

# **Inflation Monitor**

**May 2014**



**State Bank of Pakistan**

**Statistics & DWH Department**

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**Team Leader**

- Behzad Ali Ahmad Sr. Joint Director  
[behzad.ali@sbp.org.pk](mailto:behzad.ali@sbp.org.pk)

**Team Members**

- Muhammad Ashfaq Assistant Director  
[muhammad.ashfaqch@sbp.org.pk](mailto:muhammad.ashfaqch@sbp.org.pk)
- Syed Salman Bukhari Assistant Director  
[salman.bukhari@sbp.org.pk](mailto:salman.bukhari@sbp.org.pk)

## **Review**

### **Inflation in Brief**

1. Headline CPI inflation (2007-08=100) is recorded at 8.3 percent on year-on-year basis in May 2014 as compared to 9.2 percent in the previous month and 5.1 percent in the corresponding month of last year.
2. CPI inflation on month-on-month basis is recorded at -0.3 percent in May 2014 as compared to 1.7 percent in the previous month and 0.5 percent during the corresponding month of last year. Seasonally adjusted month-on-month CPI inflation is recorded at 0.3 percent in May 2014 compared to 0.9 percent in the previous month.
3. Core inflation (trimmed) on year-on-year basis decreased to 8.3 percent in May 2014 as compared to 9.0 percent in the previous month and 6.7 percent during the corresponding month of last year.
4. On month-on-month basis, the Core inflation (trimmed) is recorded at 0.3 percent in May 2014 as compared to 0.9 percent in the previous month and 0.3 percent during the corresponding month of last year.
5. Non-food, non-energy inflation measured by CPI Core (NFNE) on year-on-year basis increased to 8.7 percent in May 2014 compared to 8.5 percent in the previous month. It was 8.1 percent in the corresponding month of last year.
6. Core NFNE inflation on month-on-month basis decreased to 0.5 percent in May 2014 as compared to 1.9 percent in the previous month. A 0.3 percent increase in Core NFNE index was observed in May 2013.
7. WPI inflation on year-on-year basis increased to 7.3 percent in May 2014 when compared to 7.0 percent a month earlier. During May 2013, WPI inflation was recorded at 4.1%.

8. WPI inflation on month-on-month basis is recorded at -0.1 percent in May 2014 as compared to 0.1 percent in the previous month and -0.4 percent during the corresponding month of last year.
9. SPI inflation on year-on-year basis decreased to 9.3 percent in May 2014 as compared to 10.3 percent in the previous month. It was 3.8 percent in the corresponding month of last year.
10. SPI inflation on month-on-month basis is recorded at -0.9 percent in May 2014 as compared to -0.1 percent in the previous month and negligible decrease in the corresponding month of last year.

### **1.1 A New Measure of Core Inflation**

A new method of permanently excluding relatively volatile commodities from CPI basket in Pakistan has been developed by SBP. This is achieved by making use of trimming approach on past data on monthly CPI changes to isolate a Relatively Stable Component of CPI (RSC-CPI) as a new measure of core inflation. This method ensures inclusion of both food and non-food commodities that show persistent price behavior in Pakistan (see technical notes for details). Developments in core inflation measured by RSC- CPI for the month of May 2014 are described below:

- Core inflation based on new measure RSC on year-on-year basis is recorded at 8.8 percent in May 2014 compared to 8.5 percent in the previous month and 5.9 percent in the corresponding month of last year.
- Core RSC inflation on month-on-month basis is recorded at 0.6 percent in May 2014 compared to 1.7 percent in the previous month and 0.4 percent in the corresponding month of last year.

Monthly CPI, WPI and SPI data is summarized in the following table.

Table 1.1 Inflation Trends (percent) (Base 2007- 08 = 100)																
Period	CPI Inflation						Core Inflation						WPI Inflation		SPI*** Inflation	
	General		Food		Non-food		NFNE*		Trimmed		RSC**					
	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM
May-13	5.1	0.5	6.5	1.1	4.1	0.1	8.1	0.3	6.7	0.3	5.9	0.4	4.1	-0.4	3.8	0.0
Jun-13	5.9	0.7	7.9	1.1	4.4	0.5	7.8	0.4	6.8	0.6	5.5	0.7	5.2	1.0	4.6	2.5
Jul-13	8.3	2.0	9.2	3.0	7.6	1.3	8.2	1.5	7.8	1.2	8.2	1.6	6.5	1.6	9.1	2.1
Aug-13	8.5	1.2	10.3	2.0	7.3	0.6	8.5	0.6	7.9	0.6	8.4	0.6	8.3	2.6	9.0	1.2
Sep-13	7.4	-0.3	7.9	-1.5	7.0	0.6	8.7	0.6	7.6	0.6	8.5	0.5	8.7	0.7	7.9	-0.1
Oct-13	9.1	2.0	9.8	1.7	8.6	2.2	8.4	0.9	9.0	0.8	8.4	0.8	9.8	1.1	10.9	2.3
Nov-13	10.9	1.3	13.0	2.6	9.4	0.3	8.5	0.4	9.2	0.4	8.5	0.3	10.4	0.2	14.6	3.4
Dec-13	9.2	-1.3	9.3	-3.3	9.1	0.2	8.2	0.2	8.7	0.4	8.4	0.3	8.9	-1.0	12.1	-1.9
Jan-14	7.9	0.5	7.2	0.0	8.4	0.9	8.1	1.0	8.2	0.6	8.1	0.8	8.1	0.5	9.5	-0.8
Feb-14	7.9	-0.3	7.6	-1.0	8.2	0.2	7.8	0.2	8.1	0.2	8.0	0.3	7.6	-0.1	9.3	-0.2
Mar-14	8.5	1.0	9.3	2.1	8.0	0.2	7.6	0.3	8.1	0.3	7.8	0.2	7.7	0.3	10.5	1.7
Apr-14	9.2	1.7	9.9	2.0	8.7	1.5	8.5	1.9	9.0	0.9	8.5	1.7	7.0	0.1	10.3	-0.1
May-14	8.3	-0.3	7.4	-1.2	9.0	0.4	8.7	0.5	8.3	0.3	8.8	0.6	7.3	-0.1	9.3	-0.9
* NFNE is Non-food non-energy			** Relatively Stable Component of CPI			*** SPI for all income groups combined										

\* NFNE is Non-food non-energy

\*\* Relatively Stable Component of CPI

\*\*\* SPI for all income groups combined

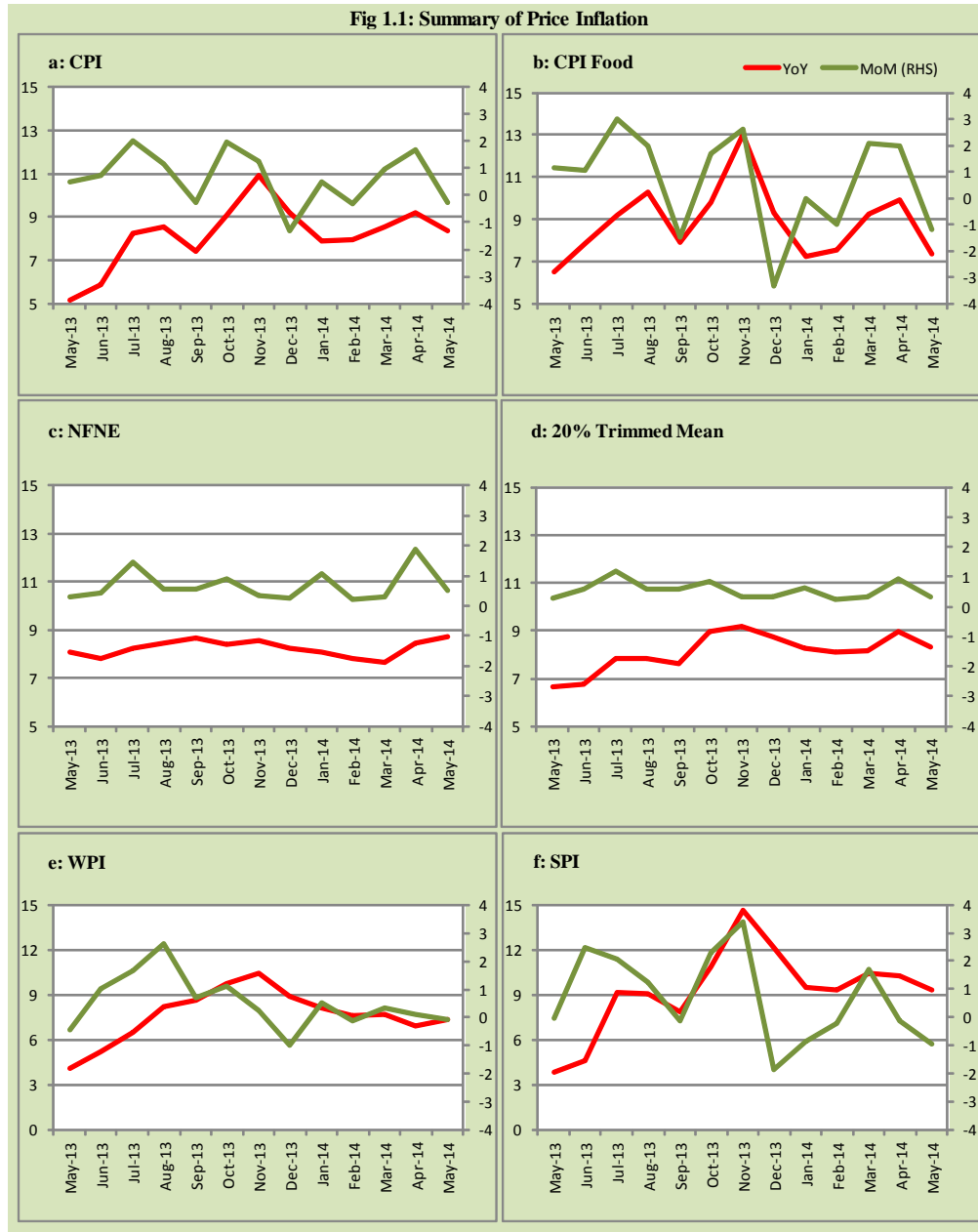




Fig 1.2: Movements in Price Indices (percent)

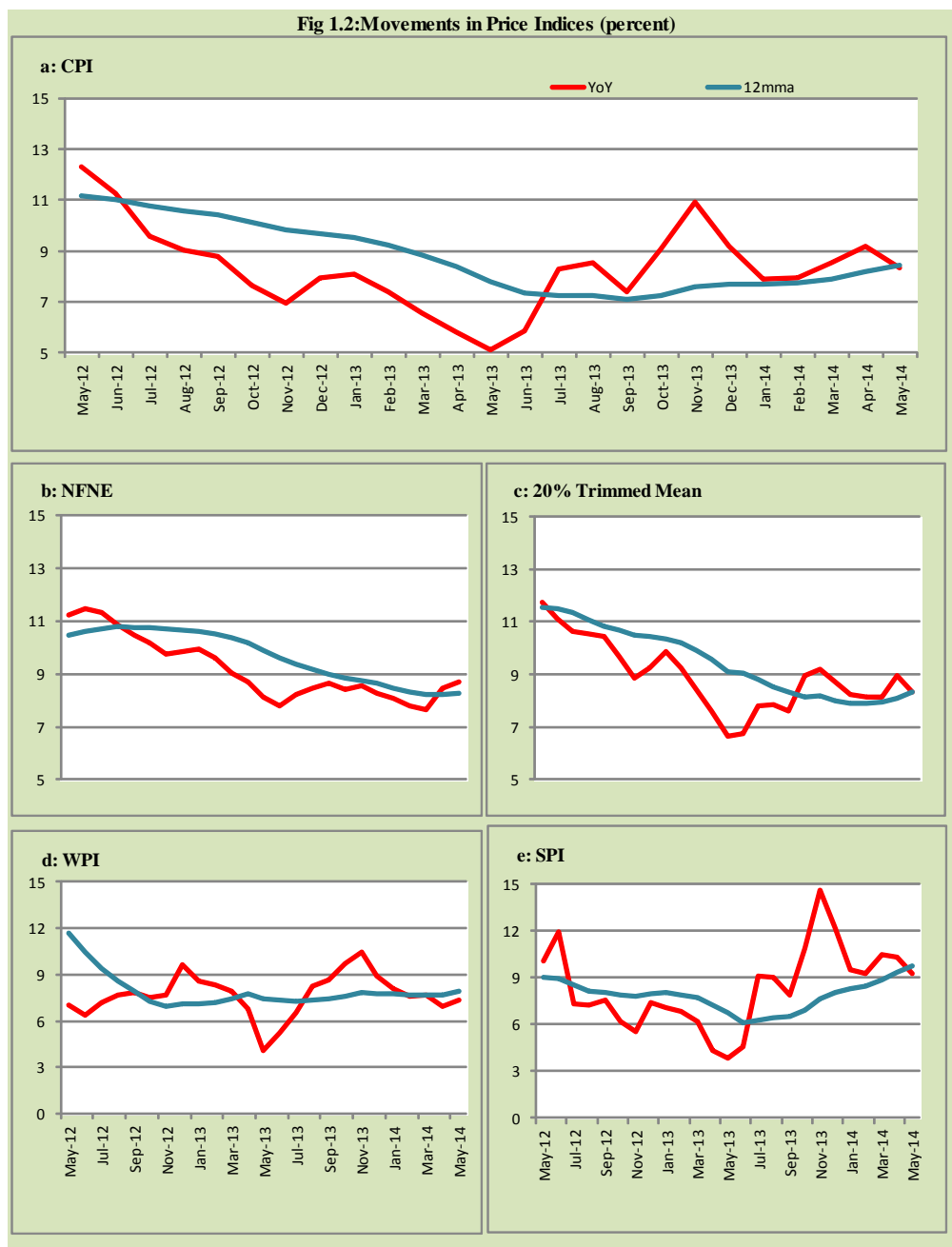
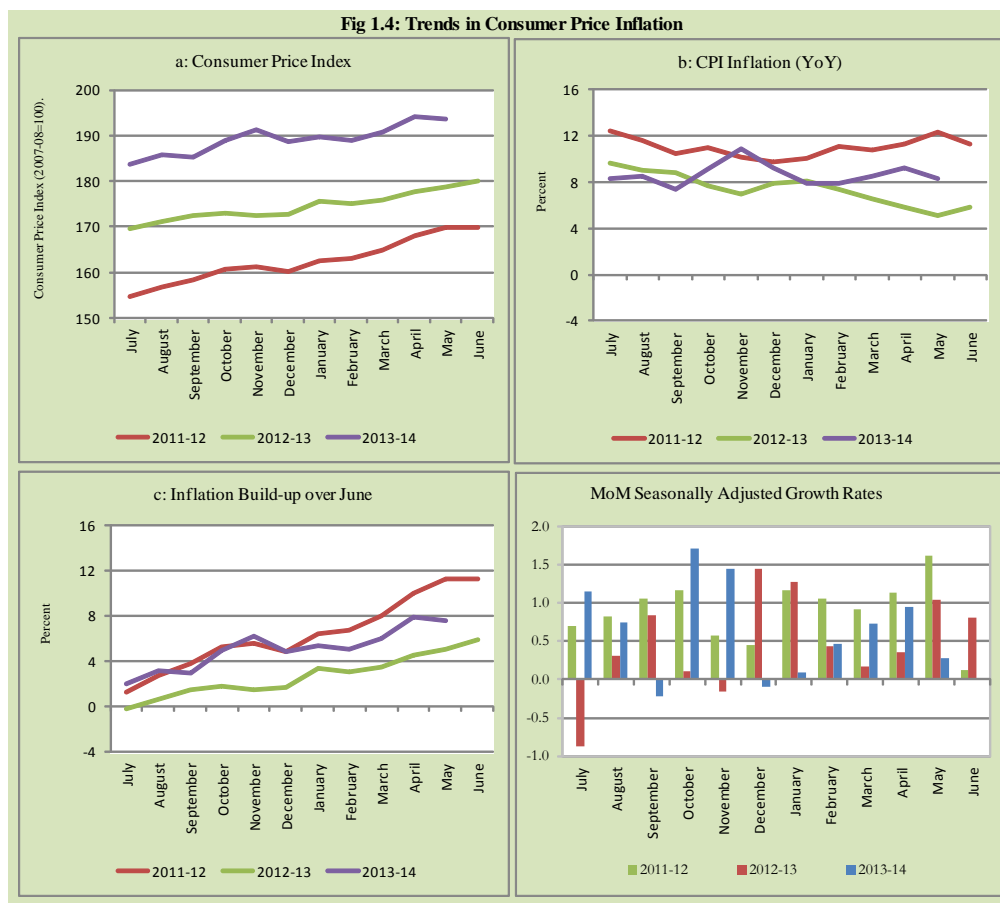




Fig 1.4: Trends in Consumer Price Inflation



## 2. City wise Inflation

CPI Inflation on year-on-year basis in federal and provincial capitals of Pakistan was higher than overall inflation during May 2014 except Quetta. Among these five cities, the lowest inflation was observed in Quetta at 7.1 percent while the highest inflation was observed in Islamabad at 14.2 percent (Table A6 of annexure-A).

