

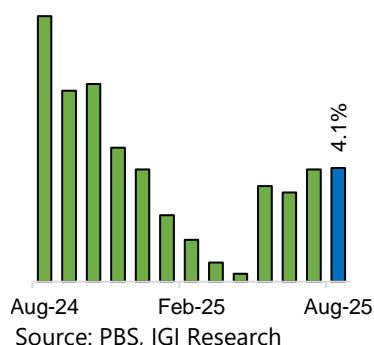
Day Break

Friday, August 29, 2025

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Securities

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Exhibit: Headline inflation during the month of Aug-25 likely to post +4.1%y/y growth



Inflation

Aug-25: CPI Likely to Print +4.1%y/y Growth

- For Aug-25, we estimate national CPI to clock in at +4.12%y/y growth compared to the previous month's +4.06%y/y. On a monthly scale, Aug-25 is estimated to show a +0.44%m/m increase compared to incline of +2.92%m/m in Jul-25.
- CPI is expected to increase on monthly basis likely owing to lower POL prices and electricity charges and stand above its last 12-month average increase of +0.34%m/m.
- Lower CPI reading in recent months have been supported by high base effect, subdued food prices and lower electricity charges. Going forward, inflation is likely to pick up gradually in FY26 owing to adjustment in fuel and energy prices and increase in food prices post monsoon floods. Rise in global oil and commodity prices and PKR depreciation remain key risk to our inflation outlook.

We preview Aug-25 National CPI estimates.

Monthly Inflation to Clock in at +4.1%y/y

For Aug-25, we estimate national CPI to clock in at +4.12%y/y growth compared to the previous month's +4.06%y/y. On a monthly scale, Aug-25 is estimated to show a +0.44%m/m increase compared to incline of +2.92%m/m in Jul-25. CPI is expected to increase on monthly basis likely owing to lower POL prices and electricity charges and stand above its last 12-month average increase of +0.34%m/m. On yearly basis, CPI is likely to slowdown in Jul-25 compared to increase of 4.06%% in Jul-25 owing to base effect.

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

Estimated For the month of: Aug, 2025

	Wt.	y/y	m/m	2MFY26	2MFY25	2MFY24
National	100.0%	4.1%	0.4%	4.1%	10.4%	27.83%
Food	35%	1.0%	1.6%	1.0%	2.0%	39.0%
Transport	6%	1.2%	-2.2%	2.0%	7.7%	18.3%
Housing	24%	4.0%	-1.0%	3.8%	23.8%	8.5%
Essentials	17%	9.0%	0.9%	8.8%	16.8%	16.6%
Disc.	18%	7.4%	0.5%	7.5%	10.7%	43.3%

Source: PBS, IGI Research

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Food prices up during Aug-25

Monthly Sensitive Price Index (SPI), which is a proxy index for volatile food prices, suggests prices are likely to increase by +1.6%m/m. During the

month of Aug-25, key food items including Wheat Flour, Rice, Meat, Eggs, Onions and Tomatoes prices have inclined over the previous month whereas prices of Pulses (Mash, Masoor, Moong and Gram), Potatoes, Sugar and Chicken have declined.

Housing Index to decline by 1.0%/m/m during Jul-25

Moreover, housing index is likely to decrease by 1.1%/m/m on account of drop in electricity charges which is likely due to negative fuel cost adjustment. Gas charges remained unchanged during Aug-25 after substantial increase in Jul-25.

Transport index to decline during Aug-25

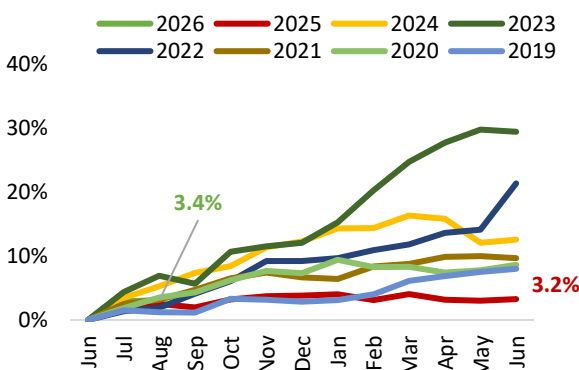
For the month of Aug-25, the transport index is likely to drop by 2.2%/m/m as petrol and diesel prices decreased. Prices of major motor vehicle manufacturers remained relatively unchanged during the month.

Outlook

Lower CPI reading in recent months have been supported by high base effect, subdued food prices and lower electricity charges. Going forward, inflation is likely to pick up gradually in FY26 owing to adjustment in fuel and energy prices and increase in food prices post monsoon floods. Rise in global oil and commodity prices and PKR depreciation remain key risk to our inflation outlook.

Exhibit: Rebased CPI trend

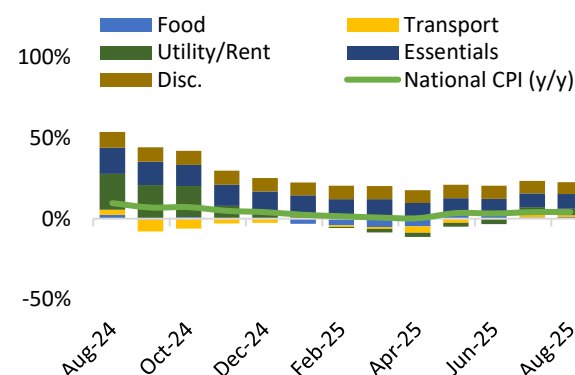
Headline inflation rebased to Jun-25, is estimated to surge by +3.4% during the month of Aug-25 compared to +2.5% recorded last year same month.



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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