is defined as capital gain exclusive of tax) of the security in stated time period, as follows:

## Recommendation Rating System

Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)

Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)

Sell if target price on aforementioned security (ies) is less than -10%, from its last closing price(s)

**Valuation Methodology:** To arrive at Target Prices, IGI Finex Securities uses different valuation methodologies including

- Discounted Cash Flow (DCF)
- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

**Risk:** Investment in securities are subject to economic risk, market risk, interest rate risks, currency risks, and credit risks, political and geopolitical risks. The performance of company (ies) covered herein might unfavorably be affected by multiple factors including, business, economic, and political conditions. Hence, there is no assurance or guarantee that estimates, recommendation, opinion, etc. given about the security (ies)/company (ies) in the report will be achieved.

**Basic Definitions and Terminologies used:** **Target Price:** A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2024 IGI Finex Securities Limited

# Contact Details

## Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@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
Laraib Nisar	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	laraib.nisar@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](http://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 | (+92-21) 111-234-234  
 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

3<sup>rd</sup> 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

© Copyright 2024 IGI Finex Securities Limited