tijarat.

MACRO NOTE / TJ-EDU-002

Rates stay at 11.5%: the July policy statement

A two-page read of what the State Bank decided, the numbers it cited and the risks it named. No call on the next meeting.

PUBLISHED	DATA THROUGH
5 August 2026	27 July 2026
SCOPE	READ TIME
Economic commentary	6 min read

FACTS AND EDUCATION ONLY. NO BUY, SELL OR HOLD CALL. NO TARGET PRICE.

01 / THE ANSWER FIRST

Executive Summary

01 The Monetary Policy Committee unanimously kept the policy rate at 11.5% on 27 July 2026. It said the current stance remained appropriate for guiding inflation toward the 5% to 7% medium-term target.

02 Headline inflation eased to 11.1% in June from 11.7% in May. Core inflation also eased, to 8.4%, but both measures remained elevated.

03 The FY26 current account recorded a small $139m deficit. SBP reserves were around $17.3bn on 17 July after recent debt repayments.

04 SBP projected FY27 real GDP growth of 3.5% to 4.5%. That is the central bank's projection, not a Tijarat forecast.

POLICY RATE **11.5%** Unchanged, unanimous decision	JUNE HEADLINE INFLATION **11.1%** 11.7% in May
FX RESERVES **$17.3bn** As at 17 July 2026	SBP FY27 GROWTH RANGE **3.5%–4.5%** Official projection

02 / READ THIS FIRST

The basis of comparison

Policy rate	The reference rate set by the SBP Monetary Policy Committee. It influences other interest rates; it is not a promised return on any product.
Headline inflation	The year-on-year change in the overall consumer price index.
Core inflation	An inflation measure that strips out selected volatile items to show broader price pressure.

03 / FINDING

The rate stayed put because the picture improved, not because the risks disappeared

The committee saw softer June inflation, moderate external pressure and a pickup in some activity indicators. It also pointed to renewed Middle East risk and higher commodity prices.

The statement says earlier de-escalation lowered global oil prices and eased supply-chain disruption. That helped recent indicators, but the committee still described inflation as elevated.

The decision was unanimous. The statement does not promise the direction or timing of the next move.

Source: State Bank of Pakistan (27 July 2026)

04 / FINDING

The numbers the committee used

Inflation eased, private credit growth picked up, and the external account stayed manageable. These readings cover different dates, so they should not be treated as one simultaneous snapshot.

Key readings in the July statement

Official readings and comparisons stated by SBP.

Measure	Reading	Comparison or date
Policy rate	11.5%	Unchanged on 27 July
Headline inflation	11.1% y/y	June; 11.7% in May
Core inflation	8.4%	June 2026
FY26 current account	-$139m	Full fiscal year
SBP FX reserves	About $17.3bn	17 July 2026
Broad money growth	13.2% y/y	10 July; 15.2% at prior meeting
Private-sector credit growth	14.9% y/y	10 July 2026

Source: State Bank of Pakistan (27 July 2026)

05 / FINDING

The forecasts belong to SBP

The central bank published ranges and targets for growth, the current account, reserves and inflation. They are conditional on the risks described in the same statement.

SBP expects FY27 real GDP growth of 3.5% to 4.5% and a current-account deficit of 0% to 1% of GDP. It targets FX reserves of $20.20bn by the end of December 2026.

For inflation, SBP expects the rate to remain above target over the next few months, then ease toward the upper end of the 5% to 7% target range by June 2027.

SBP's published outlook

These are official central-bank projections and targets, not Tijarat estimates.

Measure	Official view	Horizon
Real GDP growth	3.5%-4.5%	FY27
Current-account deficit	0%-1% of GDP	FY27
FX reserves	$20.20bn target	End-Dec 2026
Inflation	Near upper end of 5%-7% range	June 2027

Source: State Bank of Pakistan (27 July 2026)

06 / FINDING

The risk list is short and specific

SBP named global energy prices, administered energy-price adjustments, weather, food pressure and fiscal slippage as risks to the inflation path.

The growth outlook also carries commodity-price and weather risk, including possible El Nino effects. On the fiscal side, the committee called for a broader tax base, spending discipline and lower public-sector enterprise losses.

The MPC minutes are scheduled for the week ending 21 August 2026. They may add detail to the committee's discussion, but they will not change the decision already announced.

Source: State Bank of Pakistan (27 July 2026); State Bank of Pakistan (Accessed 5 August 2026)

07 / NEXT CHECKS

Questions the next source should answer

01 Do the August MPC minutes show concern concentrated in inflation, growth or external risks?

02 Does June's inflation decline continue once later CPI releases arrive?

03 Do reserves move toward the end-December target after scheduled debt payments and official inflows?

04 Does private-sector credit growth remain broad across working capital, investment and consumer finance?

08 / LIMITS

Caveats and assumptions

- This note summarizes the SBP statement. It does not predict the next policy decision or recommend any security.
- Forecasts, ranges and targets are attributed to SBP. They can change as new data and risks arrive.
- The figures in the statement use different cut-off dates. Read each date before comparing two measures.
- Interest rates affect companies and securities differently. This note does not translate the policy decision into a stock call.

09 / OFFICIAL RECORD

Sources

01 State Bank of Pakistan
Monetary Policy Statement, 27 July 2026
27 July 2026. Primary statement. Decision, current readings, official forecasts and named risks.

02 State Bank of Pakistan
Advance calendar of MPC meetings and communications for FY27
Accessed 5 August 2026. Official schedule for the statement, analyst briefing, minutes and monetary policy report.