

Pakistan Economy

FY24: CPI averages at 23.4%

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ASIAMONEY

Best Securities House: 2023
Best Investment Bank: 2023

FinanceAsia

Best Investment Bank: 2022

 **Global
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Best Equity House: 2022

 **ASSET
ASIAN
AWARDS
TRIPLE A**

Best Equity Advisor: 2021

 **CFA Society
Pakistan**

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Corporate Finance House: 2023
Best Economic Research House: 2023
Best Equity Sales Person (Runner up): 2023

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Top 25 Companies
(2019, 2018 & 2017)

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 **FINANCIAL MARKETS ASSOCIATION OF PAKISTAN
FMA**

Best Money Market Broker
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CPI Review

FY24: CPI averages at 23.4%

- In Jun'24, the headline inflation rate stood at 12.6%, rising from the previous month's YoY rate of 11.8%. This increase contrasts sharply with Jun'23, which recorded a much higher YoY inflation rate of 29.4%.
- For FY24, the average headline inflation rate was 23.4%, a significant drop from the 29.2% average in the same period last year.
- The uptick in Jun'24's inflation was driven by rising prices across various sectors, including food (1.0% YoY), transportation (10.4% YoY), housing (35.3% YoY), restaurants (11.9% YoY), alcoholic beverages and tobacco (5.8% YoY), household equipment (12.4% YoY), miscellaneous items (14.4% YoY), recreation and culture (10.0% YoY), and clothing and footwear (17.8% YoY).
- Month-on-month, inflation rose by 0.5%. The housing index contributed significantly to this increase, climbing 1.5% MoM due to higher electricity charges from Fuel Cost Adjustment (FCA) and LPG prices.
- The food index also saw a MoM increase of 0.12%, driven by rising prices of vegetables, pulses, and milk.
- Conversely, the transport index dropped by 2.2% MoM, primarily due to lower petroleum product prices.
- Core inflation for the outgoing month averaged 14.1% YoY, slightly down from the previous month's 14.2%.
- Urban core inflation for Jun'24 was 12.2% YoY, a slight decrease from 12.3% in the prior month and a significant drop from 18.5% in Jun'23.
- Rural core inflation, however, rose to 17.0% YoY in Jun'24, consistent with the previous month's increase and down from 25.2% in Jun'23.
- On a MoM basis, urban core inflation increased by 0.6%, while rural core inflation rose by 0.9%.

Exhibit: Consumer Price Index Jun'24

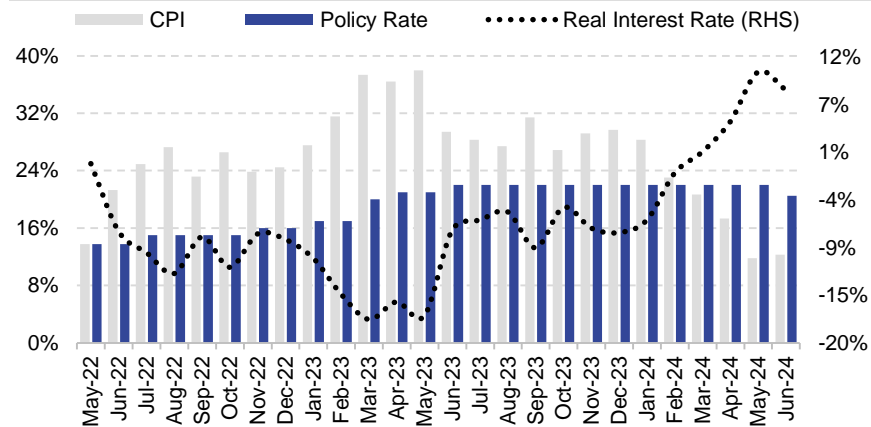
	Weight	Jun-24	Jun-23	YoY	May-24	MoM
CPI		255.9	227.4	12.6%	254.8	0.5%
Food	34.6%	264.3	261.8	1.0%	264.0	0.1%
Housing	23.6%	240.2	177.5	35.3%	236.6	1.5%
Clothing & Footwear	8.6%	241.7	205.2	17.8%	239.5	0.9%
Restaurants & Hotels	6.9%	266.5	238.2	11.9%	267.2	-0.3%
Transport	5.9%	308.2	279.2	10.4%	315.1	-2.2%
Miscellaneous	4.9%	284.9	249.1	14.4%	282.8	0.8%
House Hold Equipment	4.1%	268.3	238.8	12.3%	267.4	0.3%
Education	3.8%	199.6	172.3	15.9%	199.0	0.3%
Health	2.8%	244.6	204.1	19.8%	241.2	1.4%
Communication	2.2%	134.5	118.3	13.7%	134.3	0.2%
Recreation & Culture	1.6%	269.0	244.6	10.0%	262.3	2.6%
Alcoholic Beverages, Tobacco	1.0%	377.5	356.8	5.8%	366.7	2.9%

