



TÜRKİYE CUMHURİYET
MERKEZ BANKASI

INFLATION OUTLOOK IN TÜRKİYE

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Governor

Bank of America - Türkiye: Economic and Monetary Outlook

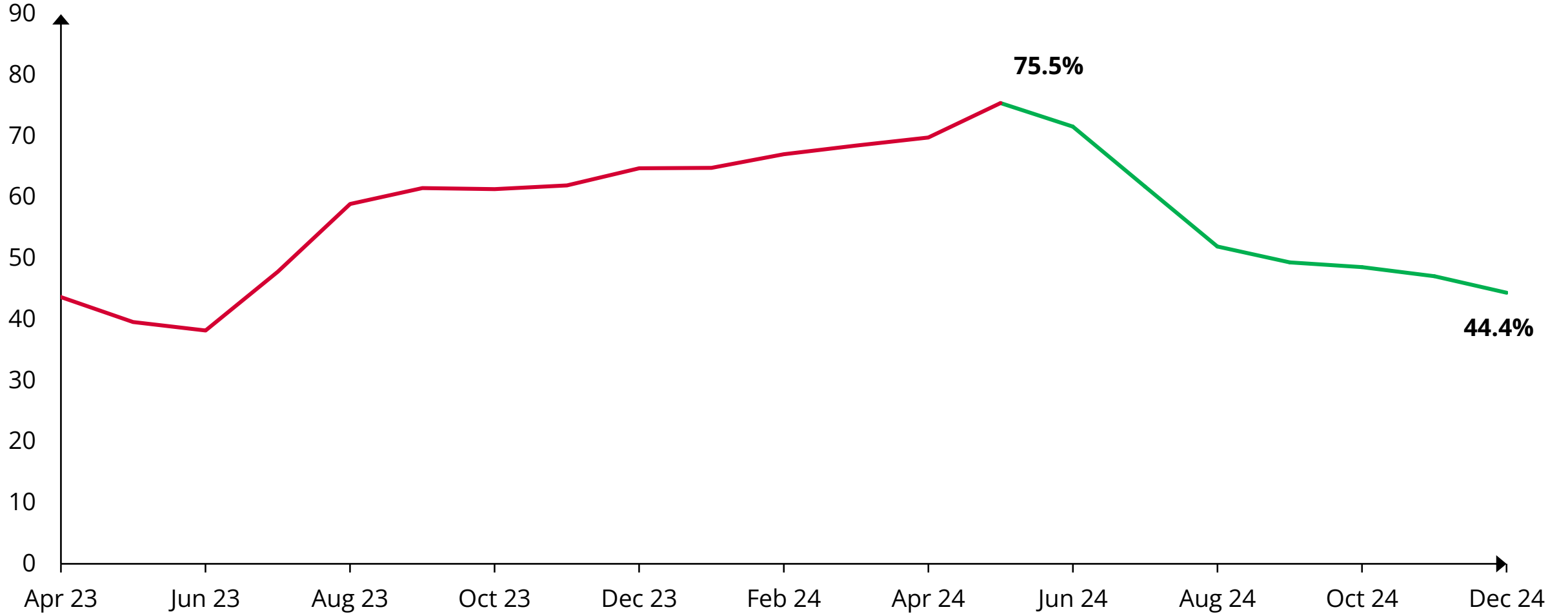
JANUARY 15, 2025

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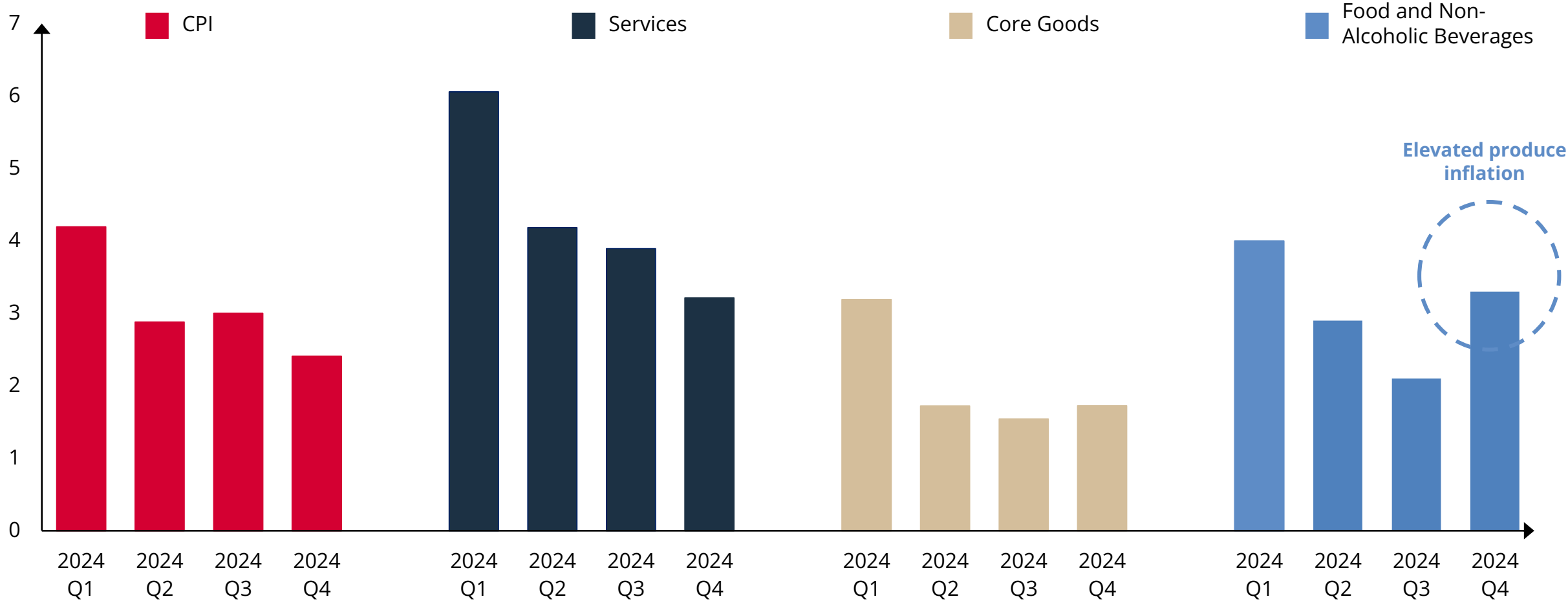
Inflation is coming down.

Consumer Inflation (Annual % Change)



