

## Pakistan Market Price Bulletin

May 2019 Issue

### Highlights

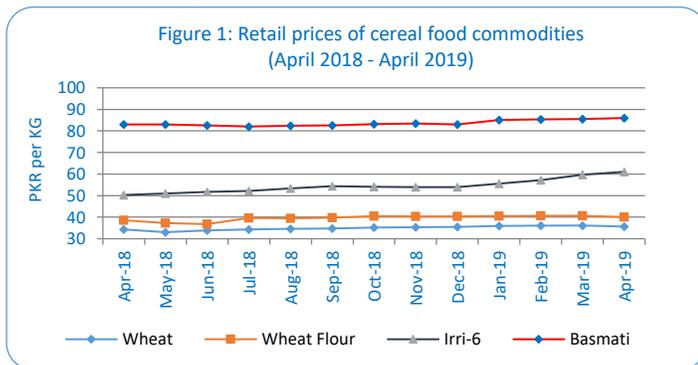
- In April 2019, the average retail prices of wheat and wheat flour decreased by 1.2% and 1.5%, respectively; the prices of rice *Irri-6* and rice *Basmati* increased by 2.3% and 0.6%, respectively, in April 2019 when compared to the previous month;
- Headline inflation based on the Consumer Price Index (CPI) increased in April 2019 by 1.26% over March 2019 and increased by 8.82% over April 2018;
- The prices of staple cereals and most of non-cereal food commodities in April 2019 experienced slight fluctuations when compared to the previous month's prices;
- In April 2019, the average ToT slightly increased by 3.4% from previous month;
- In May 2019, the total global wheat production for 2019/20 is projected at 777.49 million MT, indicating an increase of 44.62 million MT compared to the projection made in April 2019.

### Headline inflation

Headline inflation based on the Consumer Price Index (CPI) increased in April 2019 by 1.26% over March 2019 and increased by 8.82% over April 2018. The CPI for food increased by 1.7% in April 2019 as compared to an increase of 2.9% a month earlier and increased by 8.6% over April 2018; while for non-food it increased by 1% in April 2019 as compared to an increase of 0.5% a month earlier and increased by 9% over April 2018. The weighted contribution of food group in the overall CPI has increased from 247.17 indices in March 2019 to 251.63 in April 2019, registering an increase of 1.8%; while it increased in April 2019 by 8.51% over April 2018<sup>1</sup>.

### Retail prices of staple cereals

In April 2019, the average retail prices of wheat and wheat flour across the country's main markets<sup>2</sup> were recorded at PKR 35.70 and PKR 40.04 per kg, respectively, indicating slight decreases of 1.2% and 1.5% for wheat and wheat flour, respectively, from March 2019. The prices of rice *Irri-6* and rice *Basmati* were recorded at PKR 61.05 and PKR 85.99, respectively, indicating increases of 2.3% and 0.6% in the price of *Irri-6* and rice *Basmati* from the previous month (Figure 1).



Compared to three months ago (January 2019), the price of wheat and wheat flour decreased by 0.5% and 1%, respectively. The price of rice *Irri-6* increased by 10% while price of rice *Basmati* increased by 1.2% in April 2019, when compared to their prices in January 2019.

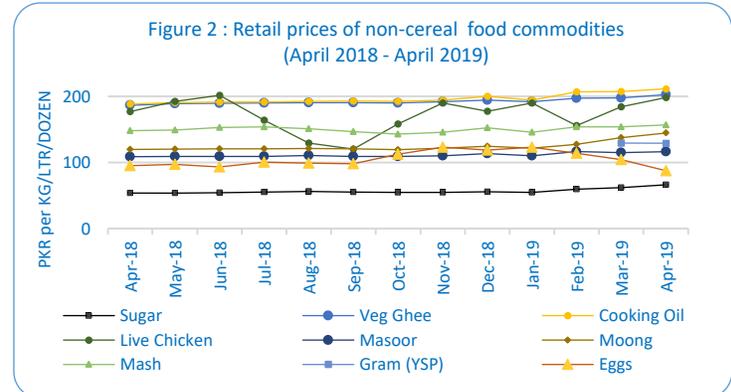
Compared to six months ago (October 2018), the prices in April 2019 increased for wheat by 1.4% while it decreased by 1%. Whereas, the prices

of rice *Irri-6* and *Basmati* increased by 13% and 3.5%, respectively, for the same period.