<b>Table 2.1 City-wise Inflation of Selected Cities (percent)</b>						
	<b>May-13</b>		<b>Apr-14</b>		<b>May-14</b>	
	<b>MoM</b>	<b>YoY</b>	<b>MoM</b>	<b>YoY</b>	<b>MoM</b>	<b>YoY</b>
<b>Overall CPI</b>	0.5	5.1	1.7	9.2	-0.3	8.3
Islamabad	1.0	5.4	2.6	15.5	-0.1	14.2
Karachi	0.7	3.8	1.4	9.6	0.0	8.9
Lahore	0.9	4.9	2.9	11.2	-0.4	9.8
Peshawar	0.6	5.2	2.7	11.9	-0.9	10.3
Quetta	0.9	5.1	1.2	8.9	-0.8	7.1

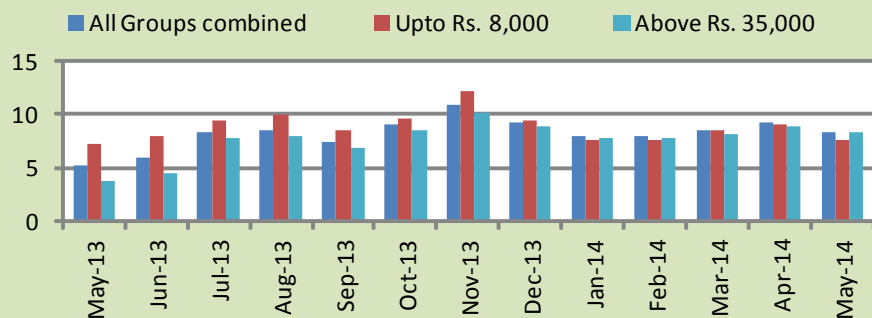
### **3. Income Group wise Inflation**

Income group- wise data showed that income group above Rs. 35,000 witnessed lower inflation than the overall inflation in CPI basket during May 2014 for non-food group. The lowest income group (Up to Rs. 8, 000) has the mixed trend among the income groups during the month of May 2014 (Table A7 of annexure-A).

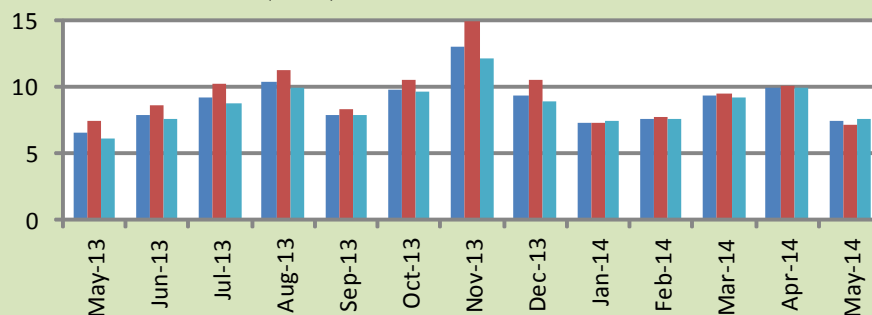
<b>Table 3.1 Income Group- wise Inflation (YoY)</b>									
<b>Income Groups</b>	<b>General</b>			<b>Food</b>			<b>Non-food</b>		
	<b>May-13</b>	<b>Apr-14</b>	<b>May-14</b>	<b>May-13</b>	<b>Apr-14</b>	<b>May-14</b>	<b>May-13</b>	<b>Apr-14</b>	<b>May-14</b>
<b>All Groups Combined</b>	5.1	9.2	8.3	6.5	9.9	7.4	4.1	8.7	9.0
Up to Rs. 8,000	7.2	9.1	7.5	7.4	10.1	7.1	6.9	7.8	8.0
Rs. 8,001- 12,000	6.7	8.8	7.5	7.0	10.0	7.2	6.4	7.6	7.7
Rs. 12,001- 18,000	6.6	9.8	8.6	6.7	9.9	7.3	6.5	9.6	9.9
Rs. 18,001- 35,000	4.8	9.7	8.7	6.5	9.9	7.4	3.4	9.6	9.9
Above Rs. 35,000	3.8	8.8	8.4	6.1	9.9	7.5	2.6	8.3	8.8

**Fig 3.1: Income Group- wise Inflation**

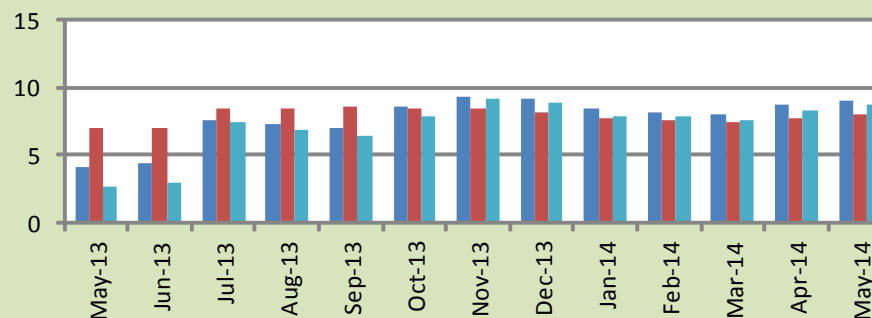
**a: CPI Overall Inflation (YoY)**



**b: CPI Food Inflation (YoY)**



**c: CPI Non-Food Inflation (YoY)**



#### **4. Weighted Contribution**

The weighted contribution of food group in the overall inflation decreased to 37.10 percent during May 2014 from 44.99 percent in April 2014. It was 52.66 percent in May 2013.

The weighted contribution of non-food group showed increase to touch 62.90 percent in May 2014 from 55.01 percent in April 2014.

<b>Table 4.1 Weighted Contribution to CPI Inflation (YoY)</b>						
<b>Period</b>	<b>Food</b>	<b>Clothing &amp; Footwear</b>	<b>Housing, Water, Elect, Gas &amp; Other Fuel</b>	<b>Transport</b>	<b>Education</b>	<b>Others</b>
May-13	52.66	17.82	4.28	-0.34	4.91	20.67
Jun-13	55.58	17.03	3.84	3.09	4.46	15.99
Jul-13	46.72	13.37	20.20	5.27	3.25	11.19
Aug-13	50.74	13.02	19.40	1.98	3.35	11.51
Sep-13	44.97	14.90	22.53	0.16	3.91	13.52
Oct-13	45.18	11.62	26.61	2.68	3.37	10.55
Nov-13	50.12	9.70	22.42	6.24	2.76	8.76
Dec-13	42.35	10.02	26.60	7.26	3.33	10.44
Jan-14	38.35	11.56	30.05	5.41	3.80	10.83
Feb-14	39.62	11.30	30.01	4.66	3.59	10.82
Mar-14	45.11	10.53	27.61	3.41	2.85	10.48
Apr-14	44.99	9.50	26.89	3.49	5.60	9.53
May-14	37.10	10.81	29.55	4.60	7.03	10.91

## 5. Inflation Diffusion Index

**Table 5.1 Inflation Diffusion Index - based on MoM change**

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
General	44.5	48.4	58.0	53.5	51.4	53.9	49.7	50.0	43.6	43.6	45.9	41.2	46.5
Food & Non-Alcoholic Beverages	34.6	50.4	53.5	39.8	36.3	57.4	49.6	41.1	29.2	38.4	59.5	23.9	33.6
Alcoholic Beverages & Tobacco	33.3	100.0	100.0	16.7	66.7	50.0	-33.3	66.7	50.0	0.0	0.0	33.3	83.3
Clothing & Footwear	67.8	55.9	76.3	76.3	83.1	78.0	83.1	76.3	78.0	71.2	52.5	67.8	67.8
Housing, Water, Elect, Gas & other Fuels	16.7	50.0	66.7	41.7	33.3	61.1	44.4	25.0	55.6	25.0	27.8	38.9	27.8
Furnishing & Household Equip. Maintenance etc	78.3	76.8	78.3	85.5	78.3	82.6	85.5	89.9	76.8	81.2	75.4	82.6	89.9
Health	20.5	10.3	17.9	28.2	10.3	17.9	15.4	20.5	5.1	10.3	28.2	25.6	25.6
Transport	27.9	32.6	53.5	39.5	53.5	48.8	30.2	34.9	32.6	37.2	25.6	16.3	9.3
Communication	33.3	16.7	58.3	33.3	16.7	16.7	25.0	16.7	0.0	16.7	16.7	-8.3	16.7
Recreation & Culture	30.8	28.2	33.3	41.0	33.3	23.1	20.5	33.3	20.5	15.4	7.7	30.8	23.1
Education	43.8	43.8	50.0	68.8	56.3	25.0	0.0	37.5	25.0	0.0	12.5	31.3	62.5
Restaurant & Hotels	83.3	66.7	100.0	100.0	100.0	83.3	83.3	100.0	100.0	100.0	100.0	66.7	100.0
Miscellaneous	60.0	57.1	60.0	65.7	74.3	40.0	62.9	57.1	48.6	62.9	62.9	48.6	65.7
NFNE	49.4	47.9	58.6	58.6	55.9	51.8	52.4	53.3	48.5	46.7	42.6	48.5	51.2

See annexure B (Technical Notes) for the definition of Inflation Diffusion Index.

## 6. Domestic Commodity Prices

**Table 6.1 Inflation in Domestic CPI Food Commodities**

Sr. No	Item	Unit	May-13		Apr-14		May-14	
			YoY	MoM	YoY	MoM	YoY	MoM
1	Wheat	10 Kg	15.49	-3.00	17.42	-6.91	10.39	-8.81
2	Wheat Flour Bag	10 Kg	16.58	0.15	18.49	-1.92	10.11	-6.94
3	Rice Basmati Sup. Qlty.	Kg	17.29	1.40	9.24	-0.09	8.91	1.10
4	Pulse Masoor (Washed)	Kg	3.94	2.54	21.78	-0.59	19.87	0.93
5	Pulse Moong (Washed)	Kg	-8.05	0.38	29.47	1.37	34.77	4.48
6	Pulse Mash (Washed)	Kg	-8.60	0.17	4.31	-0.42	8.30	4.00
7	Pulse Gram	Kg	-21.09	-5.14	-16.20	-1.31	-12.06	-0.46
8	Vegetable Ghee (Loose)	Kg	-7.88	-0.19	3.72	-0.57	2.37	-1.49
9	Sugar Refined	Kg	-2.83	-0.24	-0.41	-0.63	-1.40	-1.23
10	Milk Fresh (Unboiled)	Ltr	8.87	0.45	6.93	0.75	7.70	1.17
11	Tea- Tapal Danedar	200 Gm	29.52	2.54	-9.73	-0.34	-18.57	-7.50
12	Beef With Bone Av. Qlty.	Kg	3.50	0.22	5.88	0.23	6.05	0.37
13	Mutton Av. Qlty.	Kg	5.36	0.81	7.81	0.74	7.00	0.06
14	Chicken Farm Broiler (Live)	Kg	-15.25	2.53	24.66	2.63	20.23	-1.11
15	Eggs Farm	Doz	-8.19	-3.42	10.36	-24.49	4.78	-8.31
16	Potatoes	Kg	-12.54	8.09	192.80	42.07	175.43	1.67
17	Onion	Kg	106.66	-12.00	-30.19	9.04	-28.23	-9.54
18	Tomatoes	Kg	77.52	-6.06	-6.98	-13.56	-50.07	-49.57
19	Ginger	Kg	32.19	1.47	90.68	10.68	94.47	3.48
20	Garlic	Kg	33.92	3.14	3.25	-7.26	-12.47	-12.56

## 7. Global Commodity Prices

**Table 7.1 Changes in Major Global Indices (percent)**

Item/ Group	May-13		Apr-14		May-14	
	YoY	MoM	YoY	MoM	YoY	MoM
<b>Overall</b>	-3.1	0.2	3.3	0.9	2.8	-0.2
Food	8.7	2.6	2.9	1.1	-1.1	-1.4
Metals	-8.8	-3.9	-7.6	2.7	-6.7	-2.9
Energy	-5.0	0.0	4.2	0.7	4.8	0.6
Agricultural Raw Material	-0.5	3.2	8.9	0.0	4.0	-1.5
Cotton	4.6	0.1	1.8	-2.8	0.1	-1.6

Source: IMF



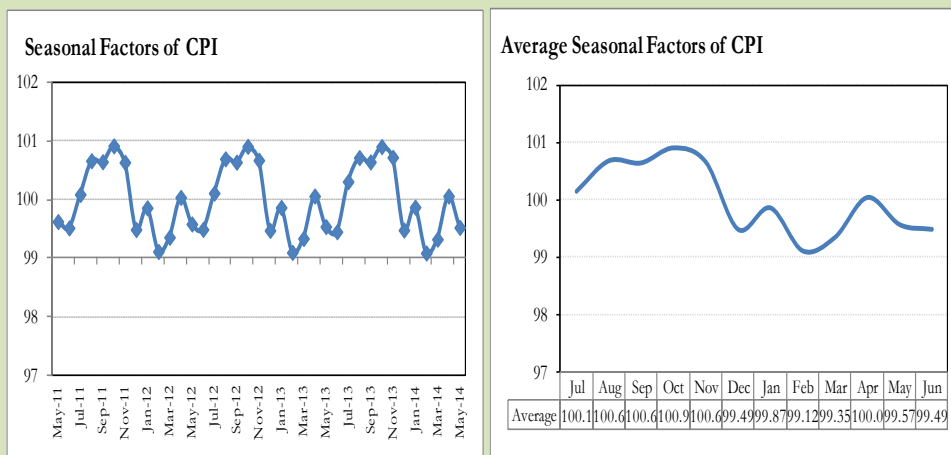
## **8. Seasonal Adjustment in CPI**

Seasonal adjustment is the process of estimating and removing the seasonal effects from a time series after decomposing it into seasonal, trend, cycle and irregular components. The purpose is to identify the different components of the time series and thus provide a better understanding of its underlying behavior. Seasonally adjusted changes are usually preferred for analyzing general price trends in the economy because they eliminate the effect of changes that normally occur at the same time and in about the same magnitude every year. Various statistical methods can be used to decompose a time series into its constituent components. The State Bank of Pakistan uses X-12- ARIMA Seasonal Adjustment Method for this purpose.

The changes in consumer prices are normally reported in terms of year-on-year and month-on-month basis. Seasonal adjustment is particularly useful for analyzing month-on-month changes. The monthly data series of Consumer Price Index (CPI) from July 2008 to May 2014 has been used for seasonal adjustment analysis. The seasonal analysis is carried out without taking trading-day or Islamic calendar month's effects.

