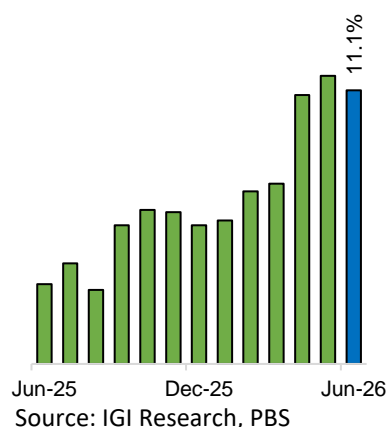


Exhibit: Monthly CPI trend



Inflation

Jun-26: CPI Prints +11.07%/y Growth

- Recent inflation data released by Pakistan Bureau of Statistics (PBS), shows for the month of May-26, headline CPI registered a +11.07%y (down by 0.30%m) growth compared to previous month, +11.69%y (up by +0.52%m).
- Decline in monthly CPI reading was mainly led by drop in Electricity charges, Motor Fuel and Transport Service charges amid substantial decline in oil prices as Middle East tensions eased. Core inflation also eased to 8.4%/y as decline in Rural inflation outpaced Urban. This brings average inflation for FY26 to 7.05% compared to 4.49% last year.
- Inflation decline in Jun-26 after hitting 22 month high in May-26 mainly due to drop in Motor Fuel and electricity prices despite higher food prices. Going forward, inflation is likely to decline further in Jul-26 owing to high base effect considering oil prices remain at current levels with further decline to single digit from Sep-26 onwards.

Jun-26: Inflation prints +11.07%/y, down by 0.30%/m

Recent inflation data released by Pakistan Bureau of Statistics (PBS), shows for the month of May-26, headline CPI registered a +11.07%y (down by 0.30%m) growth compared to previous month, +11.69%y (up by +0.52%m). Decline in monthly CPI reading was mainly led by drop in Electricity charges, Motor Fuel and Transport Service charges amid substantial decline in oil prices as Middle East tensions eased. Core inflation also eased to 8.4%/y as decline in Rural inflation outpaced Urban. This brings average inflation for FY26 to 7.05% compared to 4.49% 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%	11.1%	-0.3%	7.0%	4.5%	23.4%
Food	35%	9.4%	1.0%	4.7%	-0.6%	22.0%
Transport	6%	25.7%	-7.2%	11.3%	-0.9%	19.9%
Utility/Rent	24%	15.5%	-0.4%	8.7%	7.4%	29.4%
Essentials	17%	8.2%	0.6%	7.5%	12.7%	17.8%
Disc.	18%	6.9%	-0.1%	7.8%	8.8%	29.9%

Source: PBS, IGI Research

Analyst

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Food prices increased while housing index declined during Jun-26

Food index increased by +0.96%/m during Jun-26 owing to increase in prices of Wheat Flour, Rice, Meat, Cooking Oil, Vegetable Ghee, Milk,

Fresh Fruits, Fresh Vegetables, Onions, Tomatoes and Potatoes over the previous month whereas prices of Pulses, Eggs, and chicken have declined. Housing index declined by 0.40%/m/m mainly due to decline in electricity charges.

Transport index down by 7.22%/m/m

Transport index decreased by 7.22%/m/m mainly due to substantial drop in motor fuel prices (MS and HSD primarily) over the previous month along with decline in transport service cost owing to decrease in international oil prices as Middle East tensions eased post signing of MoU and 60 Day Framework.

Urban inflation continues to remain higher compared to Rural

Urban inflation declined by 0.47%/m/m or up +11.17%/y/y during the month of Jun-26, whereas rural inflation dropped by 0.03%/m/m or up by +10.92%/y/y.

SPI picks up further in Jun-26

Other indices, Wholesale Price Index (WPI) registered a +10.69%/y/y increase and down 1.2%/m/m during Jun-26. Sensitive Price Index (SPI) recorded a +12.82%/y/y growth and up by +0.7%/m/m during the month of Jun-26 compared to +11.99%/y/y increase in the preceding month.

