

INFLATION PREVIEW (April-26)



NCPI inflation to clock in at 10.1% YoY in March-26 as compared to 7.3% YoY in the last month

Thursday, 23 April, 2026

National		Urban		Rural	
YoY	▲ 10.1%	YoY	▲ 11.4%	YoY	▲ 8.3%
MoM	▲ 3.1%	MoM	▲ 3.0%	MoM	▲ 3.1%

We expect the national CPI inflation (NCPI) for Apr-26 to clock around 10.1% YoY (3.1% MoM) as compared to 7.3% YoY (1.2% MoM) last month. Furthermore, urban CPI inflation (UCPI) (60% of NCPI) and rural CPI inflation (RCPI) (40% of NCPI) are expected to increase by 11.4% YoY (3.0% MoM) and 8.3% YoY (3.1% MoM) respectively as compared to 7.4% YoY (1.3% MoM) and 7.2% YoY (1.0% MoM) respectively in the last month.

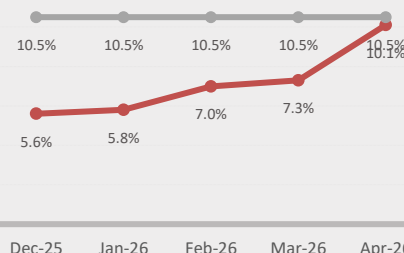
The surge in NCPI is caused mainly due to the increase in the food index which inflated by around 6.75% YoY during Apr-26. Particularly, increase in the prices of wheat flour (29.08% YoY), rice (5.65% YoY), meat (14.07% YoY), fresh milk (4.41% YoY), cooking oil (2.10% YoY), and vegetable ghee (2.38% YoY) contributed to the upsurge of food index. Other than food prices, an increase in the prices of motor fuel (42.19% YoY), cotton cloth (6.58% YoY), transport (25.82% YoY), house rent (4.63% YoY), readymade food (4.60% YoY), also pushed the NCPI inflation towards the north.

The macro outlook remains uncertain, with risks tilted to the upside. While the government has made meaningful progress in mobilizing external financing, structural vulnerabilities persist. Oil prices are likely to remain elevated, posing continued pressure on the external account, while inflation is expected to stay in double digits through at least Sep/Oct-26, contingent on weather conditions during the Jun–Sep period, despite relatively improved water availability versus last year. Against this backdrop of already elevated yields and the ongoing IMF program, the SBP is likely to maintain a cautious stance, and a further 50–100 bps increase in the policy rate cannot be ruled out.

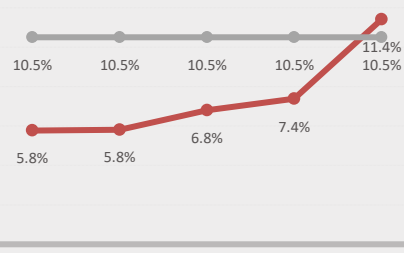
National	Weight	Apr-26	Urban	Weight	Apr-26	Rural	Weight	Apr-26
Food	35%	292	Food	30%	290	Food	41%	296
Utilities	24%	276	Utilities	27%	281	Utilities	18%	264
Clothing	9%	304	Clothing	8%	291	Clothing	9%	320
Restaurant	7%	301	Restaurant	7%	296	Restaurant	6%	310
Transport	6%	385	Transport	6%	380	Transport	6%	392
Misc.	5%	382	Education	5%	221	Misc.	5%	399
Furnishing	4%	288	Misc.	5%	369	Furnishing	4%	305
Education	4%	186	Furnishing	4%	276	Health	4%	289
Health	3%	289	Comm.	2%	139	Education	2%	256
Comm.	2%	135	Health	2%	289	Comm.	2%	130
Recreation	2%	265	Recreation	2%	250	Recreation	1%	294
Tobacco	1%	404	Tobacco	1%	428	Tobacco	1%	380
CPI		294	CPI		290	CPI		301

Key Statistics

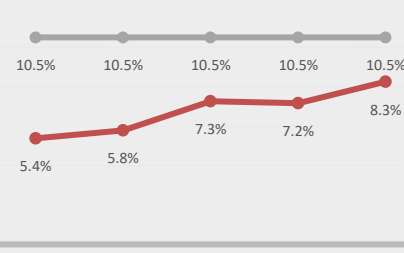
National CPI vs Discount Rate



Urban CPI vs Discount Rate



Rural CPI vs Discount Rate



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TP	Target Price	CAGR	Compound Annual Growth Rate	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings Ratio	PB	Price to Book Ratio	BVPS	Book Value Per Share
EPS	Earnings Per Share	DPS	Dividend Per Share	ROE	Return of Equity
ROA	Return on Assets	SOTP	Sum of the Parts	LDCP	Last Day Closing Price

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- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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Market Weight	Neutral
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