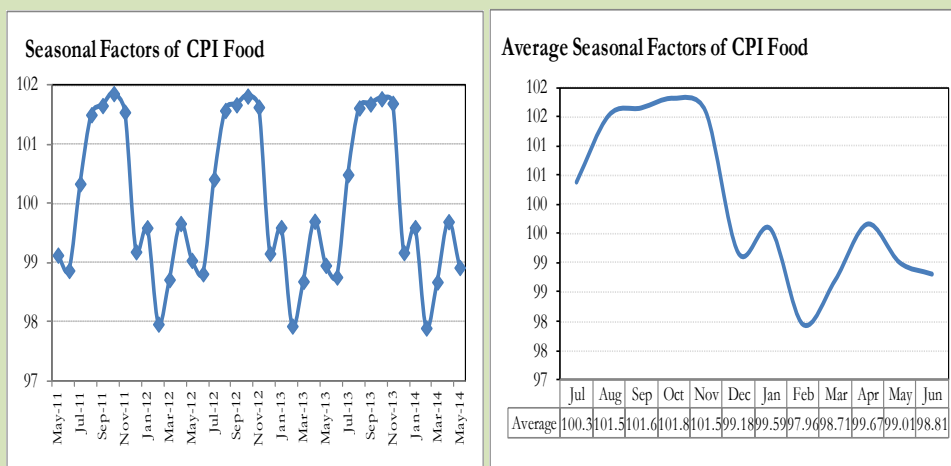
Figure 8.1 reveals that seasonality in CPI has been increasing over the period of last four years. Average seasonal factors reveal strong seasonality during the calendar year. There is an upward seasonality during the months from July to November & April and downward seasonality in the remaining months of the year. Upward and downward seasonality is above and below the trend line respectively. It is important to note that seasonal factors are estimates based on present and past experience and that future data may not necessarily show the same pattern of seasonal factors.

**Fig. 8.1 Seasonal Factors of CPI**



Note: Data Available in Annex Table 16.

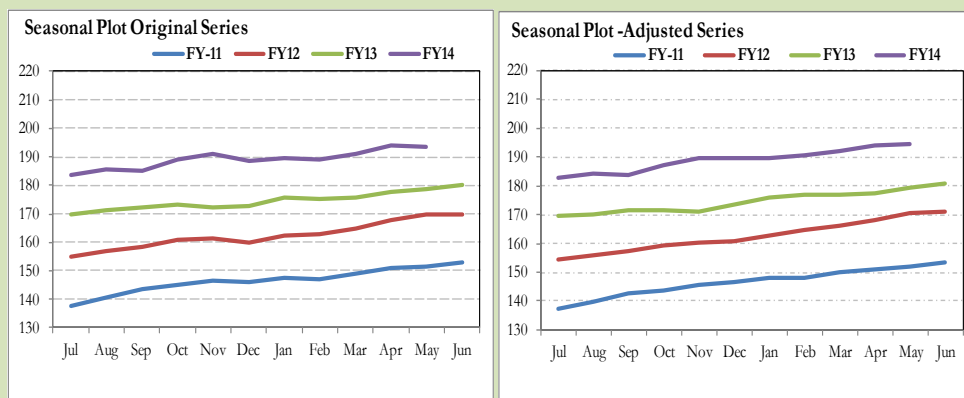
**Fig. 8.2 Seasonal Factors of CPI Food**



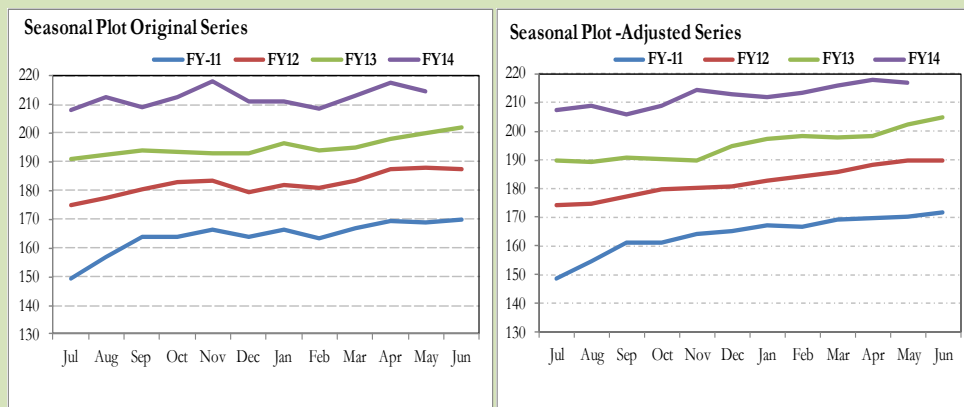
Note: Data Available in Annex Table 17.

Figures 8.3 & 8.4 show that seasonally adjusted series are relatively smoother than the original series due to the removal of the seasonal variations. The trend follows the long-term movement in original series, and is smoother than the original series because some irregular fluctuations have been removed.

**Fig. 8.3 Seasonal Plots of CPI**



**Fig. 8.4 Seasonal Plots of CPI (Food)**



Seasonally adjusted CPI for May 2014 stood at 194.46 against 193.55 in original series showing an increase of 0.91 on account of adjustment of downward seasonality in May 2014.

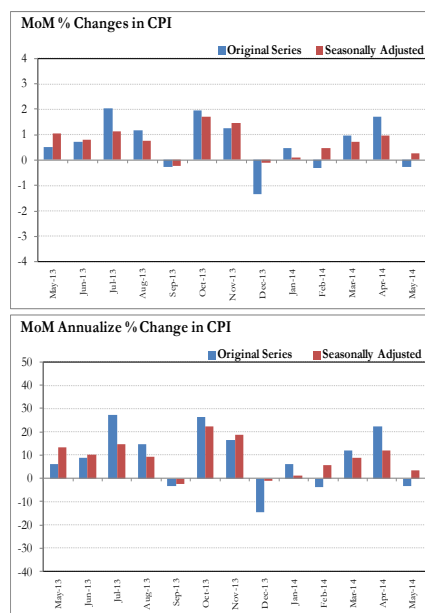
Seasonally adjusted CPI food group for May 2014 stood at 217.10 against 214.75 in original series showing an increase of 2.35 on account of adjustment of downward seasonality in May 2014.

Month-on-month change of seasonally adjusted CPI series stood at 0.27% reflecting decrease during May 2014 over April 2014 and a decrease of 0.26% in original series.

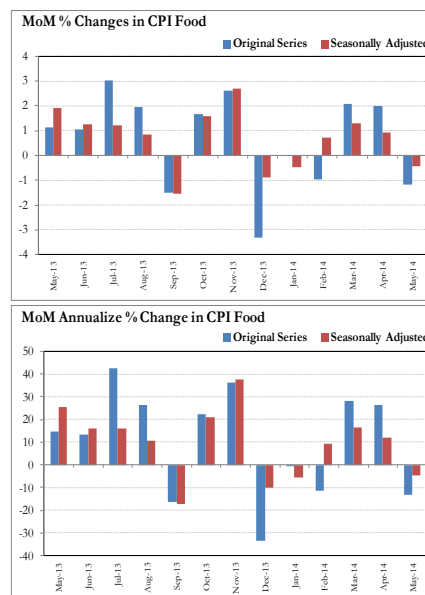
Month-on-month change of seasonally adjusted CPI food group series stood at -0.41% reflecting decrease during May 2014 over April 2014 and a decrease of 1.19% in original series.

It is important to note that inflation rates should be analyzed on the basis of seasonally adjusted rates. This is especially needed for inflation rates on month-on-month basis. The most recent annual rate of inflation is usually indicated by annualizing the seasonally adjusted month-on-month rate. Annualized rate of CPI inflation in May 2014 (corresponding to the seasonally adjusted month-on-month rate) is 3.35 percent.

**Fig. 8.5 Month-on-Month Percent Changes in CPI**



**Fig. 8.6 Month-on-Month Percent Changes in CPI Food**



**Annexure A**

<b>Table A1: CPI Inflation by Groups (percent)</b>							
	Weight	MoM change			YoY change		
		May-13	Apr-14	May-14	May-13	Apr-14	May-14
<b>I. Food Group</b>	<b>37.5</b>	<b>1.1</b>	<b>2.0</b>	<b>-1.2</b>	<b>6.5</b>	<b>9.9</b>	<b>7.4</b>
Food & Non-Alcoholic Beverages	34.8	1.2	2.1	-1.3	6.2	9.5	6.8
Alcoholic Beverages & Tobacco	1.4	0.0	0.0	0.8	13.0	16.1	17.0
Restaurant & Hotels	1.2	0.6	0.6	0.5	8.3	13.6	13.4
<b>II. Non-Food Group</b>	<b>62.5</b>	<b>0.1</b>	<b>1.5</b>	<b>0.4</b>	<b>4.1</b>	<b>8.7</b>	<b>9.0</b>
Clothing & Footwear	7.6	0.8	1.2	1.1	12.6	11.2	11.6
Housing, Water, Elect, Gas & other Fuels	29.4	0.0	1.5	0.0	0.8	9.7	9.7
Furnishing & Household Equip. Maintenance etc	4.2	0.6	1.1	0.5	7.7	9.5	9.4
Health	2.2	0.6	0.4	1.1	11.2	7.1	7.6
Transport	7.2	-1.2	-0.3	-0.3	-0.2	4.2	5.1
Communication	3.2	0.1	0.0	0.0	5.2	0.9	0.9
Recreation & Culture	2.0	0.5	2.3	0.3	7.7	7.0	6.7
Education	3.9	0.3	9.7	2.1	7.2	14.3	16.4
Miscellaneous	2.8	0.0	-0.6	1.0	7.7	5.3	6.3
<b>Headline</b>	<b>100.0</b>	<b>0.5</b>	<b>1.7</b>	<b>-0.3</b>	<b>5.1</b>	<b>9.2</b>	<b>8.3</b>

<b>Table A2: Distribution of Price changes (YoY) of CPI basket</b>											
Groups	% changes	No. of items in each inflation range									
		Total number of items		Decrease or no change (0% or less)		Subdued increase (>0% but <5%)		Moderate increase (5% but less than 10%)		Double digit increase (10% or more)	
		May-13	May-14	May-13	May-14	May-13	May-14	May-13	May-14	May-13	May-14
<b>I. Food Group</b>	<b>7.4</b>	<b>124</b>	<b>126</b>	<b>34</b>	<b>26</b>	<b>17</b>	<b>24</b>	<b>34</b>	<b>25</b>	<b>39</b>	<b>51</b>
Food & Non-Alcoholic Beverages	6.8	112	114	34	26	16	23	27	24	35	41
Alcoholic Beverages & Tobacco	17.0	6	6	0	0	1	1	3	0	2	5
Restaurant & Hotels	13.4	6	6	0	0	0	0	4	1	2	5
<b>II. Non-Food Group</b>	<b>9.0</b>	<b>348</b>	<b>348</b>	<b>61</b>	<b>61</b>	<b>71</b>	<b>59</b>	<b>103</b>	<b>110</b>	<b>113</b>	<b>118</b>
Clothing & Footwear	11.6	59	59	5	4	0	1	11	21	43	33
Housing, Water, Elect, Gas & other Fuels	9.7	36	36	14	2	4	9	14	13	4	12
Furnishing & Household Equip. Maintenance etc	9.4	69	69	3	1	18	11	29	27	19	30
Health	7.6	39	39	15	21	2	6	7	4	15	8
Transport	5.1	43	43	7	16	14	12	16	10	6	5
Communication	0.9	12	12	2	4	5	3	4	2	1	3
Recreation & Culture	6.7	39	39	11	10	12	10	7	11	9	8
Education	16.4	16	16	4	0	5	1	4	7	3	8
Miscellaneous	6.3	35	35	0	3	11	6	11	15	13	11
<b>Overall</b>	<b>8.3</b>	<b>472</b>	<b>474</b>	<b>95</b>	<b>87</b>	<b>88</b>	<b>83</b>	<b>137</b>	<b>135</b>	<b>152</b>	<b>169</b>

Note: Prices of 13 seasonal items were not reported during the month.

Table A3: Top and Bottom 15 Contributors to CPI Inflation (YoY) in May 2014					
Top 15 Contributors		YoY Change		Weighted Contribution	
Items/ Contributors	Weights	May-13	May-14		
Ranked by Weighted Contribution					
1	House Rent	21.81	7.07	8.63	18.27
2	Electricity	4.40	0.00	15.82	9.17
3	Potatoes	0.48	-12.54	175.43	7.98
4	Milk Fresh	6.68	8.96	7.74	7.71
5	Education	3.94	7.18	16.38	7.03
6	Wheat Flour	4.16	17.22	10.87	5.92
7	Chicken	1.36	-15.25	20.23	3.17
8	Cigarette	1.39	13.15	17.10	3.05
9	Cotton Cloth	1.73	14.97	12.93	2.62
10	Motor Fuel	3.03	-9.25	6.63	2.36
11	Ready Made Food	1.23	8.34	13.38	2.32
12	Meat	2.43	4.12	6.37	2.31
13	Beverages	1.20	8.66	12.78	1.83
14	Tailoring	0.88	13.21	12.77	1.65
15	Bakery & Confectionary	1.16	8.18	11.50	1.63
Total		55.88			77.02
Bottom 15 Contributors					
1	Onion	0.54	106.67	-28.24	-2.87
2	Tomatoes	0.45	77.52	-50.07	-2.20
3	Tea	0.84	17.55	-13.96	-1.93
4	Pulse Gram	0.24	-21.09	-12.06	-0.37
5	Besan	0.15	-12.73	-14.40	-0.29
6	Sugar	1.04	-2.82	-1.40	-0.19
7	Gram Whole	0.16	-16.21	-8.03	-0.17
8	Fresh Vegetable	1.66	29.64	-0.65	-0.16
9	Mustard Oil	0.10	-0.95	-0.64	-0.01
10	Motor Vehicle Tax	0.11	1.13	0.00	0.00
11	Kerosene Oil	0.01	-0.34	4.12	0.00
12	Medical Equipment	0.01	12.21	6.08	0.01
13	Blades	0.03	3.11	4.86	0.02
14	Gur	0.02	6.58	7.80	0.03
15	Betel Leaves & Nuts	0.02	3.34	9.83	0.03
Total		5.37			-8.09

**Table A3.1: Top and Bottom 15 Contributors to CPI Inflation (MoM) in May 2014**

<u>Top 15 Contributors</u>		<u>MoM Change</u>		Weighted Contribution	
Items/ Contributors	Weights	Apr-14	May-14		
Ranked by Weighted Contribution					
1	Milk Fresh	6.68	0.84	1.30	40.34
2	Education	3.94	9.68	2.10	30.08
3	Cotton Cloth	1.73	2.77	2.64	17.22
4	Beverages	1.20	3.46	2.12	9.78
5	Fresh Fruits	1.86	22.02	1.12	9.62
6	Ready Made Garment	0.97	1.61	1.68	6.47
7	Doctor (MBBS) Clinic Fee	0.59	0.47	2.30	6.04
8	Potatoes	0.48	42.06	1.68	6.03
9	Personal Equipments	0.84	-2.50	1.41	5.99
10	Pulse Moong	0.23	1.37	4.48	5.80
11	Personal Care	1.49	0.58	0.85	4.92
12	Cigarette	1.39	0.00	0.77	4.69
13	Tailoring	0.88	0.66	1.05	4.42
14	Bakery & Confectionary	1.16	0.47	0.80	3.67
15	Milk Product	0.63	1.32	1.12	3.23
Total		24.09			158.30
Bottom 15 Contributors					
1	Wheat Flour	4.16	-2.46	-6.07	-113.92
2	Tomatoes	0.45	-13.56	-49.58	-62.92
3	Fresh Vegetable	1.66	14.72	-3.82	-27.43
4	Tea	0.84	-0.52	-6.43	-23.87
5	Onion	0.54	9.04	-9.55	-22.46
6	Egg	0.46	-24.48	-8.31	-13.35
7	Wheat	0.35	-6.91	-8.81	-13.34
8	Motor Fuel	3.03	-1.18	-0.78	-8.72
9	Chicken	1.36	2.63	-1.11	-6.18
10	Sugar	1.04	-0.63	-1.23	-4.81
11	Vegetable Ghee	2.07	-0.36	-0.56	-3.66
12	Transport Services	2.70	0.60	-0.11	-1.22
13	Wheat Product	0.10	-1.26	-2.26	-0.94
14	Motor Vehicle	0.66	-1.70	-0.19	-0.39
15	Pulse Gram	0.24	-1.32	-0.46	-0.36
Total		19.66			-303.58

Table A3.2: Top Fifteen Contributors to CPI Inflation (YoY) in May 2014					
Items/ Contributors		Weights	YoY Change		Weighted Contribution
			May-13	May-14	
A. Ranked by Percentage Change					
1	Potatoes	0.48	-12.54	175.43	7.98
2	Pulse Moong	0.23	-8.05	34.76	1.19
3	Postal Services	0.07	3.85	23.25	0.18
4	Chicken	1.36	-15.25	20.23	3.17
5	Cosmetics	0.39	4.23	19.26	0.76
6	Pulse Masoor	0.27	3.39	19.10	0.53
7	Wheat Product	0.10	12.69	17.14	0.20
8	Cigarette	1.39	13.15	17.10	3.05
9	Education	3.94	7.18	16.38	7.03
10	Electricity	4.40	0.00	15.82	9.17
11	Doctor (MBBS) Clinic Fee	0.59	14.48	15.57	1.24
12	Milk Powder	0.11	10.18	13.93	0.20
13	Woolen Readymade Garments	0.40	19.53	13.45	0.69
14	Ready Made Food	1.23	8.34	13.38	2.32
15	Ready Made Garment	0.97	12.91	13.37	1.59
Total		15.92			39.30
B. Ranked by Weights					
1	House Rent	21.81	7.07	8.63	18.27
2	Milk Fresh	6.68	8.96	7.74	7.71
3	Electricity	4.40	0.00	15.82	9.17
4	Wheat Flour	4.16	17.22	10.87	5.92
5	Education	3.94	7.18	16.38	7.03
6	Communication & Apparatus	3.15	5.21	0.22	0.06
7	Motor Fuel	3.03	-9.25	6.63	2.36
8	Transport Services	2.70	6.93	3.68	1.35
9	Meat	2.43	4.12	6.37	2.31
10	Vegetable Ghee	2.07	-4.92	2.09	0.45
11	Fresh Fruits	1.86	-13.80	3.41	0.98
12	Cooking Oil	1.75	4.79	0.29	0.06
13	Cotton Cloth	1.73	14.97	12.93	2.62
14	Fresh Vegetable	1.66	29.64	-0.65	-0.16
15	Rice	1.58	11.39	5.43	1.06
Total		62.97			59.21
Note: Weighted contribution is estimated by multiplying the weights by the price change of an item; this is then reported as a share in YoY change in CPI, which is 8.3 percent in May, 2014.					