Source (s): PBS, AHL Research

CPI Review

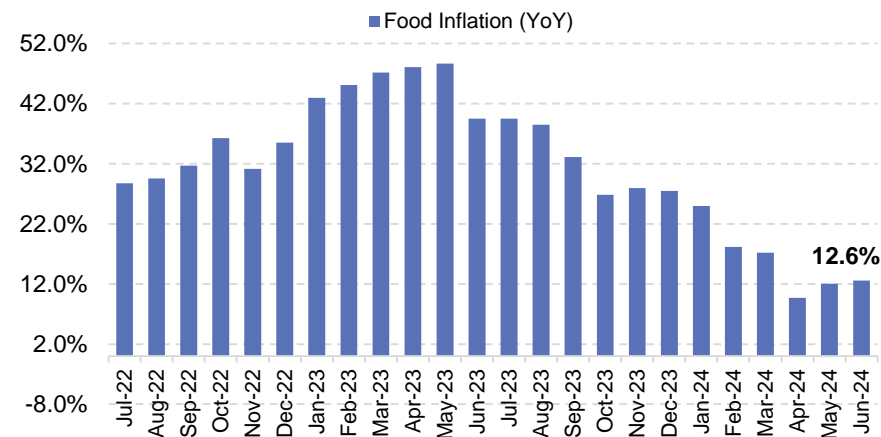
FY24: CPI averages at 23.4%

Exhibit: CPI, DR & Real Interest Rate



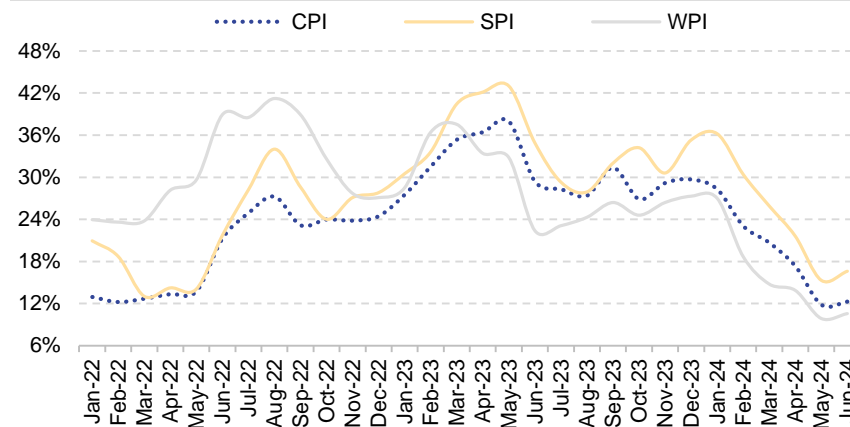
Source (s): PBS, AHL Research

Exhibit: Food Inflation



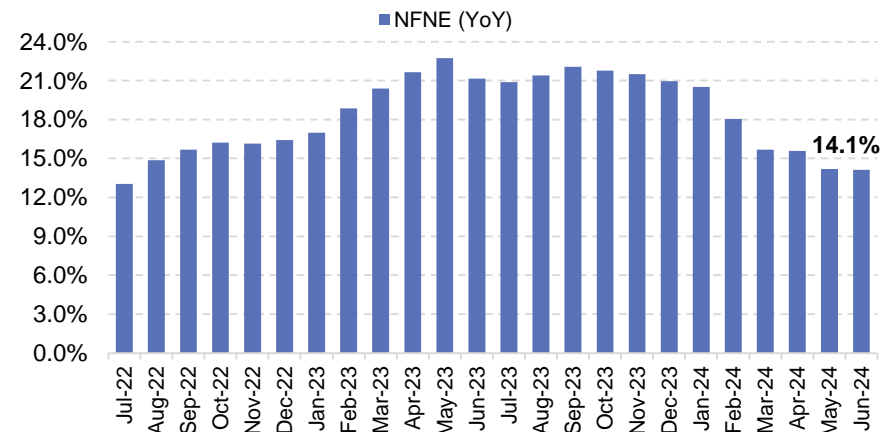
Source (s): PBS, AHL Research

Exhibit: CPI, SPI & WPI (YoY)



Source (s): PBS, AHL Research

Exhibit: Non-Food Non-Energy



Source (s): PBS, AHL Research

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