

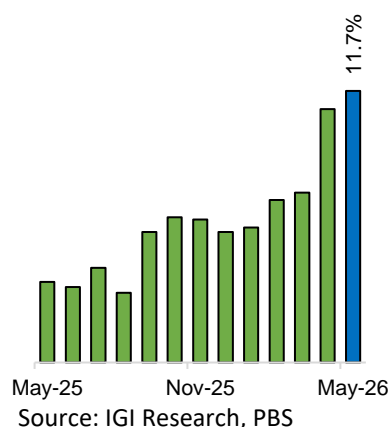
# Day Break

Monday, June 1, 2026

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Exhibit: Monthly CPI trend



## Inflation

### May-26: CPI Prints +11.7%y/y Growth

- Recent inflation data released by Pakistan Bureau of Statistics (PBS), shows for the month of May-26, headline CPI registered a +11.66%y (up by +0.52%m) growth compared to previous month, +10.89%y (up by +2.48%m).
- Increase in monthly CPI reading was mainly led by increase in Food prices, Clothing and Footwear and POL prices amid Middle East Conflict. Core inflation also increase to 8.8%y/y as Urban inflation outpaced growth in Rural. This brings average inflation for 11MFY26 to 6.69% compared to 4.61% in the same period last year.
- Inflation picked up further in May-26 mainly due to increase in food, clothing/footwear and POL prices owing to Middle East Conflict despite lower electricity and liquid hydrocarbon prices. Going forward, inflation is likely to remain elevated as global oil prices remain high due to Middle East Conflict. June 2026 reading could be higher, however, due to base effect inflation is expected to drop sharply from Oct-26.

#### May-26: Inflation prints +11.7%y/y, up by +0.52%m/m

Recent inflation data released by Pakistan Bureau of Statistics (PBS), shows for the month of May-26, headline CPI registered a +11.66%y (up by +0.52%m) growth compared to previous month, +10.89%y (up by +2.48%m). Increase in monthly CPI reading was mainly led by increase in Food prices, Clothing and Footwear and POL prices amid Middle East Conflict. Core inflation also increase to 8.8%y/y as Urban inflation outpaced growth in Rural. This brings average inflation for 11MFY26 to 6.69% compared to 4.61% in the same period last year.

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

Estimated For the month of: May, 2026

	Wt.	y/y	m/m	11MFY26	11MFY25	11MFY24
National	100.0%	11.7%	0.5%	6.7%	4.6%	24.9%
Food	35%	7.9%	0.1%	4.3%	-0.9%	23.9%
Transport	6%	36.8%	5.1%	9.9%	-1.0%	20.7%
Utility/Rent	24%	16.8%	-1.3%	8.1%	8.4%	28.9%
Essentials	17%	7.9%	2.2%	7.4%	13.0%	17.9%
Disc.	18%	7.6%	0.2%	7.8%	8.8%	31.5%

Source: PBS, IGI Research

#### Analyst

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#### Food prices increased while housing index declined during May-26

Food index increased by +0.1%m/m during May-26 owing to increase in prices of Wheat Flour, Rice, Meat, Cooking Oil, Milk and Potatoes over the previous month whereas prices of Fresh vegetables, Fresh Fruits,

Tomatoes, Onions, Pulses and sugar have declined. Housing index declined by 1.33%/m/m mainly due to decline in Liquid Hydrocarbon and electricity prices.

#### Transport index up by +5.49%/m/m

Transport index decreased by +4.49%/m/m mainly due to substantial increase in motor fuel prices (MS and HSD primarily) over the previous month along with increase in transport service cost owing to rise in international oil prices amid Middle East Conflict.

#### Urban inflation picked up sharply compared to Rural

Urban inflation increased by +0.68%/m/m or up +11.79%/y/y during the month of May-26, whereas rural inflation increased by +0.30%/m/m or up by +11.48%/y/y.

#### SPI picks up in May-26

Other indices, Wholesale Price Index (WPI) registered a +12.71%/y/y increase and down 0.8%/m/m during May-26. Sensitive Price Index (SPI) recorded a +11.99%/y/y growth and up by +0.7%/m/m during the month of May-26 compared to +10.1%/y/y increase in the preceding month.