**Table A3.3: Top Ten Contributors to CPI Food Inflation (YoY) in May 2014**

A. Ranked by Weighted Contribution					
Items/ Contributors		Weights	YoY Change		Weighted Contribution
			May-13	May-14	
1	Potatoes	0.48	-12.54	175.43	7.98
2	Milk Fresh	6.68	8.96	7.74	7.71
3	Wheat Flour	4.16	17.22	10.87	5.92
4	Chicken	1.36	-15.25	20.23	3.17
5	Cigarette	1.39	13.15	17.10	3.05
6	Ready Made Food	1.23	8.34	13.38	2.32
7	Meat	2.43	4.12	6.37	2.31
8	Beverages	1.20	8.66	12.78	1.83
9	Bakery & Confectionary	1.16	8.18	11.50	1.63
10	Pulse Moong	0.23	-8.05	34.76	1.19
Total		20.32			37.11
B. Ranked by Percentage Change					
1	Potatoes	0.48	-12.54	175.43	7.98
2	Pulse Moong	0.23	-8.05	34.76	1.19
3	Chicken	1.36	-15.25	20.23	3.17
4	Pulse Masoor	0.27	3.39	19.10	0.53
5	Wheat Product	0.10	12.69	17.14	0.20
6	Cigarette	1.39	13.15	17.10	3.05
7	Milk Powder	0.11	10.18	13.93	0.20
8	Ready Made Food	1.23	8.34	13.38	2.32
9	Beverages	1.20	8.66	12.78	1.83
10	Nimco	0.46	5.46	12.64	0.79
Total		6.83			21.26
C. Ranked by Weights					
1	Milk Fresh	6.68	8.96	7.74	7.71
2	Wheat Flour	4.16	17.22	10.87	5.92
3	Meat	2.43	4.12	6.37	2.31
4	Vegetable Ghee	2.07	-4.92	2.09	0.45
5	Fresh Fruits	1.86	-13.80	3.41	0.98
6	Cooking Oil	1.75	4.79	0.29	0.06
7	Fresh Vegetable	1.66	29.64	-0.65	-0.16
8	Rice	1.58	11.39	5.43	1.06
9	Cigarette	1.39	13.15	17.10	3.05
10	Chicken	1.36	-15.25	20.23	3.17
Total		24.96			24.56

Note: Weighted contribution is estimated by multiplying the weights by the price change of an item; this is then reported as a share in YoY change in CPI Food, which is 7.4 percent in May, 2014.

Table A3.4: Top Ten Contributors to CPI Non-food Inflation (YoY) in May 2014					
Items/ Contributors		Weights	YoY Change		Weighted Contribution
			May-13	May-14	
A. Ranked by Weighted Contribution					
1	House Rent	21.81	7.07	8.63	18.27
2	Electricity	4.40	0.00	15.82	9.17
3	Education	3.94	7.18	16.38	7.03
4	Cotton Cloth	1.73	14.97	12.93	2.62
5	Motor Fuel	3.03	-9.25	6.63	2.36
6	Tailoring	0.88	13.21	12.77	1.65
7	Ready Made Garment	0.97	12.91	13.37	1.59
8	Footwear	1.55	5.48	9.13	1.42
9	Transport Services	2.70	6.93	3.68	1.35
10	Household Servant	1.04	8.62	9.85	1.34
Total		42.07			46.81
B. Ranked by Percentage Change					
1	Postal Services	0.07	3.85	23.25	0.18
2	Cosmetics	0.39	4.23	19.26	0.76
3	Education	3.94	7.18	16.38	7.03
4	Electricity	4.40	0.00	15.82	9.17
5	Doctor (MBBS) Clinic Fee	0.59	14.48	15.57	1.24
6	Woolen Readymade Garments	0.40	19.53	13.45	0.69
7	Ready Made Garment	0.97	12.91	13.37	1.59
8	Cotton Cloth	1.73	14.97	12.93	2.62
9	Tailoring	0.88	13.21	12.77	1.65
10	Hosiery	0.51	12.57	12.09	0.80
Total		13.88			25.73
C. Ranked by Weights					
1	House Rent	21.81	7.07	8.63	18.27
2	Electricity	4.40	0.00	15.82	9.17
3	Education	3.94	7.18	16.38	7.03
4	Communication & Apparatus	3.15	5.21	0.22	0.06
5	Motor Fuel	3.03	-9.25	6.63	2.36
6	Transport Services	2.70	6.93	3.68	1.35
7	Cotton Cloth	1.73	14.97	12.93	2.62
8	Gas	1.58	-46.08	0.86	0.13
9	Footwear	1.55	5.48	9.13	1.42
10	Personal Care	1.49	8.31	7.16	1.33
Total		45.39			43.76
Note: Weighted contribution is estimated by multiplying the weights by the price change of an item; this is then reported as a share in YoY change in CPI Non-food, which is 9.0 percent in May, 2014.					

**Table A4: Distribution of Price Changes (YoY) - Selected CPI Items: May 2014**

Groups	Decrease or no change	Subdued increase (Greater than 0% but less than 5%)	Moderate increase (5% but less than 10%)	Double digit increase (10% or more)
Food & Non-Alcoholic Beverages	Tomatoes, Onion, Tea Lipton Yellow Label 200 Gm, Tapal Danedar Tea 200 Gm, Aloo Bukhara, Brinjal, Mango Kalmi	Jam Ahmed/Mitchelles, Rooh Afza, Raisins Av.Qlty., Ice, Eggs Farm, Custard Powder Rafhan 300, Dates Av.Qlty., Watermelon (Turbooz)	Honey Langanese 500 Gm., Milk Tetra Pack 1/2 Ltr. Rice Basmati Sup. Qlty., Cardamom Large Loose Av.Q. Nimco	Potatoes, Ginger, Coconut Dry Av.Qlty., Pulse Moong (Washed), Coriander Seed (Loose), Pistachio Av.Qlty., Bananas, Pepper Black National, Maida, Chicken Farm Broiler (Live), Cold Drink (Standard Size)
Alcoholic Beverages & Tobacco		Betel Nuts		Cigarettes K-20,S, Cigarettes Gold Leaf 20,S, Cigarettes Morven Gold 20,S, Cigarettes Capstan 20,S, Betel Leaves
Clothing & Footwear	Gents Spoung Chappal Bata, Ladies Spoung Chappal Bata, Ladies Sandal Bata, Child Shoe Power Lite Bata	Pullover Ladies Oxford/Bon	Georgette Av.Qlty, Azarband Cotton Av.Qlty, Vest For Men Av.Qlty., Washing Ch. (Kamiz-Shalwar), Dry Cleaning Suit Coat Pant, Tropical Suiting Law.Pur	Gents Shoes Paul Bata, Secondhand Winter Jacket, Lawn Printed Gul Ahmed/Al Karam, Frock W/Wear Girls, Brassier Av.Qlty, Shirt Boy 24"/26" Length, Gents Sandal Bata, Handkerchief Av.Qlty Pak, Pullover (Gents) Others Av.Qlty, Pant Boy 24"/26" Length
Housing, Water, Elect, Gas & other Fuels	Elect. Charges Upto 50 Units, Elect. Charges 01 - 100 Units	Bajree, Kerosene Oil, Iron Bar (M.S. Bar) 1/2", Gas Chrg Over 200 - 300 Mmbtu, Gas Chrg Over 100 - 200 Mmbtu, Gas Chrg Overall/ Combined	Unskilled Labour Wage Rat, Firewood Whole, Electrician Wage Rate(P/Day), House Rent For Q-I, House Rent For Q-II, House Rent For Q-III	Elect. Charges 301 - 1000 Units, Elect. Charges 101 - 300 Units, Timber Shesham Log, Electrician Wage Rate (P/Pnt), Elect. Charges Overall/ Combined, Elect. Charges Above 1000 Units, Cement Blocks (6"X8"X12")
Furnishing & Household Equip. Maintenance etc	Sewing Machine Needle (Singer)	S. Steel Plate Avg. Qlty, Washing Machine (Singer), Toilet Paper Roll (R.Petal), Gizer Large Size 30 Gallon, Carpet Plain Av. Qlty	Household Servant Female (Part Time), Gas Burner Double, Tawa Iron (Medium Size) Avg. Qlty, Farshi Dari 12'X9' Av.Qlty	Boot Polish Cherry/Kiwi 50 MI, Cleanser Powder Vim 1000 Gms, Match Box (Small), Robin Blue (35 Gms), Finis 500 MI, Chair Shesham Wood, Chair Plastic (Chairman) Av. Qlty, Bed Sheet Double With Two Pillow Cover
Health	Hydryllin Syrup 120 MI, Polyfax Eye Ointment, Flagyl Tab. 200 Mg., Betnovate-N Ointment 5 Gm	Galxos-D (450 Gm), Sugar Test (Random/Fasting), Blood Test (Cp) Charges, Thermometer China, ECG Charges, Dettol (Medium)	Urine Test (Dr) Charges, Cotton Bandage 2" - 4", Glycerin Small Bottle, X-Ray (Chest) Charges	Jouhar Joshanda, Amoxil Capsule 250 Mg. Renitec Tab. 5 Mg., Doctor (MBBS) Clinic Fee, Daonil Tab. 5 Mg., Betnesol Eye Drops, Saniplast (1 Putty), Calpol Syrup 60 MI.
Transport	Train Fare A/C Slp. 101-500, Train Fare A/C Slp > 500K, Train Fare A/C Slp. 1-100, Train Fare Eco. 1-100 Km.	Tyre Motor Cycle Without Tube, Bus Fare Outside City (A/C), Car Honda Civic 1500 CC, Taxi 4 Seater Fare, Motorcycle Yamaha 100 CC	Suzuki Fare Maximum Within City, Tyre Car With Tube General, Tyre Puncture Charges, Suzuki Fare Min. Within City	Minibus Fare Min. Within City, Cycle Overhauling Charges, Air Fare Economy Class., Petrol Super, Car Service Charges
Communication	Postal Envelope Domestic, Mobile Cell Charges, Telephone Charges Local Call	Internet Charges, Postal Envelope For Saudi Arabia, Mobile Set Nokia/Sony/Ericsson Av.Qlty	Fax Charges (Local), Telephone Set Av. Qlty	U.M.S. Reg Charges Min., T.C.S. Ch. Min. Within Zone, Postal Registration Charges
Recreation & Culture	English Book BA/B.Sc, Maths Book Ist. Year (T.B. Board), T.V. 20" Colored Sony, V.C.P. Panasonic/LG/National, TV License Fee Domestic	Video Cassette Blank, Tdk/Sony, Cable Charges, Tape Recorder Cassette (Blank), T.V 20" Color China/Korea, Computer CD (Tdk/Imation)	Urdu Book Ist Year/ Inter, Ball Weekly "Akhbar-e-Jahan", Maths Book Class IX or X, English Book Class VI, Urdu Book Class IX/X (T.B.Board), Pakistan Studies Book BA/B.Sc, Eng. Book Ist. Yr Complete Set, Pen Ink Dollor 57 MI Bottle, Cinema Non-A/C High Class	
Education		Pvt Eng. College Fee (Ist Year)	Coaching Fee For Class IX/ X, Pvt Med. College Fee MBBS(Ist Year)	Govt. University Fee MSc/ MA, Pvt School Fee Eng. Med (Class-V), Pvt School Fee Eng. Med (Class-X), Pvt School Fee Eng. Med (Class-I), Govt. College Fee Ist. Year
Restaurant & Hotels			Chicken Biryani Full/Double	Bread Tandoori St. Size, Cooked Mutton (Av. Hotel), Tea Prepared (Ordinary), Cooked Dal (Av. Hotel), Cooked Beef (Av. Hotel)
Miscellaneous	Toothpaste Med Size Colgate 70Gms, Silver Tezabi 24 Ct, Gold Tezabi 24 Ct	Shaving Cream Touch-Me/Admiral, Toilet Soap Safeguard Bath Size, Face Cream Ponds (Medium)	Hair Oil Amla/Chambeli, Beauty Parlor Hair Style Charges, Toothpaste Macleans 70 Gms	Perfume Med. Size Medora/Broche, Toilet Soap Lux 95 Gms, Beauty Cream (Fair & Lovely), Haircut Charges For Men, Purse Ladies (Leather) Av. Qlty, Artificial Jewellery Set

