

# Pakistan Economy

## Aug-24: CPI drops to single-digit at 9.6% (34-month low)

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Best Securities House: 2023  
Best Investment Bank: 2023



Best Investment Bank: 2022



Best Equity House: 2022



Best Equity Advisor: 2021



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



PAKISTAN  
STOCK EXCHANGE  
LIMITED  
Top 25 Companies  
(2019, 2018 & 2017)



Excellence Award  
Leading Brokerage House for RDA 2021



Best Money Market Broker  
(Islamic) 2021

## Aug-24: CPI drops to single-digit at 9.6% (34-month low)

- In Aug'24, the headline inflation rate dropped to 34-month low (lowest since Oct'21) at 9.6%; declining from the previous month's YoY rate of 11.1%. This decrease contrasts sharply with Aug'23, which recorded a much higher YoY inflation rate of 27.4%.
- With this, the average yearly inflation of 2MFY25 stands at 10.4% compared to 27.8% in 2MFY24.
- The increase in inflation during Aug'24 was primarily attributable to rising prices in various categories such as: food (2.5% YoY), housing (22.2%), transportation (3.2% YoY), restaurants (10.0% YoY), alcoholic beverages and tobacco (6.9% YoY), household equipment (8.7% YoY), miscellaneous items (11.5% YoY), recreation and culture (7.8% YoY), and clothing and footwear (17.3% YoY).
- Month-on-month, inflation climbed by 0.4%, with price increases recorded in all categories except for housing and transport.
- The food index increased by 1.5% MoM due to rise in prices of onions, chicken, eggs and fresh vegetables.
- The housing index experienced a decline of 1.4% MoM due to decline in electricity charges from FCA adjustments and a recent relief package for domestic consumers, we view.
- The transport index decreased by 0.7% MoM, primarily due to decrease in domestic petroleum product prices.
- Core inflation for the outgoing month averaged 11.9% YoY, down from the previous month's 13.8%.
- Urban core inflation for Aug'24 was 10.2% YoY, a decrease from 11.7% in the prior month and a significant drop from 18.4% in Aug'23.
- Rural core inflation, however, rose to 14.4% YoY in Aug'24, a decrease from 16.9% in previous month and 25.9% in Aug'23.
- On a MoM basis, urban core inflation increased by 0.4%, while rural core inflation rose by 0.6%.

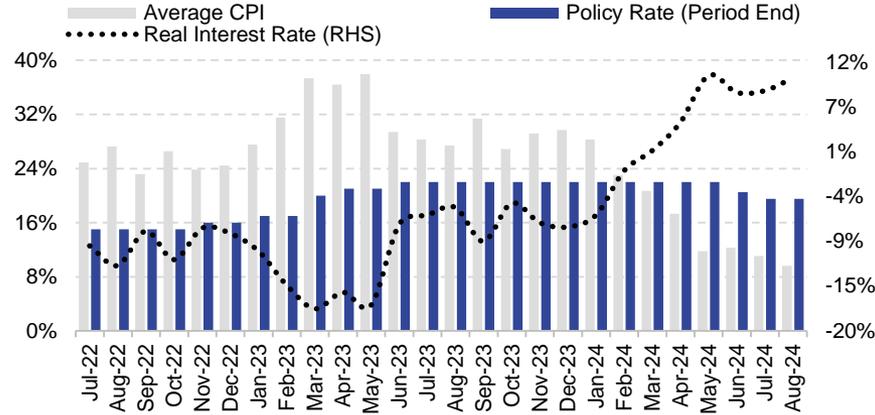
**Exhibit:** Consumer Price Index Aug'24

	Weight	Aug-24	Aug-23	YoY	Jul-24	MoM
<b>CPI</b>		<b>262.3</b>	<b>239.3</b>	<b>9.6%</b>	<b>261.3</b>	<b>0.4%</b>
Food	34.6%	280.7	274.0	2.5%	276.7	1.5%
Housing	23.6%	236.9	193.9	22.2%	240.3	-1.4%
Clothing & Footwear	8.6%	244.8	208.7	17.3%	243.8	0.4%
Restaurants & Hotels	6.9%	271.1	246.5	10.0%	269.3	0.7%
Transport	5.9%	310.2	300.7	3.2%	312.5	-0.7%
Miscellaneous	4.9%	291.6	261.5	11.5%	288.4	1.1%
House Hold Equipment	4.1%	270.2	248.5	8.7%	269.8	0.2%
Education	3.8%	201.0	178.2	12.8%	199.7	0.6%
Health	2.8%	250.6	212.8	17.8%	248.5	0.9%
Communication	2.2%	134.7	119.1	13.0%	134.6	0.0%
Recreation & Culture	1.6%	273.5	253.8	7.8%	270.5	1.1%
Alcoholic Beverages, Tobacco	1.0%	384.1	359.5	6.9%	383.4	0.2%