On one-year comparison, in April 2019 the prices of wheat and wheat flour both increased by 3.9%. Whereas, the prices of rice *Irri-6* and rice *Basmati* increased by 21.4% and 3.6%, respectively, for the same period.

### Retail prices of non-cereal food commodities

In April 2019, slight fluctuations were observed in the prices of most of the non-cereal food commodities except for eggs (which decreased significantly) when compared to their prices from a month ago, (Figure 2).



In April 2019, a significant decrease was observed in the price of eggs (15.9%) while a negligible decrease was noted in the price of pulse Gram<sup>3</sup> (1.2%) compared to previous month. Whereas, slight increases were noted in the prices of live chicken (7.6%), sugar (7.3%), pulse *Moong* (5.2%), vegetable ghee (2.5%), cooking oil (2.1%), pulse *Masoor* (1.2%), and pulse *Mash* (1.9%) compared to their prices from a month ago.

Compared to three months ago (January 2019), significant increases were noted in the prices of sugar (20.8%) and pulse *Moong* (18.9%). Whereas, slight increases were noted in the prices of cooking oil (8.7%), pulse *Mash* (7.7%), pulse *Masoor* (5.8%), vegetable ghee (5.6%), and live chicken (4.4%). Meanwhile, a significant decrease was noted in the price of eggs (28.9%) compared to three months ago.

<sup>1</sup>Pakistan Bureau of Statistics, Government of Pakistan.  
<sup>2</sup>Lahore, Multan, Karachi, Peshawar and Quetta.

<sup>3</sup> From May 2019 Bulletin, Pulse Gram (Yellow Split Peas) has been added to the price watch list.

Compared to six months ago (October 2018), significant increases were noted in the prices of live chicken (25.3%), pulse *Moong* (21.1%), and sugar (20.8%). While slight increases were noted in the prices of cooking oil (9.9%), pulse *Mash* (9.7%), pulse *Masoor* (6.8%), and vegetable ghee (6.7%). Whereas, a significant decrease was noted in the price eggs (22.2%) in April compared to six months ago.

Compared to a year ago (April 2018) significant increases were noted in prices of sugar (23.3%), pulse *Moong* (20.5%), and cooking oil (12.2%), and live chicken (12%). While, slight increases were noted in the prices of vegetable ghee (8.7%), pulse *Masoor* (7%), and pulse *Mash* (5.7%). Whereas, a slight decrease was noted in the price eggs (8%) in April compared to a year ago.

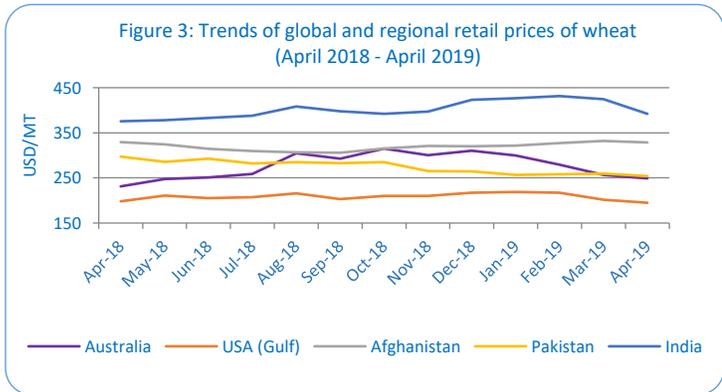
Major markets across the country were found generally well-integrated for most of the cereal and non-cereal products in April 2019, except for Lahore and Quetta, where the prices of pulse *Mash* and pulse *Masoor* were significantly higher than the other big cities mainly because both Lahore and Quetta are located farther from producing districts. Quetta was found to have also the highest price for eggs and wheat flour, while live chicken was priced at the higher end compared to other major cities. Some price variations among markets were also noted for Peshawar markets where Peshawar was observed to have the lowest prices of *pulse Masoor*, *pulse Moong*, and *pulse Mash* among the major cities.

**Global wheat production**

In May 2019, the total global wheat production projection for 2019/20 increased to 777.49<sup>4</sup> million MT from 732.87 million MT in April 2019, due to a projected production increase of 44.62 million MT for 2019/20.