**Table A5: City- wise CPI Inflation by Income Groups, May 2014**

	Up to Rs: 8000						Rs 8001- 12000					
	General		Food		Non-Food		General		Food		Non-Food	
	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY
	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY
1 Rawalpindi	-0.4	9.3	-0.6	8.1	0.0	10.7	-0.2	10.0	-0.4	8.6	0.0	11.5
2 Islamabad	-0.3	12.8	-0.6	8.1	0.1	18.9	-0.4	12.5	-0.7	8.2	0.0	17.5
3 Lahore	-0.8	8.7	-2.4	7.7	1.5	10.1	-0.7	9.3	-2.1	8.2	1.2	10.6
4 Gujranwala	-1.4	6.0	-3.0	3.9	0.6	8.7	-1.4	6.3	-3.0	4.5	0.5	8.3
5 Sialkot	-1.6	4.7	-2.9	3.2	0.2	6.7	-1.4	4.8	-2.7	3.4	0.1	6.5
6 Faisalabad	-0.9	9.9	-2.2	7.3	0.8	13.3	-0.7	9.9	-1.8	7.5	0.6	12.7
7 Multan	-2.3	7.1	-4.0	5.8	0.0	8.8	-1.8	7.4	-3.5	5.9	0.0	9.1
8 Sargodha	-2.0	7.9	-3.7	7.7	-0.1	8.1	-1.8	8.1	-3.4	8.2	-0.2	8.0
9 Bahawalpur	-2.1	7.2	-4.3	5.8	0.3	8.7	-1.5	7.3	-3.2	6.2	0.1	8.5
10 Karachi	-0.2	7.9	-1.0	8.3	1.0	7.4	-0.1	8.3	-0.9	9.0	0.9	7.5
11 Hyderabad	-0.9	5.8	-1.9	6.5	0.4	4.9	-0.7	5.9	-1.8	6.5	0.6	5.1
12 Sukkur	-0.2	8.0	-0.3	10.3	0.0	5.3	-0.1	7.8	-0.2	10.1	0.0	5.4
13 Larkana	0.0	9.8	-0.3	8.9	0.3	10.8	0.4	9.9	0.4	8.7	0.5	11.0
14 Peshawar	-2.0	9.4	-3.5	8.9	-0.1	9.9	-1.6	9.7	-3.3	9.3	0.0	10.1
15 Bannu	-1.6	7.2	-2.4	7.8	-0.7	6.4	-1.5	7.5	-2.0	8.3	-0.9	6.7
16 Quetta	-1.6	6.8	-3.1	6.5	0.3	7.2	-1.2	7.0	-2.8	6.9	0.7	7.2
17 Khuzdar	0.8	9.4	1.4	13.2	0.2	4.9	0.9	9.3	1.6	13.3	0.2	5.2
	Rs 12001-18000						Rs 18001-35000					
	General		Food		Non-Food		General		Food		Non-Food	
	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY
	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY
1 Rawalpindi	-0.3	10.0	-0.6	8.4	0.0	11.5	-0.3	9.8	-0.7	8.0	0.0	11.2
2 Islamabad	-0.3	13.5	-0.7	8.5	0.0	18.6	-0.3	15.4	-0.6	8.7	0.0	21.4
3 Lahore	-0.6	9.4	-2.1	8.3	1.2	10.6	-0.4	9.7	-1.9	8.5	1.0	10.9
4 Gujranwala	-1.2	5.8	-2.6	4.2	0.2	7.5	-1.1	6.2	-2.6	4.4	0.2	7.8
5 Sialkot	-1.5	5.1	-2.6	4.0	-0.3	6.1	-1.2	5.7	-2.3	4.3	-0.2	7.0
6 Faisalabad	-0.6	10.4	-1.6	7.6	0.5	13.3	-0.3	10.7	-1.0	8.0	0.4	13.2
7 Multan	-1.6	7.6	-3.1	6.1	-0.2	9.2	-1.2	8.2	-2.6	6.3	-0.1	9.8
8 Sargodha	-1.8	7.8	-3.4	7.8	-0.4	7.8	-1.5	7.9	-3.0	8.2	-0.4	7.8
9 Bahawalpur	-1.4	7.5	-3.0	6.2	0.0	8.6	-1.0	7.2	-2.4	6.6	0.1	7.7
10 Karachi	-0.1	8.7	-0.9	9.6	0.8	7.7	-0.1	8.9	-0.9	10.1	0.7	7.9
11 Hyderabad	-0.6	5.9	-1.7	6.7	0.5	4.9	-0.5	6.3	-1.6	7.0	0.5	5.6
12 Sukkur	0.0	7.5	0.0	10.0	0.0	5.1	0.5	7.3	1.0	9.7	0.1	5.4
13 Larkana	0.4	10.0	0.3	8.7	0.6	11.2	0.8	10.2	0.5	8.4	1.0	11.6
14 Peshawar	-1.5	9.7	-3.3	9.2	0.2	10.1	-1.1	10.2	-2.8	9.5	0.3	10.8
15 Bannu	-1.3	7.9	-1.9	8.7	-0.7	7.1	-0.9	8.7	-1.6	9.4	-0.4	8.2
16 Quetta	-0.9	7.0	-2.5	6.5	0.7	7.5	-0.7	7.1	-2.3	6.1	0.7	8.0
17 Khuzdar	0.7	8.8	1.1	13.0	0.2	4.9	0.5	9.1	0.9	13.1	0.3	5.8
	Above Rs 35000						Combined					
	General		Food		Non-Food		General		Food		Non-Food	
	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY
	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY
1 Rawalpindi	-0.2	9.8	-0.8	8.1	0.0	10.7	-0.3	9.7	-0.7	8.1	0.1	10.9
2 Islamabad	-0.1	14.2	-0.5	9.0	0.1	17.1	-0.1	14.2	-0.6	8.8	0.2	18.3
3 Lahore	-0.3	10.2	-1.8	8.6	0.5	11.1	-0.4	9.8	-1.9	8.4	0.8	10.8
4 Gujranwala	-0.8	5.9	-2.5	4.6	0.0	6.6	-1.1	6.1	-2.7	4.4	0.0	7.3
5 Sialkot	-1.0	6.0	-2.3	4.7	-0.4	6.7	-1.2	5.6	-2.4	4.2	-0.3	6.6
6 Faisalabad	0.0	11.2	-0.6	8.0	0.3	12.9	-0.4	10.6	-1.2	7.8	0.3	12.7
7 Multan	-0.8	8.3	-2.0	6.4	-0.2	9.2	-1.3	7.9	-2.7	6.2	-0.2	9.2
8 Sargodha	-0.9	8.2	-2.3	7.4	-0.3	8.6	-1.5	8.1	-3.1	8.0	-0.5	8.1
9 Bahawalpur	-0.6	7.6	-2.0	6.7	0.1	8.0	-1.2	7.5	-2.9	6.4	-0.1	8.1
10 Karachi	0.1	9.2	-0.7	11.0	0.6	8.2	0.0	8.9	-0.8	10.3	0.7	7.9
11 Hyderabad	-0.3	6.0	-1.6	7.4	0.4	5.2	-0.5	6.0	-1.6	7.0	0.4	5.3
12 Sukkur	0.6	6.7	1.4	8.9	0.2	5.5	0.2	7.4	0.5	9.7	0.0	5.8
13 Larkana	1.6	10.6	0.9	8.0	2.0	11.9	0.6	10.1	0.3	8.6	0.8	11.2
14 Peshawar	-0.1	11.0	-2.1	10.1	0.8	11.4	-0.9	10.3	-2.8	9.7	0.5	10.8
15 Bannu	-1.1	7.2	-1.6	9.2	-0.8	6.2	-1.2	7.9	-1.8	8.9	-0.8	7.3
16 Quetta	-0.5	7.1	-2.1	6.1	0.3	7.6	-0.8	7.1	-2.4	6.3	0.4	7.6
17 Khuzdar	0.6	6.8	1.3	10.1	0.3	5.3	0.7	9.1	1.2	12.8	0.4	6.6

**Table A6: City- wise CPI Inflation (YoY) May, 2014**

City	High inflation cities			City	Low inflation cities		
	General	Food	Non-food		General	Food	Non-food
Islamabad	14.2	8.8	18.4	Sargodha	8.1	8.0	8.1
Mianwali	12.5	11.4	13.3	Loralai&Cantt	8.0	6.9	8.8
Turbat	11.3	10.9	11.6	Attock	8.0	10.4	6.3
D.G. Khan	11.1	10.4	11.5	Multan	7.9	6.2	9.2
Faisalabad	10.6	7.8	12.7	Wazirabad	7.9	6.8	8.8
Peshawar	10.3	9.7	10.8	Bannu	7.9	8.9	7.3
Dera Mrd.Jamali	10.2	10.5	10.0	Abbotabad	7.9	8.1	7.8
Mardan	10.2	3.4	14.4	Muzaffargarh	7.7	6.6	8.5
Larkana	10.1	8.6	11.2	Bahawalpur	7.5	6.4	8.1
Jhang	10.0	8.2	11.1	Sukkur	7.4	9.7	5.8
Sahiwal	9.8	8.7	10.6	Quetta	7.1	6.3	7.6
Lahore	9.8	8.4	10.8	Gawadar	6.9	7.0	6.9
Rawalpindi	9.7	8.1	10.9	Rahim Yar Khan	6.5	2.8	9.2
Nawabshah	9.5	6.0	11.9	Gujranwala	6.1	4.4	7.3
Khuzdar	9.1	12.8	6.6	Hyderabad	6.0	7.0	5.3
Karachi	8.9	10.3	7.9	Mithi	5.8	6.2	5.6
Mingora	8.5	5.6	10.4	D.I.Khan	5.8	5.6	5.9
Jehlum	8.4	9.9	7.4	Sialkot	5.6	4.2	6.6
				Mir Pur Khas	5.5	5.9	5.2
				Dadu	5.1	5.9	4.6
				Bahawalnagar	5.0	3.8	5.9
				Vehari	4.8	2.9	6.3

Note: High inflation refers to equal or above average inflation, and low inflation refers to below average

<b>Table A7: Income Group-wise Inflation ( percent)</b>						
	<b>MoM</b>			<b>YoY</b>		
	<b>May-13</b>	<b>Apr-14</b>	<b>May-14</b>	<b>May-13</b>	<b>Apr-14</b>	<b>May-14</b>
<b><u>Up to Rs. 8000</u></b>						
General	0.6	1.6	-0.9	7.2	9.1	7.5
Food	0.8	1.7	-1.9	7.4	10.1	7.1
Non-food	0.2	1.4	0.4	6.9	7.8	8.0
<b><u>Rs. 8001- 12000</u></b>						
General	0.6	1.6	-0.7	6.7	8.8	7.5
Food	0.9	1.8	-1.6	7.0	10.0	7.2
Non-food	0.2	1.4	0.4	6.4	7.6	7.7
<b><u>Rs. 12001- 18000</u></b>						
General	0.6	1.6	-0.5	6.6	9.8	8.6
Food	1.0	1.9	-1.4	6.7	9.9	7.3
Non-food	0.2	1.4	0.4	6.5	9.6	9.9
<b><u>Rs. 18001- 35000</u></b>						
General	0.6	1.7	-0.3	4.8	9.7	8.7
Food	1.1	1.9	-1.2	6.5	9.9	7.4
Non-food	0.1	1.5	0.4	3.4	9.6	9.9
<b><u>Above Rs. 35000</u></b>						
General	0.4	1.8	0.0	3.8	8.8	8.4
Food	1.3	2.2	-0.8	6.1	9.9	7.5
Non-food	0.0	1.5	0.4	2.6	8.3	8.8
<b><u>All income groups</u></b>						
General	0.5	1.7	-0.3	5.1	9.2	8.3
Food	1.1	2.0	-1.2	6.5	9.9	7.4
Non-food	0.1	1.5	0.4	4.1	8.7	9.0

**Table A8: SPI Item-wise Price Movements**

Sr.No.	Items	Unit	Prices May-14	Percentage change	
				YoY	MoM
1	Wheat	10Kg.	339.2	10.5	-9.9
2	Wheat Flour Bag	10Kg.	389.4	9.9	-6.4
3	Rice Basmati Broken	Kg.	74.0	3.9	-0.2
4	Rice Irri-6	Kg.	54.5	6.3	0.2
5	Bread Plain Med. Size (340-400 Gm.)	Each	40.6	14.3	0.1
6	Beef	Kg.	288.7	6.0	0.1
7	Mutton	Kg.	572.0	6.6	0.2
8	Chicken Live (Farm)	Kg.	167.6	18.0	-0.9
9	Milk Fresh	Litr	73.0	9.8	1.6
10	Curd	Kg.	85.0	10.3	1.9
11	Milk Powdered Nido	500G	325.0	12.1	0.0
12	Egg Hen (Farm)	Doz.	80.7	10.8	-6.9
13	Mustard Oil	Kg.	184.3	0.8	-0.4
14	Cooking Oil (Tin)	2.5Ltr	540.8	1.5	0.1
15	Veg. Ghee (Tin)	2.5Kg.	513.4	1.7	-0.1
16	Veg. Ghee Loose	Kg.	160.7	3.6	-1.5
17	Bananas	Doz.	95.0	41.6	28.9
18	Masoor Pulse Washed	Kg.	128.4	21.7	1.0
19	Moong Pulse Washed	Kg.	158.3	36.0	6.1
20	Mash Pulse Washed	Kg.	143.1	9.9	6.7
21	Gram Pulse Washed	Kg.	75.2	-11.0	-0.3
22	Potatoes	Kg.	56.1	155.0	-0.9
23	Onions	Kg.	32.8	-24.7	-10.7
24	Tomatoes	Kg.	24.5	-47.3	-34.5
25	Sugar	Kg.	52.3	-1.9	-0.6
26	Gur	Kg.	79.6	2.5	1.1
27	Salt Powdered Loose (Lahori)	Kg.	9.8	8.5	1.0
28	Red Chilies Powder Loose	Kg.	228.9	5.2	1.8
29	Garlic	Kg.	120.6	-10.1	-10.5
30	Tea (Yellow Label )	200Gm.	130.7	-21.0	-8.5
31	Cooked Beef Plate	Each	81.1	14.3	0.9
32	Cooked Dal Plate	Each	46.6	12.0	0.7
33	Tea Prepared (Sada)	Cup	17.9	13.8	0.8
34	Cigarettes K-2 (20'S)	20'S	38.7	19.6	0.0
35	Long Cloth (Coarse Latha)	Mtr.	186.5	11.5	2.8
36	Shirting	Mtr.	150.5	12.4	0.9
37	Lawn	Mtr.	218.7	21.8	4.4
38	Georgette (Voil Printed)	Mtr.	117.4	8.9	2.4
39	Sandal Gents Bata	Pair	699.0	16.7	0.0
40	Chappal Spong. Bata (Gents)	Pair	179.0	0.0	0.0
41	Sandal Ladies Bata	Pair	499.0	0.0	0.0
42	Electric Charges 1-50	Unit	2.0	0.0	0.0
43	Gas Charges upto 3.3719	Mmbtu	124.2	0.9	0.0
44	Kerosene	Litr	118.7	3.3	-2.0
45	Firewood	40Kg	555.8	10.3	0.1
46	Energy Savor 14 Watts	Each	164.9	4.0	0.5
47	Washing Soap (200-250 Gm.)	Cake	23.7	10.9	0.0
48	Match Box	Each	1.5	33.0	2.0
49	Petrol	Litr	109.5	10.8	-0.4
50	Diesel	Litr	110.8	3.4	-4.0
51	L.P.G.( 11 Kg Cylinder.)	Each	1254.6	-1.7	-12.2
52	Tele. Local Call	Call	3.9	0.0	0.0
53	Bath Soap Lifebuoy (Standard)	Cake	36.0	8.3	0.0
<b>Maximum</b>				<b>155.0</b>	<b>28.9</b>
<b>Median</b>				<b>8.5</b>	<b>0.0</b>
<b>Minimum</b>				<b>-47.3</b>	<b>-34.5</b>

<b>Table A9: Distribution of Price Changes (YoY) - WPI Items: May 2014</b>				
<b>Groups</b>	<b>Decrease or no change</b>	<b>Subdued increase (Greater than 0% but less than 5%)</b>	<b>Moderate increase (5% but less than 10%)</b>	<b>Double digit increase (10% or more)</b>
<b>Agriculture Forestry &amp; Fishery Products</b>	Vegetables, Millet/Bajra, Sugar Crops	Rice, Other Oil Seeds, Hides and Fur Skins- Raw, Eggs, Maize	Milk from Bovine Animals, Wheat, Raw Animal Material/Wool, Fuel Wood in Logs, Pulses, Fibre Crops	Edible Roots/Potatoes, Stimulant and Spice Crops, Cotton Seeds, Sorghum/Jowar, Fresh Fruits, Poultry, Fish Live Fresh or Chilled, Unmanufactured Tobacco, Dry Fruits
<b>Ores &amp; Minerals, Electricity Gas &amp; Water</b>	Coal Not Agglomerated	Natural Gas Liquefied		Electrical Energy, Salt & Pure Sodium Chloride
<b>Food Products, Beverages and Tobacco, Textiles, Apparel and Leather Products</b>	Spices, Other Cereal Flour, Coffee and Tea, Nylon Yarn, Other Food Products, Cotton Yarn, Footwear, Sugar Refined, Blended Yarn, Dried Fruits & Nuts, Sugar Confectionary, Chocolate	Fruit Juices, Meat of Animals, Vegetable Oil Refined, Synthetic Carpets, Vegetables & Fruit Juices, Vegetable Ghee	Wheat Flour, Woven Fabrics, Dairy Products N.E.C, Mineral Water, Hosiery Products, Processed Liquid Milk, Woolen Carpets, Cotton Fabrics, Silk and Rayon Fabrics	Leather without Hairs, Other Leather N.E.C, Oil Cakes, Milk and Cream in Solid Form, Ice Cream, Blankets, Beverages, Tobacco Products, Ready Made Garments, Towels, Bed Sheets, Other Fabrics, Quilts
<b>Other Transportable Goods except Metal Products, Machinery and Equipments</b>	Furnace Oil, Coke	Soaps & Detergent, Diesel Oil, Glass Sheets, Bed Foams, Plastic Products, Printing Paper, Auto Tyres, Fertilizers, Medicines, Matches	Cement, Bricks Blocks and Tiles, Mobil Oil, Other Glass Articles	Insecticides, Dying Materials, Ceramics and Sanitary, Hard Board, Pesticides, Timber, Kerosene Oil, Paints & Varnishes, Motor Sprit, Chemicals
<b>Metal Product Machinery &amp; Equipment</b>	Pig Iron, Engines and Motors, Vacuum Pumps, Concrete Mixer, Radio and Television	Steel Bars & Sheets, Chuff Cutter, Steel Products, Bicycles, Motor Cycles, Air Conditioners	Motor Vehicles	Lathe Machines, Tractors, Cultivators, Pipe Fittings, Electrical Wires, Lighting Equipments, Refrige,Wash& Sew Mach,Iron,Fan