Source (s): PBS, AHL Research

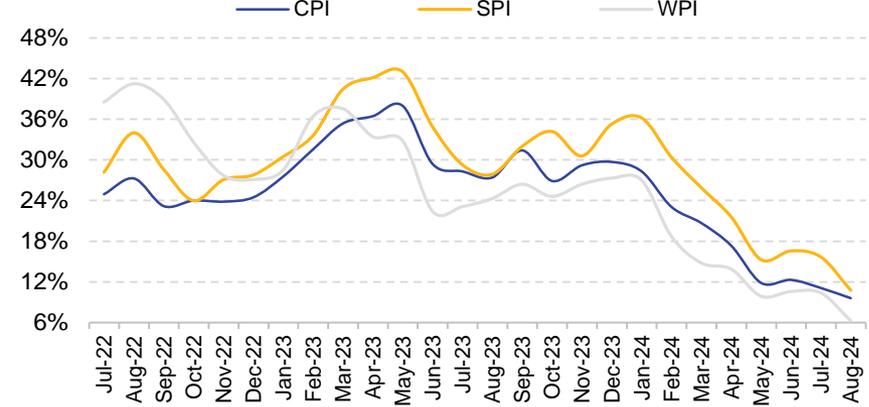
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**Exhibit: CPI, DR & Real Interest Rate**



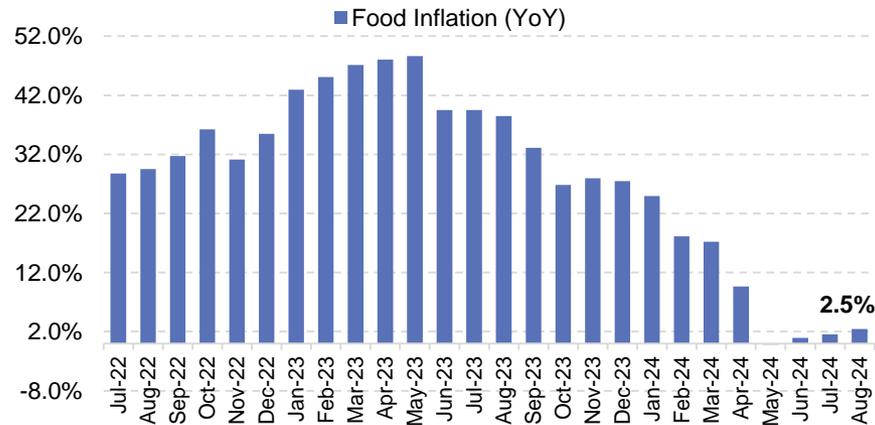
Source (s): PBS, AHL Research

**Exhibit: CPI, SPI & WPI (YoY)**



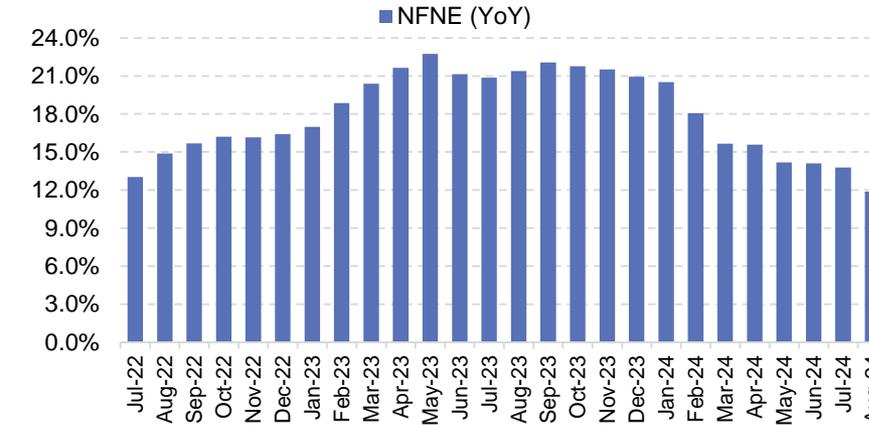
Source (s): PBS, AHL Research

**Exhibit: Food Inflation**



Source (s): PBS, AHL Research

**Exhibit: Non-Food Non-Energy**



Source (s): PBS, AHL Research

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- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

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