

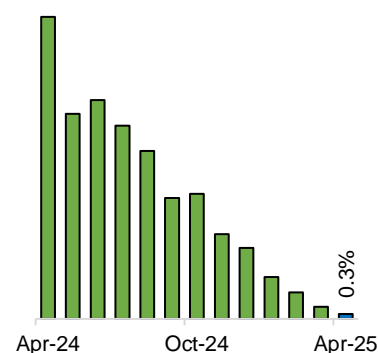
# Day Break

Friday, May 2, 2025

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Exhibit: Monthly CPI trend



Source: IGI Research, PBS

## Inflation

### Apr-25: CPI Prints +0.28%y/y Growth

- Recent inflation data released by Pakistan Bureau of Statistics (PBS), shows for the month of Apr-25, headline CPI registered a +0.28%y (down by 0.84%m) growth compared to previous month, +0.69%y (up by +0.89%m).
- Slowdown in monthly CPI reading was mainly led by lower food and electricity prices. On yearly basis, inflation slowed down mainly due to lower food prices and electricity prices despite low base effect. As a result, 10MFY25 average inflation stands at 4.9% compared to 26.2% in the similar period last year.
- After continuing downward trajectory in Apr-25 mainly due to lower electricity cost and food prices, inflation is expected to pick up substantially from May-25 onwards owing to low base effect. Trade war and Pak-India tensions remain key risk to inflation outlook. We expect inflation to average between 5-6% for FY25.

#### Apr-25: Inflation prints +0.28%y/y, down by 0.84%m/m

Recent inflation data released by Pakistan Bureau of Statistics (PBS), shows for the month of Apr-25, headline CPI registered a +0.28%y (down by 0.84%m) growth compared to previous month, +0.69%y (up by +0.89%m). Slowdown in monthly CPI reading was mainly led by lower food and electricity prices. On yearly basis, inflation slowed down mainly due to lower food prices and electricity prices despite low base effect. As a result, 10MFY25 average inflation stands at 4.9% compared to 26.2% in the similar period last year.

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

Estimated For the month of: April, 2025

	Wt.	y/y	m/m	10MFY25	10MFY24	10MFY23
National	100.0%	0.3%	-0.8%	4.9%	26.2%	28.11%
Food	35%	-4.8%	-2.1%	-1.3%	26.3%	37.6%
Transport	6%	-3.9%	0.0%	-0.9%	21.8%	53.2%
Utility/Rent	24%	-2.6%	-2.3%	9.5%	28.5%	13.7%
Essentials	17%	9.6%	1.1%	13.4%	17.9%	14.6%
Disc.	18%	8.1%	1.1%	8.9%	33.4%	31.0%

Source: PBS, IGI Research

#### Analyst

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### Decline in food and electricity prices led to lower inflation reading

Food index declined by 2.1%*m/m* during Apr-25 owing to decline in prices of Wheat Flour, Chicken, Eggs, Cooking Oil, Fresh Fruits, Pulses, Potatoes Tomatoes, Onion and Sugar prices have decreased over the previous month whereas prices of Rice, Meat, Fresh Vegetables and Condiments and spices have increased. Housing index dropped by 2.3%*m/m* mainly due to decline in electricity charges despite quarterly house rent adjustment.

### Transport remained flat on monthly basis

Transport index remained flat on monthly basis likely due to slight drop in POL prices while mechanical services charges inched up slightly. Prices of Motor Vehicles remained unchanged during the month.

### Rural inflation outpaced decline compared to Urban

Urban inflation declined by 0.70%*m/m* or up +0.54%*y/y* during the month of Apr-25, whereas rural inflation declined by 1.05%*m/m* or down by 0.10%*y/y*.

### SPI drops further in Apr-25

Other indices, Wholesale Price Index (WPI) registered a 2.2%*y/y* and 1.3%*m/m* decline during Apr-25. Sensitive Price Index (SPI) recorded a 3.21%*y/y* decline and down by 1.70%*m/m* during the month of Apr-25 compared to 2.31%*y/y* decline in the preceding month.