**Table A10: Consumer Price Index Numbers by Major Groups and Composite Commodities**

Items and specification	Weights	Index		
		May-13	Apr-14	May-14
<b>General</b>	<b>100.00</b>	<b>178.65</b>	<b>194.06</b>	<b>193.55</b>
<b>Food &amp; Non-Alcoholic Beverages.</b>	<b>34.83</b>	<b>200.01</b>	<b>216.45</b>	<b>213.57</b>
1 Wheat	0.35	183.40	222.02	202.46
2 Wheat Flour	4.16	194.69	229.81	215.86
3 Wheat Product	0.10	184.94	221.65	216.64
4 Besan	0.15	203.36	171.35	174.07
5 Rice	1.58	184.12	193.79	194.11
6 Cereals	0.16	214.75	233.92	234.92
7 Bakery & Confectionary	1.16	182.58	201.95	203.57
8 Nimco	0.46	203.68	225.89	229.43
9 Meat	2.43	222.80	236.36	236.99
10 Chicken	1.36	171.66	208.71	206.39
11 Fish	0.30	199.39	220.73	221.27
12 Milk Fresh	6.68	222.36	236.48	239.56
13 Milk Product	0.63	213.82	232.27	234.87
14 Milk Powder	0.11	189.99	213.11	216.45
15 Egg	0.46	157.44	179.91	164.96
16 Mustard Oil	0.10	158.01	157.86	157.00
17 Cooking Oil	1.75	162.20	162.26	162.67
18 Vegetable Ghee	2.07	155.64	159.80	158.90
19 Dry Fruits	0.25	213.78	232.17	233.21
20 Fresh Fruits	1.86	229.20	234.38	237.01
21 Pulse Masoor	0.27	151.79	178.68	180.78
22 Pulse Moong	0.23	219.09	282.59	295.25
23 Pulse Mash (Washed)	0.21	186.56	194.28	202.05
24 Pulse Gram	0.24	191.83	169.47	168.69
25 Gram Whole	0.16	195.02	178.38	179.36
26 Beans	0.03	217.45	247.85	243.91
27 Potatoes	0.48	141.92	384.45	390.89
28 Onion	0.54	279.29	221.58	200.43
29 Tomatoes	0.45	145.46	144.04	72.63
30 Fresh Vegetable	1.66	214.19	221.23	212.79
31 Sugar	1.04	191.51	191.18	188.83
32 Gur	0.02	230.64	244.04	248.63
33 Honey	0.04	256.65	279.40	282.11
34 Sweet Meet	0.25	208.64	225.66	225.95
35 Beverages	1.20	177.89	196.47	200.63
36 Jam, Tomato Ketchup & Pickle	0.25	184.90	193.00	193.93
37 Condiments	0.27	216.21	238.59	242.66
38 Spices	0.54	220.03	219.82	221.11
39 Tea	0.84	245.66	225.89	211.36
<b>Alcoholic Beverages, Tobacco</b>	<b>1.41</b>	<b>191.19</b>	<b>221.91</b>	<b>223.66</b>
40 Cigarette	1.39	191.31	222.30	224.02
41 Betel Leaves & Nuts	0.02	183.85	197.90	201.93
<b>Clothing &amp; Footwear</b>	<b>7.57</b>	<b>183.74</b>	<b>202.73</b>	<b>205.01</b>
42 Cotton Cloth	1.73	174.94	192.48	197.56
43 Woolen Cloth	0.88	205.17	224.40	224.61
44 Ready Made Garment	0.97	181.43	202.29	205.68
45 Woolen Readymade Garments	0.40	192.45	218.34	218.34
46 Hosiery	0.51	193.46	214.77	216.85
47 Dopatta	0.44	202.98	221.79	223.46
48 Cleaning & Laundering	0.21	206.24	222.87	226.92

<b>Table A10: Consumer Price Index Numbers by Major Groups and Composite Commodities</b>				
<b>Items and specification</b>	<b>Weights</b>	<b>Index</b>		
		<b>May-13</b>	<b>Apr-14</b>	<b>May-14</b>
49 Tailoring	0.88	217.30	242.51	245.06
50 Footwear	1.55	149.78	163.41	163.45
<b>Housing,Water,Elect,Gas &amp; Other Fuel</b>	<b>29.41</b>	<b>154.54</b>	<b>169.46</b>	<b>169.51</b>
51 House Rent	21.81	144.57	157.05	157.05
52 Construction Input Item	0.56	209.12	230.86	232.02
53 Construction Wage Rate	0.33	179.47	196.20	198.08
54 Water Supply	0.50	139.65	149.92	149.92
55 Electricity	4.40	196.37	227.44	227.44
56 Gas	1.58	142.58	143.81	143.81
57 Kerosene Oil	0.01	266.68	281.05	277.67
58 Fire Wood Whole	0.23	242.88	265.60	266.27
<b>Furnished H.Hold Equip.&amp; Maint. Etc</b>	<b>4.21</b>	<b>184.71</b>	<b>200.99</b>	<b>202.02</b>
59 Furniture	0.33	174.07	192.83	194.15
60 Household Textile	0.65	179.92	197.88	198.83
61 Household Equipment	0.59	161.74	169.22	170.01
62 Utensils	0.32	184.02	202.35	204.94
63 Plastic Products	0.25	180.43	194.12	195.15
64 Washing Soap & Detergent	0.79	201.05	218.08	219.42
65 Sewing Needle & Dry Cell	0.15	163.49	177.41	178.69
66 Household Servant	1.04	195.10	213.99	214.31
67 Marriage Hall Charges	0.08	197.82	219.18	220.81
<b>Health</b>	<b>2.19</b>	<b>160.24</b>	<b>170.58</b>	<b>172.45</b>
68 Drug Medicine	1.27	140.91	144.47	145.18
69 Medical Equipment	0.01	205.49	215.08	217.98
70 Doctor (MBBS) Clinic Fee	0.59	201.10	227.19	232.41
71 Medical Test	0.32	160.23	168.40	168.61
<b>Transport</b>	<b>7.20</b>	<b>185.52</b>	<b>195.61</b>	<b>195.03</b>
72 Motor Vehicle	0.66	156.00	160.07	159.77
73 Motor Vehicle Accessories	0.24	213.55	225.59	226.97
74 Motor Fuel	3.03	175.32	188.42	186.95
75 Mechanical Service	0.46	188.19	202.66	204.29
76 Motor Vehicle Tax	0.11	153.74	153.74	153.74
77 Transport Services	2.70	202.50	210.19	209.96
<b>Communication</b>	<b>3.22</b>	<b>128.71</b>	<b>129.80</b>	<b>129.81</b>
78 Postal Services	0.07	175.16	215.89	215.89
79 Communication & Apparatus	3.15	127.73	127.99	128.01
<b>Recreation &amp; Culture</b>	<b>2.02</b>	<b>176.58</b>	<b>187.95</b>	<b>188.47</b>
80 Recreation & Culture	0.86	122.42	126.96	127.00
81 Text Books	0.57	256.86	278.49	279.73
82 News Papers	0.19	170.49	175.42	175.42
83 Stationery	0.40	181.96	196.59	197.36
<b>Education</b>	<b>3.94</b>	<b>162.17</b>	<b>184.84</b>	<b>188.73</b>
84 Education	3.94	162.17	184.84	188.73
<b>Restaurants And Hotels</b>	<b>1.23</b>	<b>209.95</b>	<b>236.98</b>	<b>238.05</b>
85 Ready Made Food	1.23	209.95	236.98	238.05
<b>Miscellaneous Goods And Services</b>	<b>2.76</b>	<b>202.61</b>	<b>213.15</b>	<b>215.29</b>
86 Personal Care	1.49	185.67	197.28	198.96
87 Cosmetics	0.39	152.60	181.15	181.99
88 Blades	0.03	174.81	182.78	183.30
89 Personal Equipments	0.84	256.47	257.00	260.62

**Table A11: Wholesale Price Index Numbers by Major Groups and Composite Commodities**

Items and Specifications	Index		
	May-13	Apr-14	May-14
<b>General</b>	<b>197.23</b>	<b>211.88</b>	<b>211.71</b>
<b>Agriculture Forestry &amp; Fishery</b>	<b>204.69</b>	<b>221.91</b>	<b>223.55</b>
1 Wheat	191.19	232.52	204.31
2 Maize	188.15	188.84	190.14
3 Rice	172.17	179.08	179.49
4 Sorghum/Jowar	243.92	304.45	317.54
5 Millet/Bajra	183.84	173.13	169.81
6 Vegetables	264.84	236.30	211.50
7 Fresh Fruits	211.71	258.23	266.20
8 Dry Fruits	192.74	208.07	213.82
9 Cotton Seeds	167.16	209.33	220.44
10 Other Oil Seeds	171.25	172.46	177.64
11 Edible Roots/ Potatoes	135.38	400.84	447.26
12 Stimulant And Spice Crops	197.49	371.86	377.03
13 Pulses	186.89	190.93	198.71
14 Sugar Crops	267.92	267.92	267.92
15 Fibre Crops	205.61	209.71	217.38
16 Unmanufactured Tobacco	176.41	195.81	196.08
17 Poultry	176.50	219.86	215.25
18 Milk From Bovine Animals	215.36	230.05	230.92
19 Eggs	153.52	173.18	158.06
20 Raw Animal Material/Wool	146.46	157.45	156.33
21 Hides And Fur Skins, Raw	140.56	145.57	145.23
22 Fuel Wood In Logs	228.51	242.38	243.47
23 Fishes Live Fresh Or Chilled	215.28	244.31	249.76
<b>Ores/Minerals, Gas &amp; Elect.</b>	<b>213.53</b>	<b>243.12</b>	<b>242.36</b>
24 Coal Not Agglomerated	223.53	223.53	223.53
25 Natural Gas Liquefied	200.30	203.39	201.77
26 Salt & Pure Sodium Chloride	203.88	231.42	234.11
27 Electrical Energy	226.10	287.44	287.44
<b>Food, Beverages, Tobacco, Textiles</b>	<b>191.52</b>	<b>202.07</b>	<b>201.29</b>
28 Meat Of Animals	232.03	241.31	241.31
29 Vegetables & Fruit Juices	189.97	191.62	192.16
30 Dried Fruits & Nuts	221.30	218.45	218.45
31 Fruit Juices	162.75	166.33	169.52
32 Vegetable Oil Refined	159.34	164.58	165.54
33 Vegetable Ghee	141.08	142.54	141.65
34 Oil Cakes	169.06	207.80	219.35
35 Processed Liquid Milk	208.43	219.13	222.76
36 Milk And Cream In Solid Form	171.72	207.76	209.55
37 Ice Cream	176.81	209.79	209.79
38 Dairy Products N.E.C	212.62	228.17	230.41
39 Wheat Flour	179.64	211.80	197.22
40 Other Cereal Flour	170.46	140.44	139.33
41 Sugar Refined	204.62	201.00	196.99
42 Chocolate	99.19	99.19	99.19
43 Sugar Confectionary	102.28	102.28	102.28
44 Coffee And Tea	219.00	198.66	188.38
45 Spices	238.45	191.57	191.65
46 Other Food Products	314.63	308.98	293.22
47 Mineral Water	171.58	184.22	185.23
48 Beverages	139.24	161.66	164.58
49 Tobacco Products	208.80	242.41	242.41
50 Cotton Yarn	209.33	201.07	200.83
51 Nylon Yarn	189.60	167.97	165.10
52 Blended Yarn	198.67	193.66	191.86
53 Woven Fabrics	208.98	226.82	226.82
54 Cotton Fabrics	182.84	193.10	193.10
55 Other Fabrics	172.31	192.36	194.43

*Inflation Monitor, May 2014*

Table A11: Wholesale Price Index Numbers by Major Groups and Composite Commodities				
Items and Specifications		Index		
		May-13	Apr-14	May-14
56	Silk And Rayon Fabrics	157.86	165.36	165.85
57	Towels	210.01	242.19	242.19
58	Blankets	185.21	219.66	219.66
59	Bed Sheets	212.73	242.12	242.12
60	Quilts	153.32	172.42	172.42
61	Woolen Carpets	106.55	113.69	113.69
62	Synthetic Carpets	114.41	116.10	116.10
63	Hosiery Products	185.14	196.90	198.64
64	Ready Made Garments	145.39	169.94	168.50
65	Leather With Out Hairs	115.62	203.40	212.68
66	Other Leather N.E.C	160.40	314.19	276.72
67	Footwear's	139.49	134.22	134.22
<b>Other Transportable Goods</b>		<b>201.98</b>	<b>213.45</b>	<b>212.29</b>
68	Timber	153.36	178.07	178.07
69	Printing Paper	169.17	177.81	174.58
70	Hard Board	187.50	229.17	229.17
71	Coke	163.45	163.45	163.45
72	Motor Sprit	164.86	182.98	182.40
73	Diesel Oil	249.51	267.04	260.69
74	Kerosene Oil	251.08	288.01	288.01
75	Furnace Oil	169.52	165.65	166.52
76	Mobil Oil	186.04	197.73	197.73
77	Chemicals	159.30	176.47	176.24
78	Dying Materials	107.23	143.77	143.77
79	Fertilizers	260.13	264.50	265.61
80	Pesticides	199.65	237.58	237.58
81	Insecticides	123.02	177.92	178.94
82	Paints & Varnishes	241.85	268.31	269.84
83	Medicines	139.19	140.59	141.80
84	Soaps & Detergent	174.25	181.82	182.20
85	Auto Tyres	181.43	185.73	186.63
86	Plastic Products	196.65	202.70	203.08
87	Glass Sheets	201.02	209.86	209.86
88	Other Glass Articles	206.09	214.09	218.27
89	Ceramics And Sanitary	161.77	199.50	199.50
90	Bricks Blocks And Tiles	184.29	197.05	196.15
91	Cement	189.16	207.45	207.98
92	Bed Foams	144.33	149.67	149.67
93	Matches	142.72	143.20	143.20
<b>Metal Product Machinery &amp; Equip</b>		<b>160.87</b>	<b>170.06</b>	<b>170.11</b>
94	Pig Iron	128.97	128.97	128.97
95	Steel Bars & Sheets	133.53	138.13	139.53
96	Pipe Fittings	148.98	168.33	168.33
97	Steel Products	166.25	170.24	170.24
98	Engines And Motors	109.07	109.07	109.07
99	Vacuum Pumps	115.39	115.39	115.39
100	Air Conditioners	179.78	181.12	181.12
101	Cultivators	189.23	226.90	226.90
102	Chuff Cutter	144.94	149.20	149.20
103	Tractors	161.96	214.54	214.54
104	Lathe Machines	147.68	208.81	208.81
105	Concrete Mixer	138.83	138.83	138.83
106	Refrige,Wash& Sew Mach, Iron,Fan	174.07	195.02	193.39
107	Electrical Wires	160.12	178.73	179.18
108	Lighting Equipments	147.94	164.75	164.95
109	Radio And Television	126.49	126.49	126.49
110	Motor Vehicles	173.75	182.75	182.59
111	Motor Cycles	124.56	126.48	126.70
112	Bicycles	178.81	182.84	182.84