#### Outlook

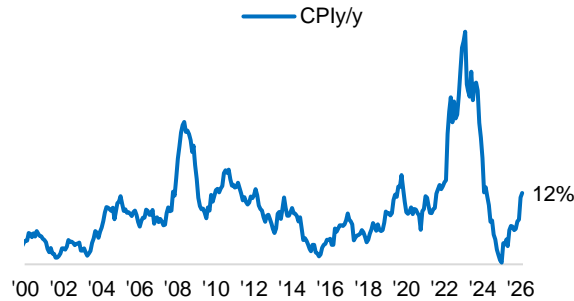
Inflation picked up further in May-26 mainly due to increase in food, clothing/footwear and POL prices owing to Middle East Conflict despite lower electricity and liquid hydrocarbon prices. Going forward, inflation is likely to remain elevated as global oil prices remain high due to Middle East Conflict. Prolonged increase in oil prices and supply disruption along with PKR depreciation may also indirectly impact inflation. June 2026 reading could be higher, however, due to base effect inflation is expected to drop sharply from Oct-26.

Exhibit: National Core-inflation measures												
	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25
CPI	11.7	10.9	7.3	7.0	5.8	5.6	6.1	6.2	5.6	3.0	4.1	3.2
SPI	12.0	10.1	5.6	4.8	3.3	2.6	4.2	4.8	4.5	2.6	-0.9	-1.9
WPI	12.7	13.6	6.7	1.1	0.2	0.6	1.1	1.1	0.6	-1.0	-0.5	0.6
NFNE	8.8	8.2	7.8	7.6	7.6	7.4	7.2	7.9	7.3	7.3	7.4	7.6
Trimmed	9.7	9.1	6.1	5.3	5.1	5.7	5.7	6.3	6.0	4.0	5.0	4.9

Source: PBS, IGI Research

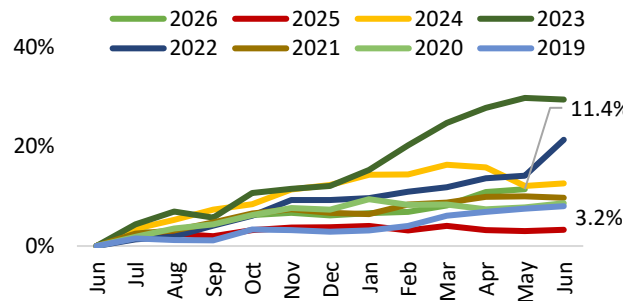
**Exhibit: Historical CPI Trend**

Headline inflation picks up amid higher fuel prices



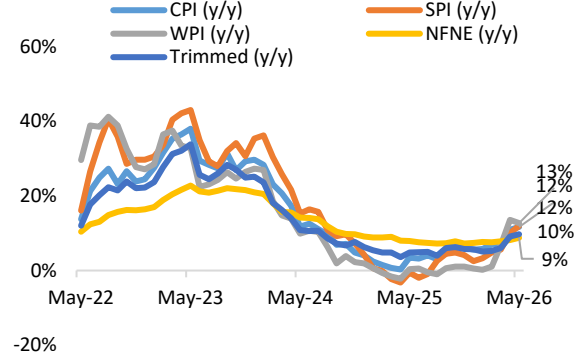
**Exhibit: CPI rebased to June**

CPI rebased to June shows rise in inflation



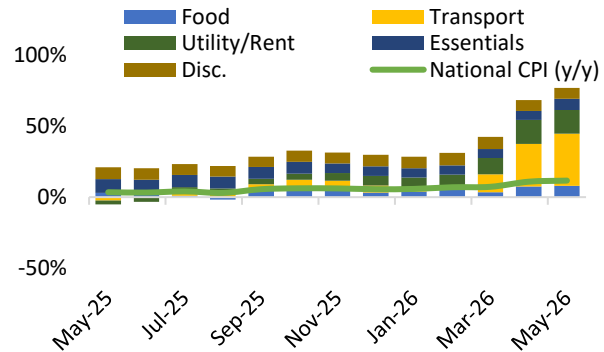
**Exhibit: Major Price Indices**

All major indices have depicted a sharp pickup in growth including SPI and WPI



**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

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