Total global wheat consumption for 2019/20 is projected higher this month by 21.6 million MT. Total projected global ending stocks have increased by 18 million MT this month<sup>5</sup>.

Compared to March 2019, wheat price in April 2019 decreased in India (7.6%)<sup>6</sup>, USA (3.2%)<sup>7</sup>, Australia (3.1%)<sup>8</sup>, Pakistan (2%)<sup>9</sup>, and Afghanistan (1%)<sup>10</sup> compared to previous month. In April 2019, the retail price of wheat in Pakistan was 30% higher than in USA and 2.2% higher than in Australia, while it was 35% lower than in India and 23% lower than in Afghanistan, (Figure 3).



<sup>4</sup> World Agriculture Supply and Demand Estimates, USDA.

<sup>5</sup> World Agriculture Supply and Demand Estimates, USDA.

<sup>6</sup> FAO Global Information and Early Warning System (GIEWS).

<sup>7</sup> FAO Global Information and Early Warning System (GIEWS).

<sup>8</sup> FAO Global Information and Early Warning System (GIEWS).

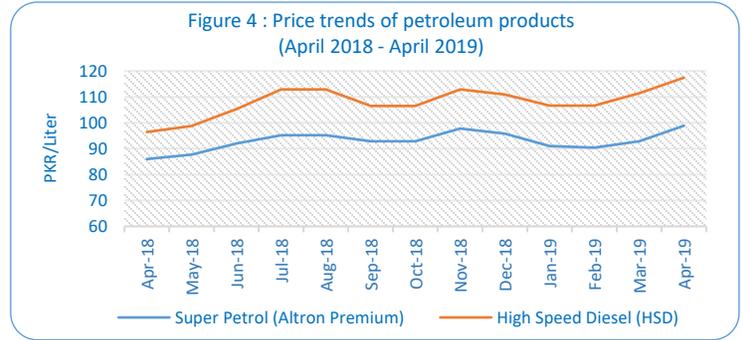
<sup>9</sup> Pakistan Bureau of Statistics, Government of Pakistan.

<sup>10</sup> WFP, Afghanistan.

<sup>11</sup> Pakistan State Oil (PSO). <http://www.pso.gov.pk>.

**Prices of petroleum products**

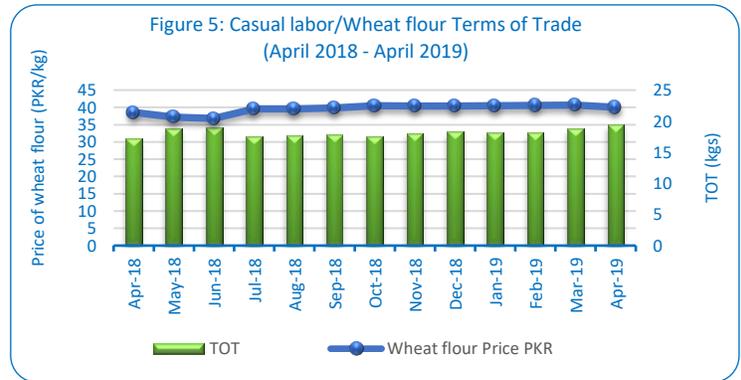
In April 2019, retail prices of Super Petrol and High-Speed Diesel (HSD) were recorded at PKR 98.89 and PKR 117.43<sup>11</sup> per liter, respectively, indicating slight increases in the prices of Super Petrol and HSD by 6.5% and 5.4%, respectively, when compared to their prices in March 2019, (Figure 4).



On a three-month comparison (January 2019), the price of Super Petrol and HSD increased by 8.7% and 10.1%, respectively. On a six-month comparison (October 2018), the prices increased for Super Petrol and HSD by 6.5% and 10.2%, respectively. Compared to prices a year ago (April 2018), significant increases were noted in prices of both Super Petrol and HSD by 15% and 21.8%, respectively.

**Terms-of-Trade (ToT)<sup>12</sup>**

In April 2019, the average ToT slightly increased by 3.4% from previous month and was recorded at 19.41 kg of wheat flour, mainly due to a slight increase in the average daily wage rate and a slight decrease in the price of wheat flour, (Figure 5).



Compared to three months ago (January 2019), the ToT slightly increased in April 2019 by 6.6%. A significant increase of 10.1% was observed from six months ago (October 2018). Whereas, an increase of 13.1% was noted compared to a year ago (April 2018).