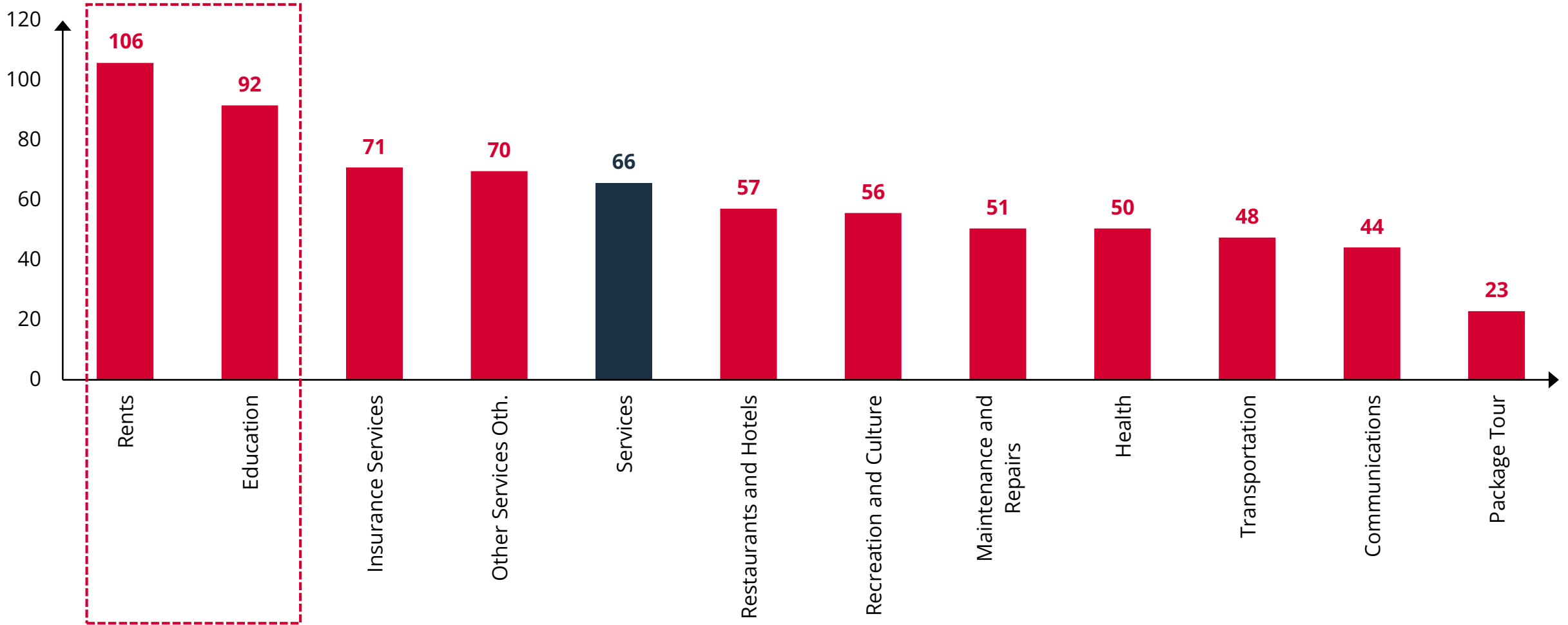
Services inflation is easing.

Monthly Inflation (% , SA, Quarterly Average)



