

# Pakistan Economy

## Oct'24: CPI arrives at 7.2%

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# CPI Review

## Oct'24: CPI arrives at 7.2%

### Disinflationary momentum pauses in Oct'24:

- Oct'24 saw headline inflation settle at 7.2% YoY, marking a major drop from 26.8% in Oct'23, though ticking up from September's 6.9%. This nudged the average inflation for 4MFY25 to 8.7%, a sharp fall from last year's 28.5%.
- The disinflationary momentum seen since Apr'24 seems to have paused, as all indices—except for transportation, down 6.1% YoY—posted YoY increases.
- Food prices crept up by 0.9% YoY, while housing surged by 19.2%, clothing by 14.6%, restaurants followed with a 7.9% rise, miscellaneous items spiked by 13.5%, and education, health, and communication costs each climbed by around 10-12% YoY, revealing an across-the-board inflationary pressure.
- On a monthly basis, inflation rose by 1.2%. Food prices jumped 2.2% MoM, with vegetables, onions, wheat, pulses, and spices pushing the food index higher.
- On the contrary, transportation costs dropped by 1.5% MoM as domestic fuel prices eased.
- Housing Index was up 1.6% MoM. The quarterly rent adjustment also added to housing costs, along with elevated electricity tariffs, especially for users of up to 200 units, resulting in a 1.6% MoM hike in the housing index. To recall, the government had deferred tariff hikes for these consumers until September, and now October bills reflect August's FCA at PKR -0.86/unit, down from PKR -0.37/unit, with the QTA holding steady at PKR 1.74/unit.

### Core inflation provided mixed insights:

- NFNE core inflation eased to 9.8% YoY in Oct'24, down from Sep'24's 10.4% and last year's 21.8%.
- Urban core inflation edged lower to 8.6% YoY from 9.3% last month and 18.5% in Oct'23, while rural inflation stood at 11.7% YoY, easing from September's 12.1% and last year's 26.7%.
- MoM, core inflation showed modest increases of 0.6% in urban and 0.7% in rural areas.

### Exhibit: Consumer Price Index Oct'24

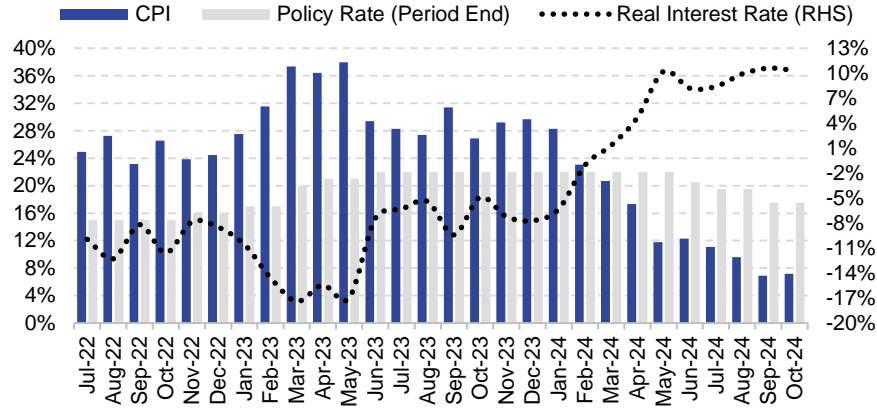
Item	Weight	Oct-24	Oct-23	YoY	Sep-24	MoM
<b>CPI</b>	<b>100.0%</b>	<b>264.2</b>	<b>246.5</b>	<b>7.2%</b>	<b>261.0</b>	<b>1.2%</b>
Food	34.5%	282.9	280.3	0.9%	276.9	2.2%
Housing	23.7%	239.3	200.7	19.2%	235.5	1.6%
Clothing and footwear	8.6%	246.8	215.3	14.6%	246.1	0.3%
Restaurants and hotels	6.9%	276.9	256.5	7.9%	275.6	0.5%
Transport	5.9%	299.6	319.2	-6.1%	304.3	-1.5%
Miscellaneous	4.9%	298.5	263.0	13.5%	295.0	1.2%
Household equipment	4.1%	271.1	255.9	5.9%	269.4	0.6%
Education	3.8%	202.2	183.7	10.0%	201.8	0.2%
Health	2.8%	256.5	228.4	12.3%	252.7	1.5%
Communication	2.2%	134.9	120.1	12.3%	134.8	0.0%
Recreation and culture	1.6%	274.5	255.8	7.3%	273.8	0.3%
Tobacco	1.0%	385.4	362.2	6.4%	385.2	0.0%