### Outlook

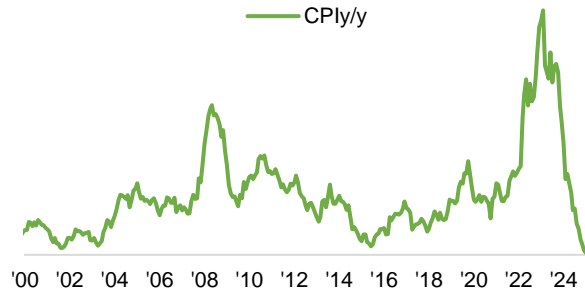
After continuing downward trajectory in Apr-25 mainly due to lower electricity cost and food prices, inflation is expected to pick up substantially from May-25 onwards owing to low base effect. Trade war and Pak-India tensions remain key risk to inflation outlook. We expect inflation to average between 5-6% for FY25.

Exhibit: National Core-inflation measures												
	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24	Aug-24	Jul-24	Jun-24	May-24
<b>CPI</b>	<b>0.3</b>	<b>0.7</b>	<b>1.5</b>	<b>2.4</b>	<b>4.1</b>	<b>4.9</b>	<b>7.2</b>	<b>6.9</b>	<b>9.6</b>	<b>11.1</b>	<b>12.6</b>	<b>11.8</b>
SPI	-3.2	-2.3	-0.2	0.7	4.2	7.3	9.7	9.2	10.9	15.7	16.4	15.3
WPI	-2.2	-1.6	-0.7	0.6	1.9	2.3	3.9	2.0	6.3	10.4	10.6	9.9
NFNE	8.0	9.0	8.8	8.8	9.1	9.7	9.8	10.4	11.9	13.8	14.1	14.2
Trimmed	3.6	4.8	4.8	5.4	6.3	7.6	6.7	7.2	8.6	10.7	10.6	10.8

Source: PBS, IGI Research

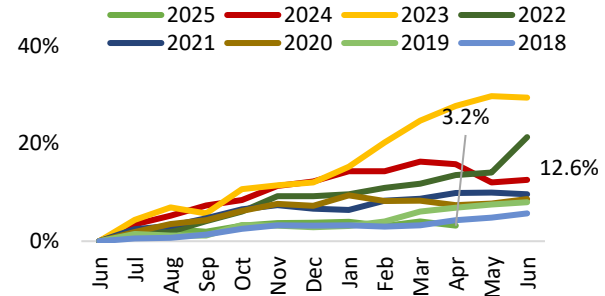
**Exhibit: Historical CPI Trend**

Headline inflation breaks decades old record



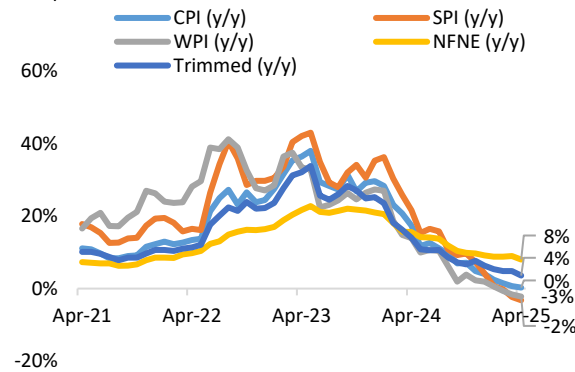
**Exhibit: CPI rebased to June**

CPI rebased to June shows decline in inflation



**Exhibit: Major Price Indices**

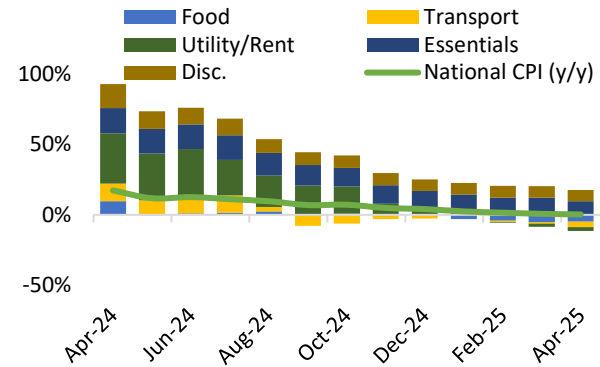
All major indices have depicted a slowdown in growth except for SPI and WPI



Source: PBS, SBP, IGI Research

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

Food items have been driving the overall decline in inflation index recently



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