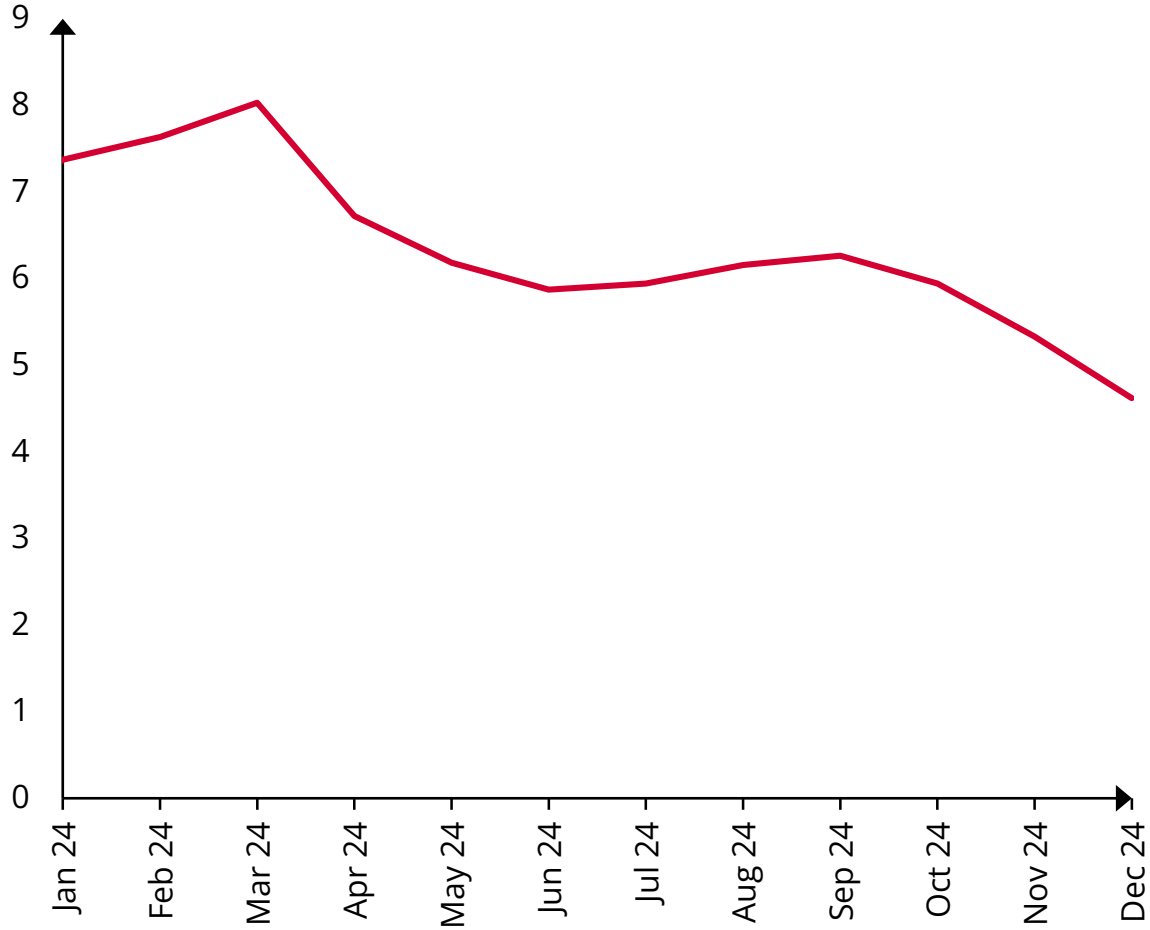
Items with backward indexation keep services inflation elevated.