City-wise, the ToT varied across different cities due to variations either in wheat flour price or the labor wage<sup>13</sup>, or both. The highest ToT was observed in Karachi at 22 kg, mainly due to higher wage rates, while the lowest ToT was in Peshawar at 15.4 kg<sup>14</sup> mainly due to a low wage rate and high price of wheat flour.

<sup>12</sup>The ratio of the price of the primary income good relative to the price of the primary expenditure good, it simply measures the purchasing power of a particular livelihood group. In this Bulletin, the Terms of Trade (ToT) between casual unskilled labor wage and wheat flour is applied. This ToT reveals how many kilograms of wheat flour can be purchased with one-day casual unskilled labor wage but does not say how many days a laborer can get to cover the family food needs.

<sup>13</sup> The income base for computation of ToT is the average wage rate of five major cities (Lahore, Multan, Karachi, Peshawar & Quetta).

<sup>14</sup>Pakistan Bureau of Statistics, Government of Pakistan.

Retail prices of main food commodities in major cities – April 2019

Major Commodities	Markets	Current Prices April 2019/KG		% Change Over				Change Direction			
		PKR	USD	1M	3M	6M	1Y	1M	3M	6M	1Y
WHEAT	Lahore	34.75	0.25	0.00%	0.00%	0.00%	-0.01%	▶	▶	▶	▶
	Multan	32.52	0.23	-4.36%	-2.21%	-0.71%	5.74%	▼	▶	▶	▶
	Karachi	38.25	0.27	-1.92%	-1.42%	0.99%	4.79%	▼	▶	▶	▶
	Peshawar	37.00	0.26	0.00%	1.09%	3.50%	6.47%	▶	▶	▶	▶
	Quetta	36.00	0.26	0.00%	0.00%	2.86%	2.86%	▶	▶	▶	▶
WHEAT FLOUR	Lahore	39.25	0.28	0.00%	0.00%	0.00%	3.29%	▶	▶	▶	▶
	Multan	37.29	0.27	-1.75%	-1.34%	-2.18%	6.55%	▼	▶	▶	▶
	Karachi	42.58	0.30	-5.37%	-5.56%	-3.50%	0.60%	▼	▼	▶	▶
	Peshawar	39.08	0.28	0.00%	-0.08%	-1.68%	4.80%	▶	▶	▶	▶
	Quetta	42.00	0.30	0.00%	2.44%	2.44%	5.00%	▶	▶	▶	▶
RICE IRRI-6	Lahore	57.00	0.41	0.00%	0.00%	0.00%	0.00%	▶	▶	▶	▶
	Multan	50.00	0.36	0.00%	0.00%	1.26%	14.29%	▶	▶	▶	▶
	Karachi	60.12	0.43	1.40%	5.83%	11.64%	12.86%	▲	▲	▲	▲
	Peshawar	58.12	0.41	1.80%	2.56%	-3.13%	22.36%	▲	▶	▶	▲
	Quetta	80.00	0.57	6.67%	40.35%	60.00%	60.00%	▲	▲	▲	▲
RICE BASMATI BROKEN	Lahore	74.82	0.53	0.00%	0.00%	0.00%	0.00%	▶	▶	▶	▶
	Multan	87.50	0.62	0.00%	0.00%	0.00%	0.00%	▶	▶	▶	▶
	Karachi	85.77	0.61	0.11%	0.27%	2.94%	6.71%	▶	▶	▶	▶
	Peshawar	84.38	0.60	0.00%	0.25%	2.33%	2.49%	▶	▶	▶	▶
	Quetta	97.50	0.69	2.63%	4.84%	11.43%	8.33%	▲	▶	▲	▶
SUGAR	Lahore	65.43	0.47	5.89%	17.17%	15.52%	19.75%	▲	▲	▲	▲
	Multan	64.50	0.46	7.50%	21.24%	22.86%	24.04%	▲	▲	▲	▲