**Table A12: Price Indices - Base 2007-08 = 100**

Period		CPI			WPI			SPI *
		Overall	Food	Non-food	Overall	Food	Non-Food	
2008-09		117.03	123.12	113.38	118.93	119.68	118.45	123.26
2009-10		128.85	139.05	122.73	135.40	136.85	134.48	139.84
2010-11		146.45	164.10	135.87	164.17	159.26	167.28	164.02
2011-12		162.57	182.20	150.80	181.28	181.32	181.26	178.67
2012-13		174.53	195.18	162.16	194.61	197.21	192.95	189.64
2011	Oct	160.79	183.07	147.44	179.34	182.82	177.13	176.45
	Nov	161.25	183.26	148.06	178.39	181.48	176.43	177.53
	Dec	160.12	179.21	148.67	176.01	178.29	174.57	175.04
2012	Jan	162.58	181.90	151.00	179.99	178.95	180.65	178.25
	Feb	163.07	180.69	152.51	180.99	177.56	183.17	178.63
	Mar	164.98	183.46	153.90	182.20	180.41	183.34	180.79
	Apr	168.00	187.43	156.35	185.48	184.45	186.13	184.03
	May	169.93	187.75	159.25	189.46	186.57	191.29	184.88
	Jun	169.99	187.35	159.58	189.37	189.36	189.37	188.14
	Jul	169.57	190.72	156.89	190.05	193.92	187.59	183.98
	Aug	171.09	192.47	158.27	191.99	195.30	189.89	186.47
	Sep	172.44	193.80	159.64	192.66	195.81	190.66	188.21
	Oct	173.10	193.66	160.77	192.88	196.21	190.77	187.32
	Nov	172.42	193.03	160.07	192.16	193.02	191.61	187.35
	Dec	172.82	192.97	160.74	192.98	195.49	191.39	187.95
2013	Jan	175.70	196.58	163.19	195.39	198.81	193.22	190.89
	Feb	175.11	194.05	163.76	196.06	197.22	195.32	190.79
	Mar	175.82	195.06	164.29	196.57	196.02	196.92	192.01
	Apr	177.74	197.74	165.75	198.09	199.00	197.51	192.02
	May	178.65	200.00	165.85	197.23	201.14	194.75	191.96
	Jun	179.94	202.11	166.65	199.21	204.60	195.79	196.75
	Jul	183.58	208.19	168.83	202.49	209.34	198.15	200.80
	Aug	185.71	212.27	169.79	207.85	211.45	205.57	203.29
	Sep	185.18	209.09	170.85	209.33	211.29	208.09	203.05
	Oct	188.82	212.61	174.56	211.70	213.26	210.71	207.69
	Nov	191.21	218.16	175.06	212.22	215.77	209.97	214.76
	Dec	188.68	210.89	175.37	210.11	210.28	210.00	210.78
2014	Jan	189.60	210.81	176.89	211.23	209.87	212.10	208.99
	Feb	189.00	208.74	177.17	210.94	208.67	212.38	208.54
	Mar	190.82	213.11	177.46	211.66	212.89	210.88	212.08
	Apr	194.06	217.33	180.11	211.88	216.70	208.82	211.78
	May	193.55	214.75	180.84	211.71	215.95	209.02	209.80

\*: all groups combined

<b>Table A13: International Commodity Prices/ Indices</b>				
	<b>Feb-14</b>	<b>Mar-14</b>	<b>Apr-14</b>	<b>May-14</b>
<b>Energy</b>				
Crude Oil (US\$ per barrel) *	104.8	104.0	104.9	105.7
IMF Energy Index (2005 = 100)	192.9	190.8	192.2	193.4
WB Energy Index (2010 = 100) @	130.9	127.4	128.4	128.9
<b>Food</b>				
Rice (\$/MT)	447.0	434.1	409.9	403.6
Wheat (\$/MT)	292.3	323.6	324.9	334.7
Sugar (US cent/ pound)	16.9	17.9	17.6	17.5
Palm Oil (\$/MT)	811.2	860.5	825.3	800.2
Soybean Oil (\$/MT)	873.7	928.5	934.1	893.5
<b>Non-Food Non-Energy</b>				
Cotton Outlook 'A' Index #	94.1	96.9	94.2	92.7
IMF Metal Price Index (2005 = 100)	172.0	165.0	169.5	164.5
Copper (\$/MT)	7,149.2	6,650.0	6,673.6	6,891.1
Aluminum (\$/MT)	1,695.2	1,705.4	1,810.7	1,751.1
Iron Ore (\$ cents/dry MT)	121.4	111.8	114.6	100.6
Tin (\$/MT)	22,820.7	23,024.3	23,405.2	23,271.3
Nickle (\$/MT)	14,203.6	15,678.1	17,373.6	19,401.1
Zinc (\$/MT)	2,034.5	2,007.9	2,027.2	2,059.0
Lead (\$/MT)	2,108.0	2,053.1	2,087.1	2,097.3
Uranium (\$/MT)	35.5	34.9	32.9	28.7
DAP (\$/MT)	490.6	499.4	470.6	444.6
Urea (\$/MT)	344.1	315.8	291.1	299.1
Source: IMF and World Bank				
\$/MT = US\$ per metric ton.				
* Crude Oil (Petroleum), simple average of three spot prices; Dated Brent, West Texas Intermediate, and the Dubai fateh				
# Middling 1-3/32 inch staple, Liverpool Index "A", average of the cheapest Cts/lb five of fourteen styles, CIF Liverpool (Cotton Outlook, Liverpool). From January 1968 to May 1981 strict middling 1-1/16 inch staple. Prior to 1968, Mexican 1-1/16.2/				
DAP: Diammonium Phosphate				
@ World Bank commodity index for low and middle income countries				

**Table 14. CPI Data Series Original and Seasonally Adjusted**

<b>Original Series</b>				
<b>Period</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
Jul	137.62	154.72	169.57	183.58
Aug	140.63	156.88	171.09	185.71
Sep	143.49	158.50	172.44	185.18
Oct	144.90	160.79	173.10	188.82
Nov	146.34	161.25	172.42	191.21
Dec	145.90	160.12	172.82	188.68
Jan	147.67	162.58	175.70	189.60
Feb	146.85	163.07	175.11	189.00
Mar	148.91	164.98	175.82	190.82
Apr	150.99	168.00	177.74	194.06
May	151.33	169.93	178.65	193.55
Jun	152.78	169.99	179.94	
<b>Seasonally Adjusted Series</b>				
Jul	137.50	154.57	169.37	183.01
Aug	139.73	155.84	169.90	184.38
Sep	142.57	157.47	171.33	183.98
Oct	143.62	159.32	171.53	187.11
Nov	145.45	160.22	171.26	189.83
Dec	146.62	160.93	173.72	189.66
Jan	147.89	162.80	175.93	189.83
Feb	148.11	164.52	176.69	190.73
Mar	149.84	166.04	176.98	192.11
Apr	150.97	167.93	177.62	193.93
May	151.89	170.63	179.47	194.46
Jun	153.51	170.85	180.92	

<b>Table 15. CPI Food Data Series Original and Seasonally Adjusted</b>				
<b>Original Series</b>				
<b>Period</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
Jul	149.33	174.80	190.72	208.19
Aug	156.70	177.32	192.47	212.27
Sep	163.96	180.16	193.80	209.09
Oct	163.91	183.07	193.66	212.61
Nov	166.59	183.26	193.03	218.16
Dec	163.69	179.21	192.97	210.89
Jan	166.52	181.90	196.58	210.81
Feb	163.56	180.69	194.05	208.74
Mar	167.10	183.46	195.06	213.11
Apr	169.25	187.43	197.74	217.33
May	168.77	187.75	200.00	214.75
Jun	169.88	187.35	202.11	
<b>Seasonally Adjusted Series</b>				
Jul	148.87	174.22	189.93	207.18
Aug	154.49	174.70	189.49	208.89
Sep	161.35	177.22	190.62	205.63
Oct	160.94	179.73	190.20	208.91
Nov	164.14	180.47	189.93	214.52
Dec	164.98	180.68	194.61	212.65
Jan	167.23	182.65	197.38	211.67
Feb	166.84	184.45	198.15	213.23
Mar	169.21	185.85	197.66	215.97
Apr	169.90	188.06	198.33	218.00
May	170.24	189.57	202.11	217.10
Jun	171.82	189.60	204.65	



<b>Table 16: CPI Monthly &amp; Average Seasonal Factors</b>					
<b>Period</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Average</b>
Jul	100.09	100.09	100.12	100.31	100.15
Aug	100.65	100.67	100.70	100.72	100.69
Sep	100.65	100.65	100.65	100.65	100.65
Oct	100.89	100.92	100.92	100.91	100.91
Nov	100.61	100.64	100.68	100.73	100.66
Dec	99.51	99.49	99.48	99.49	99.49
Jan	99.85	99.87	99.87	99.88	99.87
Feb	99.15	99.12	99.10	99.09	99.12
Mar	99.38	99.36	99.34	99.33	99.35
Apr	100.01	100.04	100.07	100.07	100.05
May	99.63	99.59	99.55	99.53	99.57
Jun	99.52	99.50	99.46		99.49

<b>Table 17: CPI Food Monthly &amp; Average Seasonal Factors</b>					
<b>Period</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Average</b>
Jul	100.31	100.34	100.42	100.49	100.39
Aug	101.43	101.50	101.57	101.62	101.53
Sep	101.62	101.66	101.67	101.68	101.66
Oct	101.84	101.86	101.82	101.77	101.82
Nov	101.49	101.55	101.63	101.70	101.59
Dec	99.22	99.19	99.16	99.17	99.18
Jan	99.57	99.59	99.60	99.59	99.59
Feb	98.03	97.96	97.93	97.90	97.96
Mar	98.75	98.72	98.69	98.67	98.71
Apr	99.62	99.66	99.70	99.69	99.67
May	99.13	99.04	98.96	98.92	99.01
Jun	98.87	98.81	98.76		98.81

<b>Table 18: CPI Month-on-Month % Change Original &amp; Seasonally Adjusted</b>				
<b>Original Series</b>				
<b>Period</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
Jul	2.07	1.27	-0.25	2.02
Aug	2.19	1.40	0.90	1.16
Sep	2.03	1.03	0.79	-0.29
Oct	0.98	1.44	0.38	1.97
Nov	0.99	0.29	-0.39	1.27
Dec	-0.30	-0.70	0.23	-1.32
Jan	1.21	1.54	1.67	0.49
Feb	-0.56	0.30	-0.34	-0.32
Mar	1.40	1.17	0.41	0.96
Apr	1.40	1.83	1.09	1.70
May	0.23	1.15	0.51	-0.26
Jun	0.96	0.04	0.72	
<b>Seasonally Adjusted Series</b>				
Jul		0.69	-0.87	1.15
Aug	1.62	0.82	0.31	0.75
Sep	2.03	1.05	0.85	-0.21
Oct	0.74	1.17	0.11	1.70
Nov	1.28	0.57	-0.16	1.45
Dec	0.81	0.44	1.44	-0.09
Jan	0.87	1.16	1.27	0.09
Feb	0.15	1.06	0.44	0.47
Mar	1.17	0.92	0.17	0.72
Apr	0.76	1.14	0.36	0.95
May	0.61	1.61	1.04	0.27
Jun	1.07	0.13	0.81	

<b>Table 19: CPI Food Month-on-Month % Change Original &amp; Seasonally Adjusted</b>				
<b>Original Series</b>				
<b>Period</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
Jul	1.84	2.90	1.80	3.01
Aug	4.93	1.44	0.92	1.96
Sep	4.64	1.60	0.69	-1.50
Oct	-0.04	1.62	-0.07	1.68
Nov	1.64	0.10	-0.33	2.61
Dec	-1.74	-2.21	-0.03	-3.33
Jan	1.73	1.50	1.87	-0.04
Feb	-1.77	-0.66	-1.29	-0.98
Mar	2.16	1.53	0.52	2.10
Apr	1.28	2.16	1.37	1.98
May	-0.28	0.17	1.15	-1.19
Jun	0.66	-0.21	1.05	
<b>Seasonally Adjusted Series</b>				
Jul		1.39	0.17	1.23
Aug	3.78	0.28	-0.23	0.83
Sep	4.44	1.45	0.60	-1.56
Oct	-0.26	1.41	-0.22	1.60
Nov	1.99	0.42	-0.14	2.69
Dec	0.51	0.12	2.46	-0.87
Jan	1.37	1.09	1.42	-0.46
Feb	-0.24	0.99	0.39	0.73
Mar	1.42	0.76	-0.25	1.29
Apr	0.41	1.19	0.34	0.94
May	0.20	0.80	1.91	-0.41
Jun	0.93	0.02	1.26	

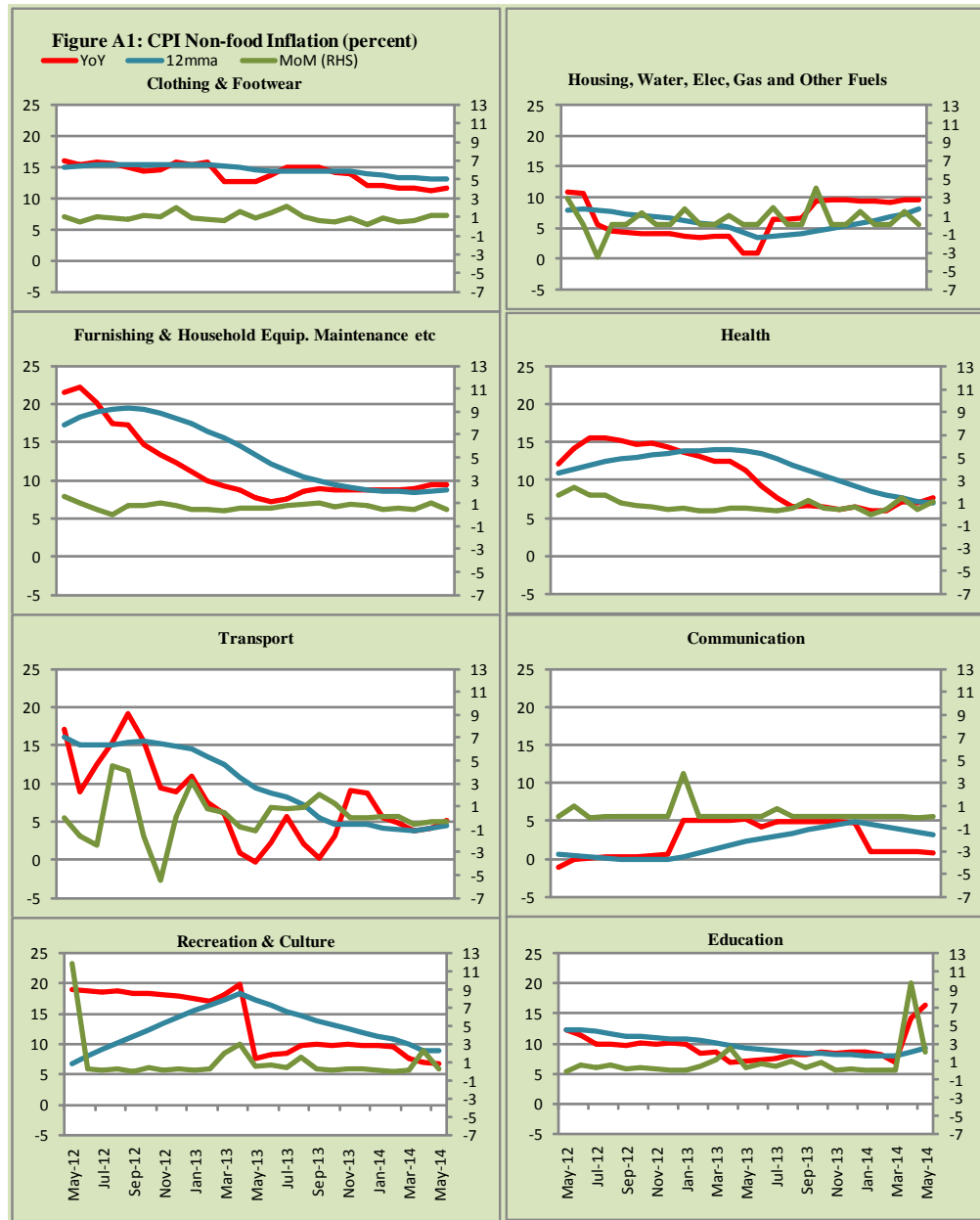
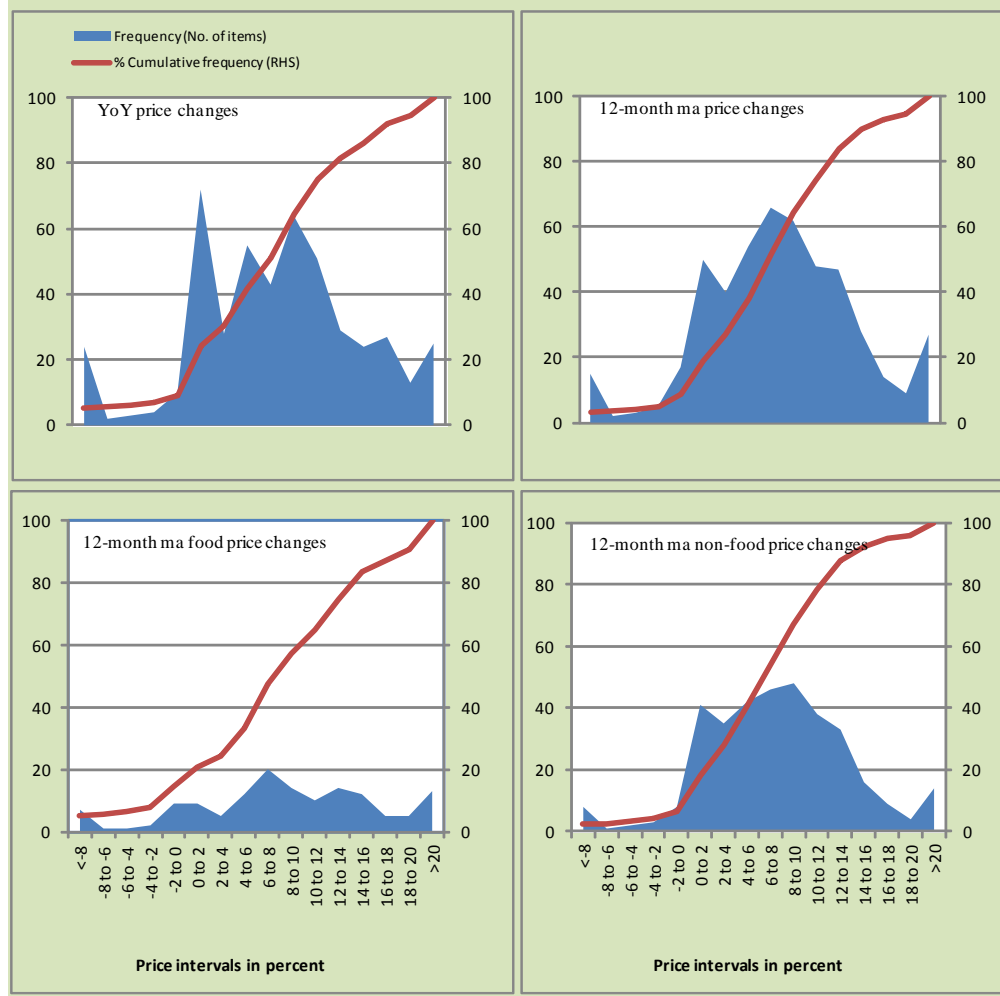