Services Prices (Annual % Change, December)

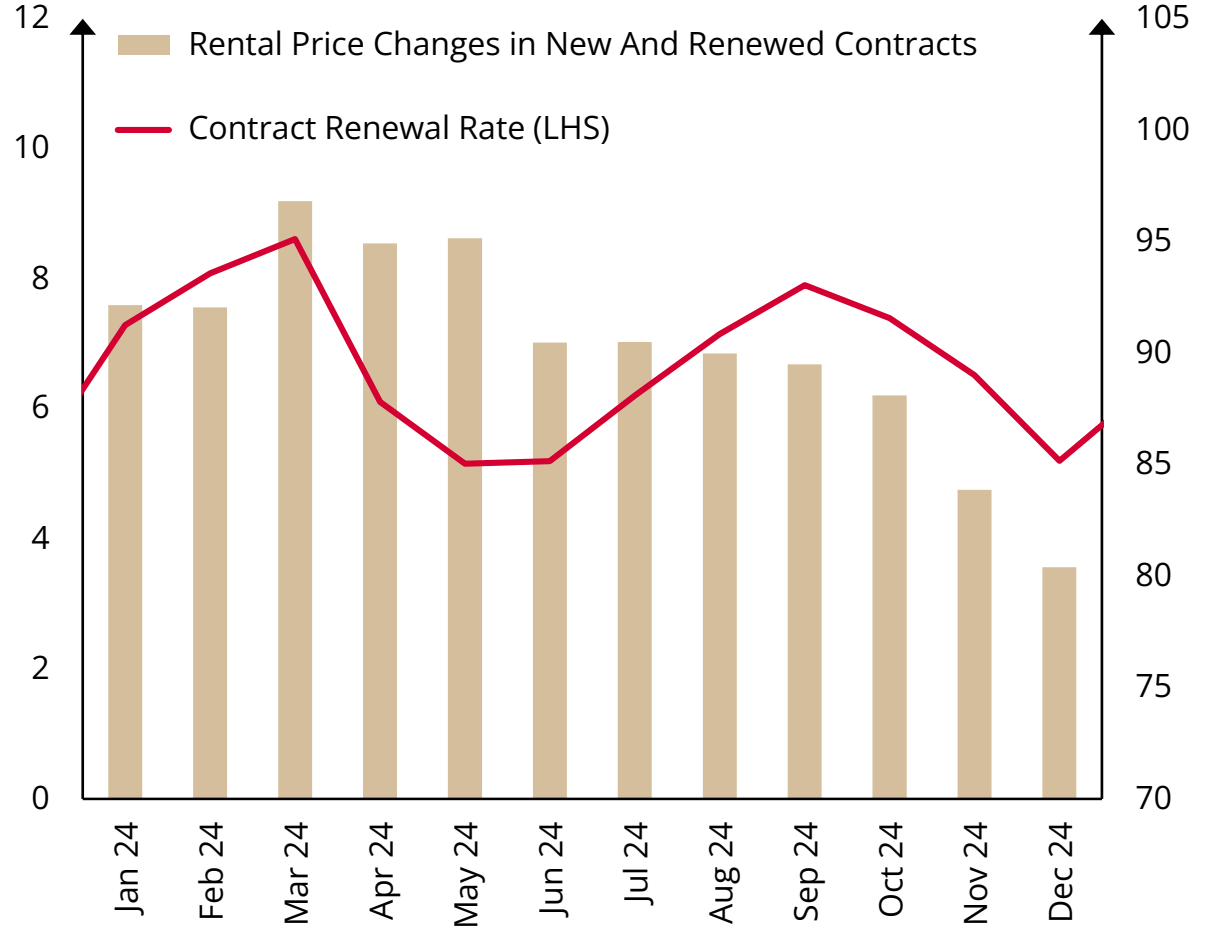


Rent inflation is on a downward trend.

Rent Inflation (% , SA, 3-Month Average)

