

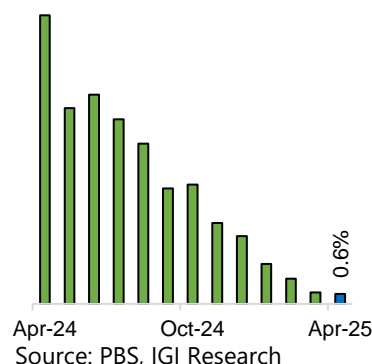
# Day Break

Monday, April 28, 2025

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**Exhibit:** Headline inflation during the month of Apr-25 likely to post +0.6%/y growth



## Inflation

### Apr-25: CPI Likely to Print +0.6%/y Growth

- For Apr-25, we estimate national CPI to clock in at +0.6%/y growth compared to the previous month's +0.69%/y. On a monthly scale, Apr-25 is estimated to show a 0.5%/m decline compared to +0.9%/m growth in Mar-25.
- CPI is likely to drop further in Apr-25 owing to drop in food prices and lower electricity charges despite low base effect. As a result, 10MFY25 average inflation is likely to stand at 4.9% compared to 26.2% 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 pick up from May-25 onwards due to low base effect. Rise in global oil and commodity prices and PKR depreciation remain key risk to our inflation outlook.

We preview Apr-25 National CPI estimates.

#### Monthly Inflation to Clock in at +0.6%/y

For Apr-25, we estimate national CPI to clock in at +0.6%/y growth compared to the previous month's +0.69%/y. On a monthly scale, Apr-25 is estimated to show a 0.5%/m decline compared to +0.9%/m growth in Mar-25. CPI is expected to decline on monthly basis and stand lower compared to its last 12-month average increase of +0.1%/m. CPI is likely to drop further in Apr-25 owing to drop in food prices and lower electricity charges despite low base effect. As a result, 10MFY25 average inflation is likely to stand at 4.9% compared to 26.2% in the same period last year.

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

Estimated For the month of: Apr, 2025

	Wt.	y/y	m/m	10MFY25	10MFY24	10MFY23
National	100.0%	0.6%	-0.5%	4.9%	26.2%	28.11%
Food	35%	-4.9%	-2.1%	-1.3%	26.3%	37.6%
Transport	6%	-4.2%	-0.3%	-0.9%	21.8%	53.2%
Housing	24%	0.3%	0.7%	9.8%	28.5%	13.7%
Essentials	17%	8.9%	0.4%	13.3%	17.9%	14.6%
Disc.	18%	7.1%	0.2%	8.8%	33.4%	31.0%

Source: PBS, IGI Research

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### Food prices dropped further during Apr-25

Monthly Sensitive Price Index (SPI), which is a proxy index for volatile food prices, suggests prices are likely to decline by 2.1% m/m. During the month of Apr-24, key food items including Chicken, Rice, Wheat Flour, Eggs, Cooking Oil, Sugar, Onions and Tomato prices have declined over the previous month whereas prices of Pulses (Masoor, Moong, Gram and Mash), Milk and Meat have increased.

### Housing Index to increase by +0.7% m/m Apr-25

Moreover, housing index is likely to increase by +0.7% m/m on account of quarterly house rent adjustment despite negative FCA of PKR 0.46/Kwh for Feb-25 (reflected in Apr-25 electricity bills).

### Transport index to inch down during Apr-25

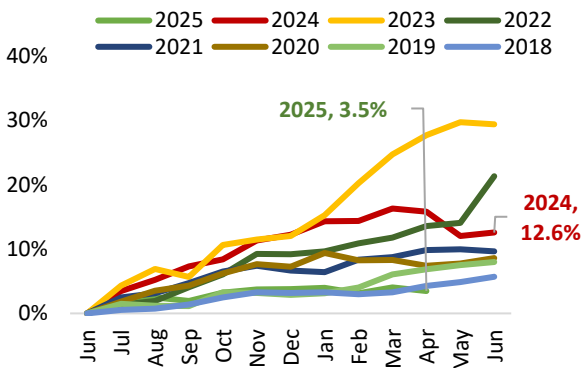
For the month of Apr-25, the transport index is likely to decline by 0.3% m/m as petrol and diesel prices decreased. Prices of major motor vehicle manufacturers remained relatively unchanged during the month.

### Outlook

Lower CPI reading has been supported by high base effect, subdued food prices and lower electricity charges. Going forward, inflation is likely to pick up from May-25 onwards due 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

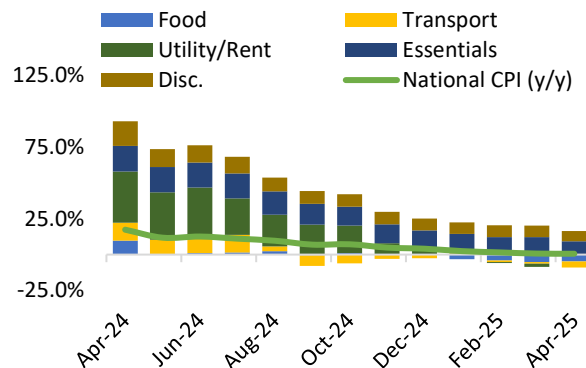
Headline inflation rebased to Jun-24, is estimated to surge by +3.5% during the month of Apr-25 compared to +15.8% recorded last year same month.



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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