Source (s): PBS, AHL Research

# CPI Review

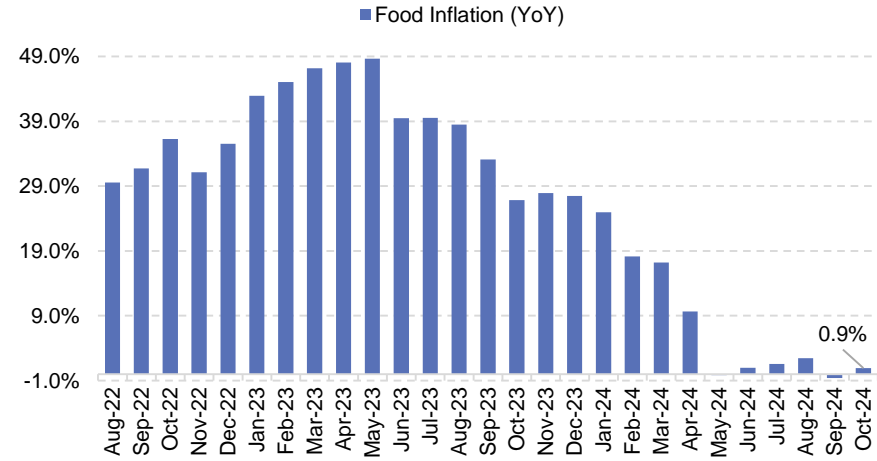
## Oct'24: CPI arrives at 7.2%

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



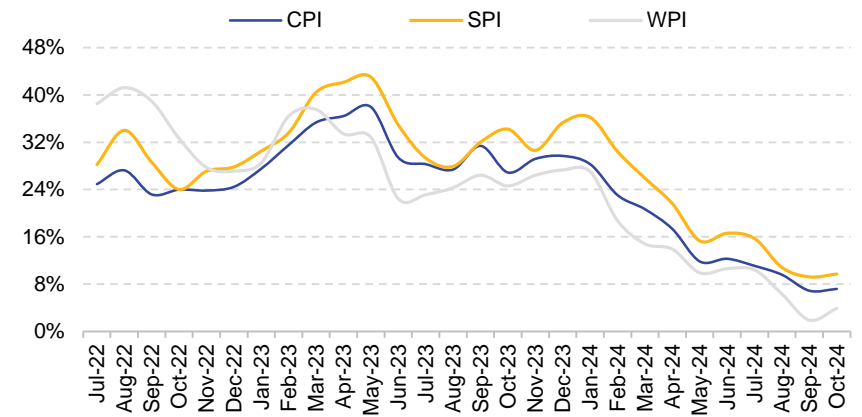
Source (s): PBS, AHL Research

**Exhibit: Food Inflation**



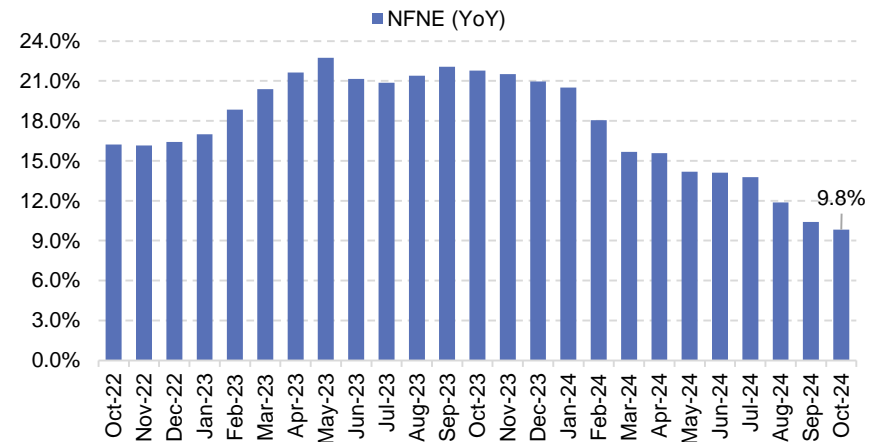
Source (s): PBS, AHL Research

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



Source (s): PBS, AHL Research

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



Source (s): PBS, AHL Research

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