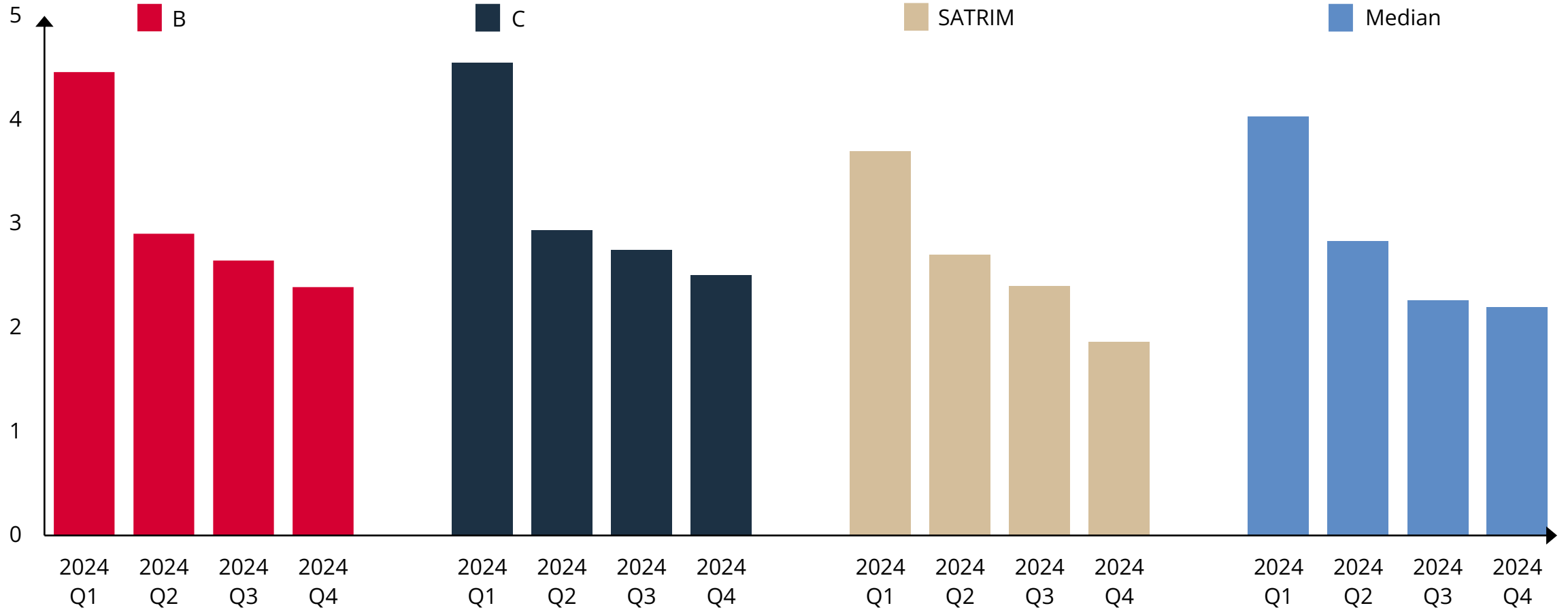


Contract Renewal Rate & Rental Price Changes in Contracts* (% , 3-Month Average)



Underlying trend is declining.