Figure A2: Frequency Distribution of Price Changes of CPI Items, May 2014



**Figure A3: Frequency Distribution of Price Changes of WPI Commodities, May 2014**

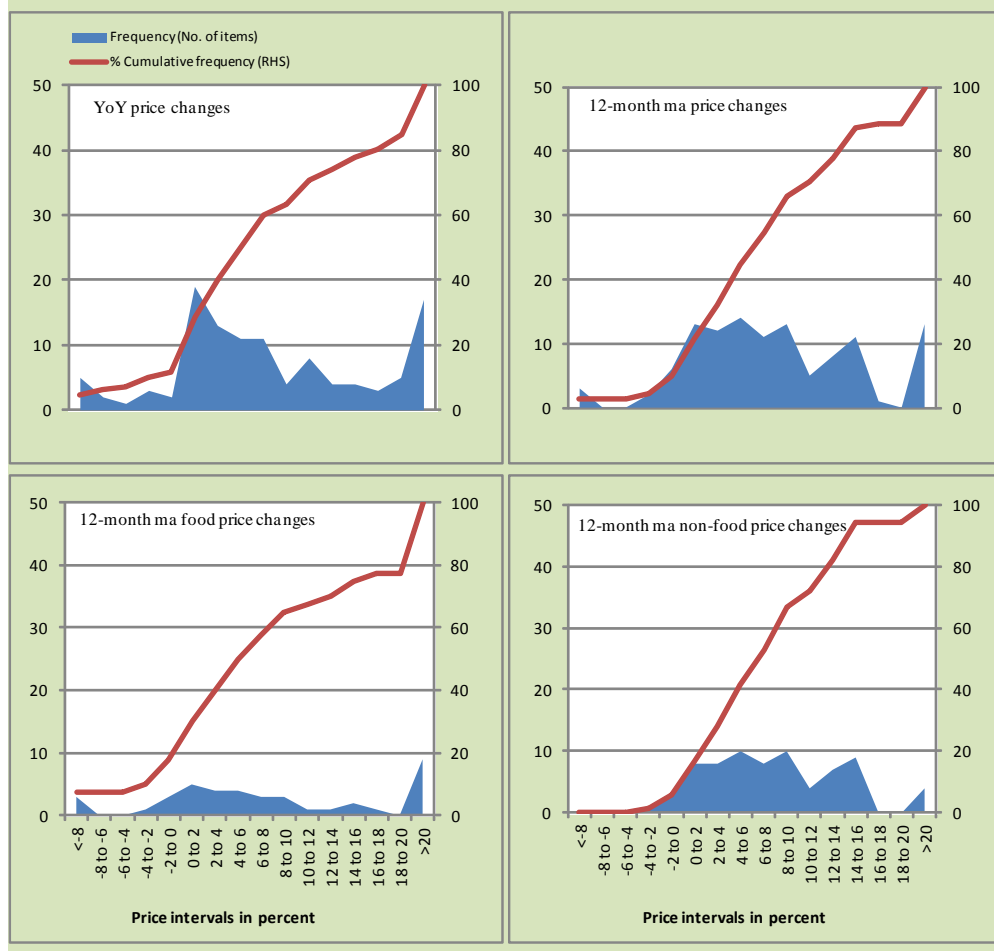
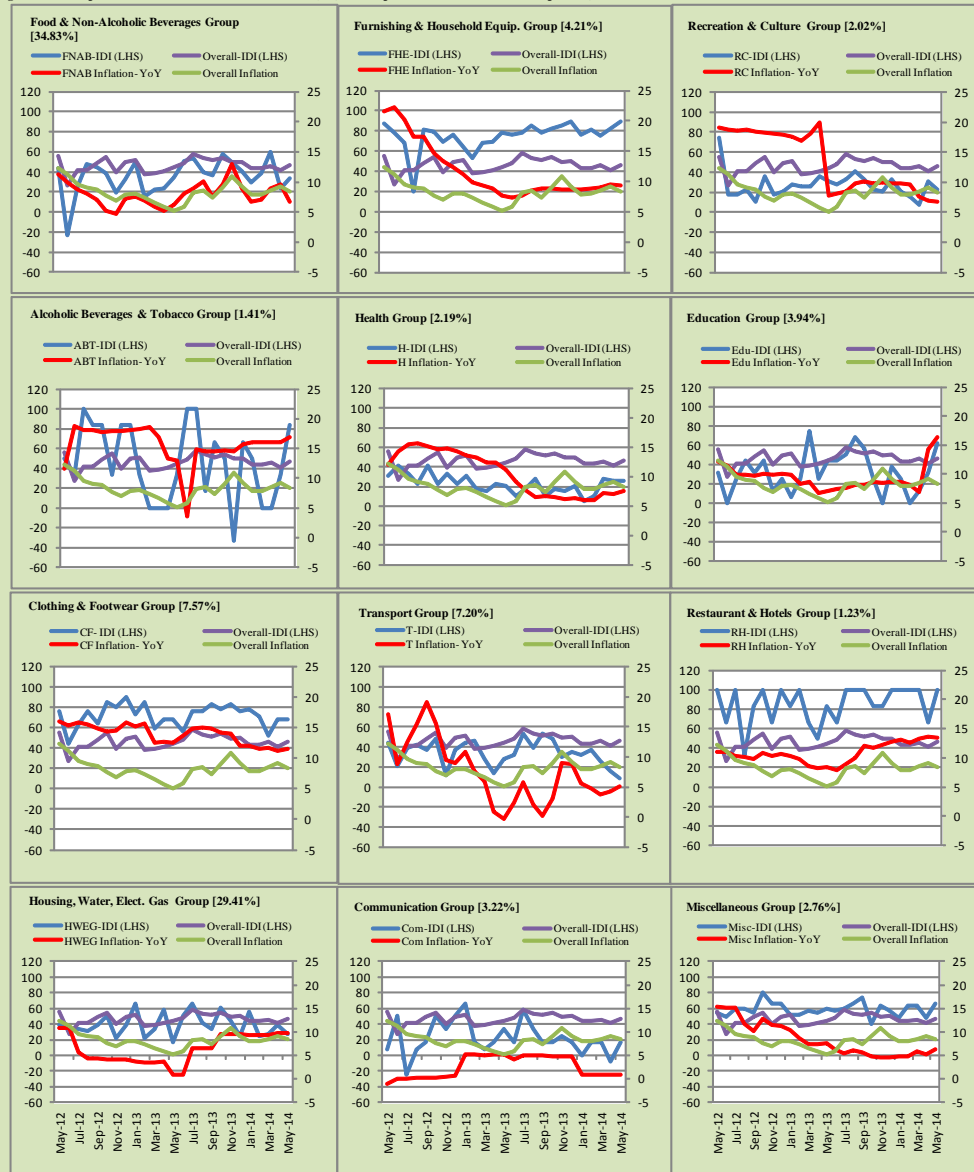


Figure A4: Group-wise/ Overall Inflation Diffusion Index (IDI) and respective/ overall YoY Inflation (percent)



Numbers in square brackets show the weights of respective groups in the CPI baskets.

## **Annexure B**

### **Technical Notes**

1. All the three measures of inflation, viz. CPI, WPI and SPI are computed by the following Laspeyres Index formula:

$$I_t = \sum_j w_0^j \left( \frac{P_t^j}{P_0^j} \right)$$

Where  $I_t$  is price index,  $w_0^j$  is weight of commodity  $j$  in the overall basket,  $P_t^j$  is price of commodity  $j$  in period  $t$  and  $P_0^j$  is its price in the base year.

2. Base year for all the indices is the year 2007-08.
3. CPI basket contains 487 consumers' goods; WPI basket contains 463 items; SPI contains 53 items.
4. YoY inflation is the percent change of an index in a given month over the index in the same month of the last year. It is computed as follows:

$$\pi_t = \left( \frac{I_t}{I_{t-12}} - 1 \right) \times 100$$

5. Period average inflation is the percent change of the average index during the period from July to the given month of a fiscal year over the average index during the corresponding period of the last year. It is computed as follows:

$$\bar{\pi}_t = \left( \frac{\sum_{i=0}^{t-v} I_{t-i}}{\sum_{i=0}^{t-12-v} I_{t-12-i}} - 1 \right) \times 100$$

Where  $v$  is the serial number of the month of July of current fiscal year in a given time series.

6. Monthly inflation is the percent change of an index in a given month over the index in the preceding month. It is computed as follows:



$$\pi_t = \left( \frac{I_t}{I_{t-1}} - 1 \right) \times 100$$

7. 12-month moving average inflation (Long-run trend inflation) is the percent change of 12-month moving average of a price index; it is computed as follows:

$$\tilde{\pi}_t = \left( \frac{\sum_{i=0}^{11} I_{t-i}}{\sum_{i=0}^{11} I_{t-12-i}} - 1 \right) \times 100$$

8. Core Inflation is defined as the persistent component of measured inflation that excludes volatile and controlled prices. It reflects the normal supply and demand conditions in the economy. Core inflation is computed by the following three methods:

- a) Non-food, Non-energy inflation (NFNE inflation); it is computed by excluding food group and energy items (kerosene oil, petrol, diesel, CNG, electricity and natural gas) from the CPI basket.
- b) 20% trimmed-mean inflation; it is computed through the following

steps:

- i. All CPI items are arranged in ascending order according to YoY/12-month moving average/monthly/period average changes in their price indices in a given month.
  - ii. 20 percent of the items showing extreme changes are excluded with 10 percent of the items at the top of the list (corresponding to cumulative weight of 90% or more) and 10 percent of the items at the bottom of the list (corresponding to cumulative weight of 10 percent or less).
  - iii. The weighted mean of the changes in price indices of the rest of the items is core inflation.
- c) Relatively Stable Component of CPI (RSC-CPI) developed by State Bank of Pakistan is a hybrid method based on permanent exclusion criteria. Volatile price items, to be excluded in the newly proposed

measure RSC-CPI, are identified by analyzing the list and frequency of commodities that have been trimmed frequently in the past while computing monthly weighted trimmed mean measure. Commodities that were trimmed out 13 and above times since July 2008 to February 2013 are selected for permanently excluding from the CPI basket. This newly developed component includes a mix of both food and non-food commodities that show persistent price behavior. Fifty Commodities included comprise relatively stable component (RSC-CPI) with a weight of 67.69. The detailed methodology of RSC-CPI and group wise items along their weights can be viewed at the following link;

<http://www.sbp.org.pk/publications/wpapers/2013/wp66.pdf>

9. Weighted contribution of different items (or sub-groups) to total inflation is worked out as below:

Let the overall index ( $I_t$ ) is the weighted average of price indexes of individual items or sub-groups ( $I_{it}$ ), i.e.

$$I_t = \sum_i w_i \cdot I_{it}$$

The weighted contribution of a single item (or a sub-group) to overall inflation is defined as below:

$$C_{it} = \alpha_{it-12} \cdot w_i \cdot \left( \frac{\pi_{it}}{\pi_t} \right)$$

Where  $C_{it}$ : Contribution of  $i^{\text{th}}$  item to the overall inflation

$$\alpha_{it-12} = \frac{I_{it-12}}{I_{t-12}}; \text{ i.e. ratio of item's index to overall index in the}$$

reference month

$w_i$  : Weights of  $i^{\text{th}}$  item

$\pi_{it}$  : Inflation of  $i^{\text{th}}$  item

$\pi_t$  : Overall inflation

10. Annualized rate of inflation (based on a month-on-month rate  $\pi$ ) is computed as follows

$$\text{Annualized } \pi = \left( \left( 1 + \frac{\pi}{100} \right)^{12} - 1 \right) \times 100$$

### Methodology for Estimating Inflation Diffusion Index for Pakistan

We constructed an index to measure the spread of inflation in the 487 commodities of the CPI basket. It is based on month-on-month (MoM) change in the prices of these commodities and can be obtained by estimating what is known as an ‘inflation diffusion index’ (IDI) as below:

$$\frac{\text{Number of Commodities with } \uparrow \text{ in MoM change} - \text{Number of Commodities with } \downarrow \text{ in MoM change}}{\text{Number of Commodities for which prices are reported}}$$

Thus, it is the difference between the share of items with increasing prices (i.e. depicting inflation) and the share of items with falling prices (i.e. depicting deflation) in CPI amongst the commodities for which prices have altered or remained constant<sup>1</sup>.

Based upon commodity level price data from July 2001 to February 2011 we computed inflation diffusion indices overall (general) CPI basket and for all groups in CPI basket (except House Rent Index being single item). A simple analysis<sup>2</sup> suggests that IDI is a leading indicator for Pakistan’s YoY inflation.

<sup>1</sup> We do not observe the prices of certain commodities (like the seasonal items) during certain periods of time. To calculate the inflation diffusion index we consider the commodities for which prices have been reported (irrespective of changed or not) during the month under review.

<sup>2</sup> Formal test shows one way ‘Granger’ causality from IDI to YoY inflation.