Outlook

Inflation decline in Jun-26 after hitting 22 month high in May-26 mainly due to drop in Motor Fuel and electricity prices despite higher food prices. Going forward, inflation is likely to decline further in Jul-26 owing to high base effect considering oil prices remain at current levels with further decline to single digit from Sep-26 onwards. Thus, we expect SBP to keep rates steady in its upcoming MPC meeting on 27-Jul-26 considering no further escalation in Middle East Conflict.

Exhibit: National Core-inflation measures												
	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25
CPI	11.1	11.7	10.9	7.3	7.0	5.8	5.6	6.1	6.2	5.6	3.0	4.1
SPI	12.8	12.0	10.1	5.6	4.8	3.3	2.6	4.2	4.8	4.5	2.6	-0.9
WPI	10.7	12.7	13.6	6.7	1.1	0.2	0.6	1.1	1.1	0.6	-1.0	-0.5
NFNE	8.4	8.8	8.2	7.8	7.6	7.6	7.4	7.2	7.9	7.3	7.3	7.4
Trimmed	9.5	9.7	9.1	6.1	5.3	5.1	5.7	5.7	6.3	6.0	4.0	5.0

Source: PBS, IGI Research

Exhibit: Historical CPI Trend

Headline inflation drops amid lower fuel and electricity prices

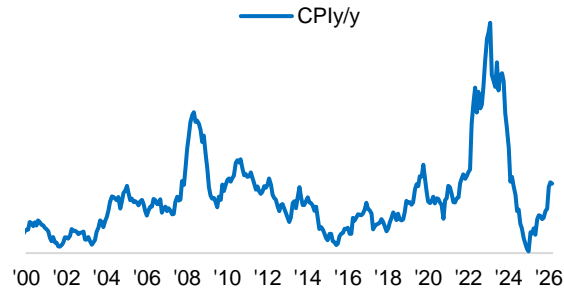


Exhibit: CPI rebased to June

CPI rebased to June shows rise in inflation

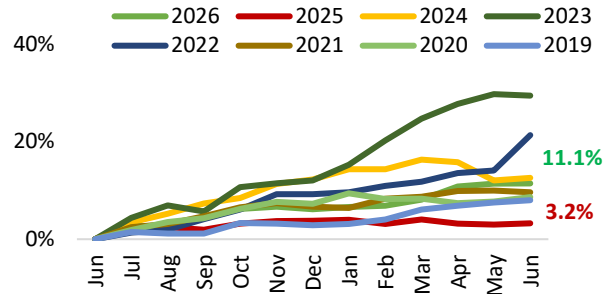


Exhibit: Major Price Indices

All major indices have depicted a decline in growth while SPI has increased

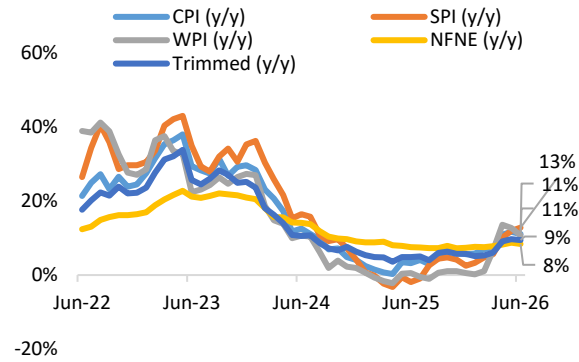
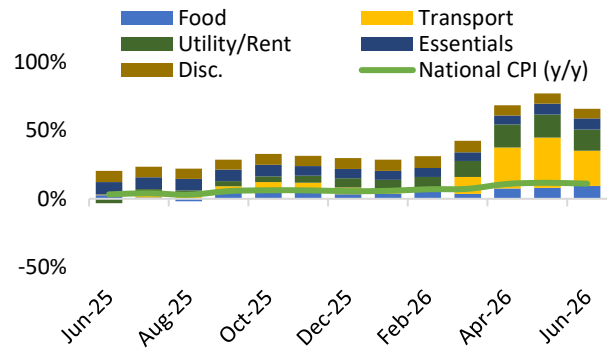


Exhibit: Percentage point impact of each group on headline figure

Higher Clothing/Footwear, Food and POL prices lifts inflation higher



Source: PBS, SBP, IGI Research

9 Important Disclaimer and Disclosures

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