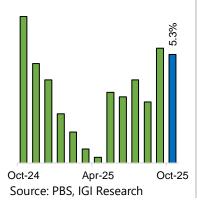
Day Break

Friday, October 31, 2025



Exhibit: Headline inflation during the month of Oct-25 likely to post +5.3%y/y growth



Inflation

Oct-25: CPI Likely to Print +5.3%y/y Growth

- For Oct-25, we estimate national CPI to clock in at +5.31%y/y growth compared to the previous month's +5.61%y/y. On a monthly scale, Oct-25 is estimated to show a +0.9%m/m increase compared to +2.01%m/m in Sep-25.
- CPI is expected to increase on monthly basis likely owing to higher food and electricity charges and stand above its last 12-month average increase of +0.46%m/m. As a result, average inflation for 4MFY26 is likely to stand at 4.5% compared to 8.7% in the same period last year.
- Inflation in recent months has spiked owing to floods which has pushed up food prices. Going forward, inflation is likely to witness a spike during 2HFY26 before normalizing within SBP's target range of 5-7%. Rise in global oil and commodity prices and PKR depreciation remain key risk to our inflation outlook.

We preview Oct-25 National CPI estimates.

Monthly Inflation to Clock in at +5.3%y/y

For Oct-25, we estimate national CPI to clock in at +5.31%y/y growth compared to the previous month's +5.61%y/y. On a monthly scale, Oct-25 is estimated to show a +0.9%m/m increase compared to +2.01%m/m in Sep-25. CPI is expected to increase on monthly basis likely owing to higher food and electricity charges and stand above its last 12-month average increase of +0.46%m/m. On yearly basis, CPI is likely to pick up in Oct-25 owing to higher food, electricity and gas prices despite high base effect. As a result, average inflation for 4MFY26 is likely to stand at 4.5% compared to 8.7% in the same period last year.

Exhibit: Monthly National Consumer Price Index (CPI) growth estimates						
Estimated Fo	r the month	of: Oct,	2025			
	Wt.	y/y	m/m	3MFY26	3MFY25	3MFY24
National	100.0%	5.3%	0.9%	4.5%	8.7%	28.47%
Food	35%	4.1%	1.3%	2.1%	1.1%	34.5%
Transport	6%	6.1%	0.3%	3.9%	0.5%	24.5%
Housing	24%	3.1%	1.1%	3.5%	21.9%	16.8%
Essentials	17%	8.5%	0.5%	8.5%	15.3%	17.5%
Disc.	18%	7.2%	0.7%	7.3%	9.8%	41.7%

Source: PBS, IGI Research

Food prices remain elevated during Oct-25

Monthly Sensitive Price Index (SPI), which is a proxy index for volatile food prices, suggests prices are likely to increase by +1.3%m/m. Impact of floods has been lower than anticipated on food prices however, certain

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items such as tomatoes remain elevated due to closure of Afghan Border. During the month of Oct-25, key food items including Wheat Flour, Rice, Meat, Eggs, Cooking Oil, Onions, Tomatoes and Sugar inclined over the previous month whereas prices of Chicken, Pulses and Potatoes have declined.

Housing Index to increase by +1.1%m/m during Oct-25

Moreover, housing index is likely to decrease by +1.1%m/m on account of quarterly house rent adjustment. Electricity prices remained unchanged however, FPA adjustment may further push housing index. Gas charges remained unchanged during Oct-25 after substantial increase in Jul-25.

Transport index to inch up during Oct-25

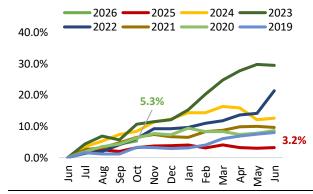
For the month of Oct-25, the transport index is likely to increase slightly by +0.3%m/m as POL prices increased marginally during the month. Prices of major motor vehicle manufacturers remained relatively unchanged during the month.

Outlook

Inflation in recent months has spiked owing to floods which has pushed up food prices. Going forward, inflation is likely to witness a spike during 2HFY26 before normalizing within SBP's target range of 5-7%. Rise in global oil and commodity prices and PKR depreciation remain key risk to our inflation outlook.

Exhibit: Rebased CPI trend

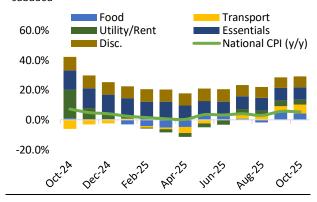
Headline inflation rebased to Jun-25, is estimated to surge by +5.3% during the month of Oct-25 compared to +3.2% recorded last year same month.



Source: PBS, S&P Global, IGI Research

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

Food and housing indexes to keep monthly CPI growth subdued





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