	Karachi	65.23	0.46	5.76%	18.47%	19.47%	19.67%	▲	▲	▲	▲
	Peshawar	66.67	0.47	8.04%	21.37%	21.95%	26.68%	▲	▲	▲	▲
	Quetta	69.25	0.49	9.06%	25.91%	24.22%	26.48%	▲	▲	▲	▲
VEG. GHEE (TIN)	Lahore	205.50	1.46	3.79%	5.71%	9.31%	9.31%	▲	▲	▲	▶
	Multan	206.00	1.47	3.00%	6.40%	7.29%	8.42%	▲	▲	▲	▶
	Karachi	201.00	1.43	2.55%	3.82%	4.58%	6.24%	▲	▶	▶	▶
	Peshawar	198.00	1.41	0.00%	3.13%	3.13%	4.76%	▶	▶	▶	▶
	Quetta	203.00	1.44	3.05%	8.91%	9.14%	15.34%	▲	▲	▲	▲
COOKING OIL (TIN)	Lahore	211.00	1.50	1.44%	7.22%	9.90%	9.90%	▲	▲	▲	▶
	Multan	218.00	1.55	3.56%	9.44%	11.22%	13.54%	▲	▲	▲	▲
	Karachi	211.00	1.50	3.43%	8.54%	8.65%	10.36%	▲	▲	▲	▲
	Peshawar	205.20	1.46	0.00%	5.77%	5.77%	8.57%	▶	▲	▲	▶
	Quetta	212.00	1.51	1.92%	12.53%	13.98%	19.10%	▲	▲	▲	▲
CHICKEN LIVE (FARM)	Lahore	177.75	1.27	11.27%	3.22%	28.34%	11.44%	▲	▲	▲	▲
	Multan	184.58	1.31	-0.61%	-0.23%	19.08%	6.23%	▶	▶	▲	▶
	Karachi	222.09	1.58	8.45%	8.22%	23.64%	8.15%	▲	▲	▲	▶
	Peshawar	188.25	1.34	9.93%	0.99%	23.04%	9.61%	▲	▶	▲	▶
	Quetta	218.75	1.56	9.38%	8.83%	32.58%	25.00%	▲	▲	▲	▲
Lentil Masoor, Washed	Lahore	133.93	0.95	0.00%	0.00%	0.00%	1.90%	▶	▶	▶	▶
	Multan	108.33	0.77	-0.77%	4.84%	7.44%	7.44%	▶	▶	▲	▶
	Karachi	107.12	0.76	1.60%	3.27%	7.32%	2.20%	▲	▶	▲	▶
	Peshawar	93.33	0.66	-0.45%	5.27%	3.70%	12.66%	▶	▲	▶	▲
	Quetta	138.75	0.99	4.72%	15.63%	15.63%	12.12%	▲	▲	▲	▲
Pulse Moong Washed	Lahore	137.86	0.98	8.73%	11.24%	11.24%	13.53%	▲	▲	▲	▲
	Multan	138	0.98	-4.04%	25.19%	36.63%	38.34%	▼	▲	▲	▲
	Karachi	152.36	1.08	4.40%	24.25%	27.37%	25.76%	▲	▲	▲	▲
	Peshawar	134	0.96	9.71%	29.01%	28.29%	33.05%	▲	▲	▲	▲
	Quetta	160.00	1.14	8.47%	8.84%	8.47%	2.40%	▲	▲	▲	▶
Pulse Mash Washed	Lahore	157.14	1.12	0.00%	0.00%	0.00%	-16.83%	▶	▶	▶	▼
	Multan	141.67	1.01	-2.85%	7.33%	18.06%	14.09%	▼	▲	▲	▲
	Karachi	145.67	1.04	-0.30%	13.67%	21.20%	17.26%	▶	▲	▲	▲
	Peshawar	137.09	0.98	1.42%	6.27%	13.45%	14.88%	▲	▲	▲	▲
	Quetta	202.50	1.44	9.46%	11.26%	3.18%	9.46%	▲	▲	▶	▶
Pulse Gram (YSP)	Lahore	120.71	0.86	0.00%				▶			
	Multan	114.58	0.82	-2.83%				▼			
	Karachi	129.33	0.92	-1.86%				▼			
	Peshawar	128.33	0.91	0.49%				▶			
	Quetta	152.50	1.09	2.52%				▲			

1M= One month, 3M= Three months, 6M= Six month, 1Y= One year  
▲Price increase above normal price fluctuation ▼Price decrease above normal price fluctuation  
▶Normal price fluctuation  
Price fluctuation is considered normal if the price change is 1% during one month, 5% during three and six months, and 10% during one year period.  
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