Monthly Inflation Indicators* (% , SA, Quarterly Average)

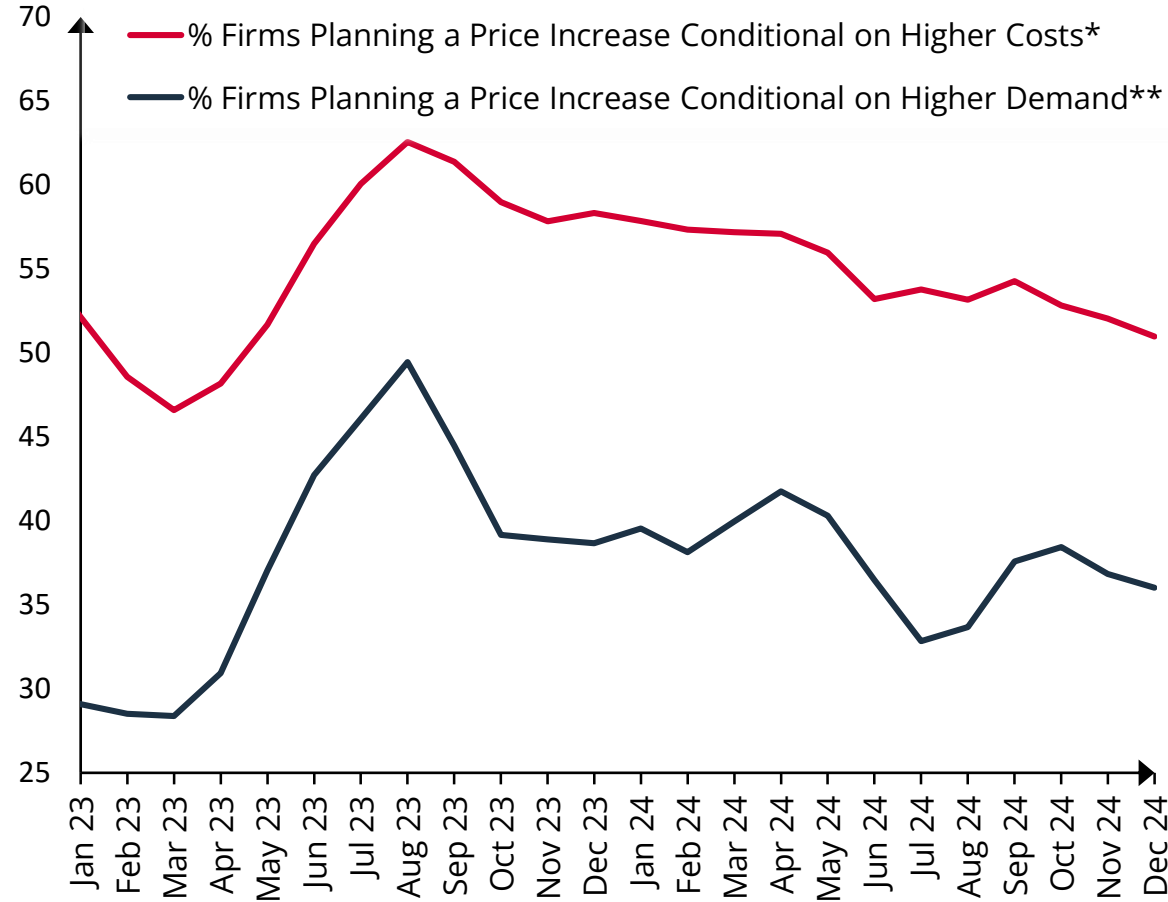


Source: CBRT, TURKSTAT.

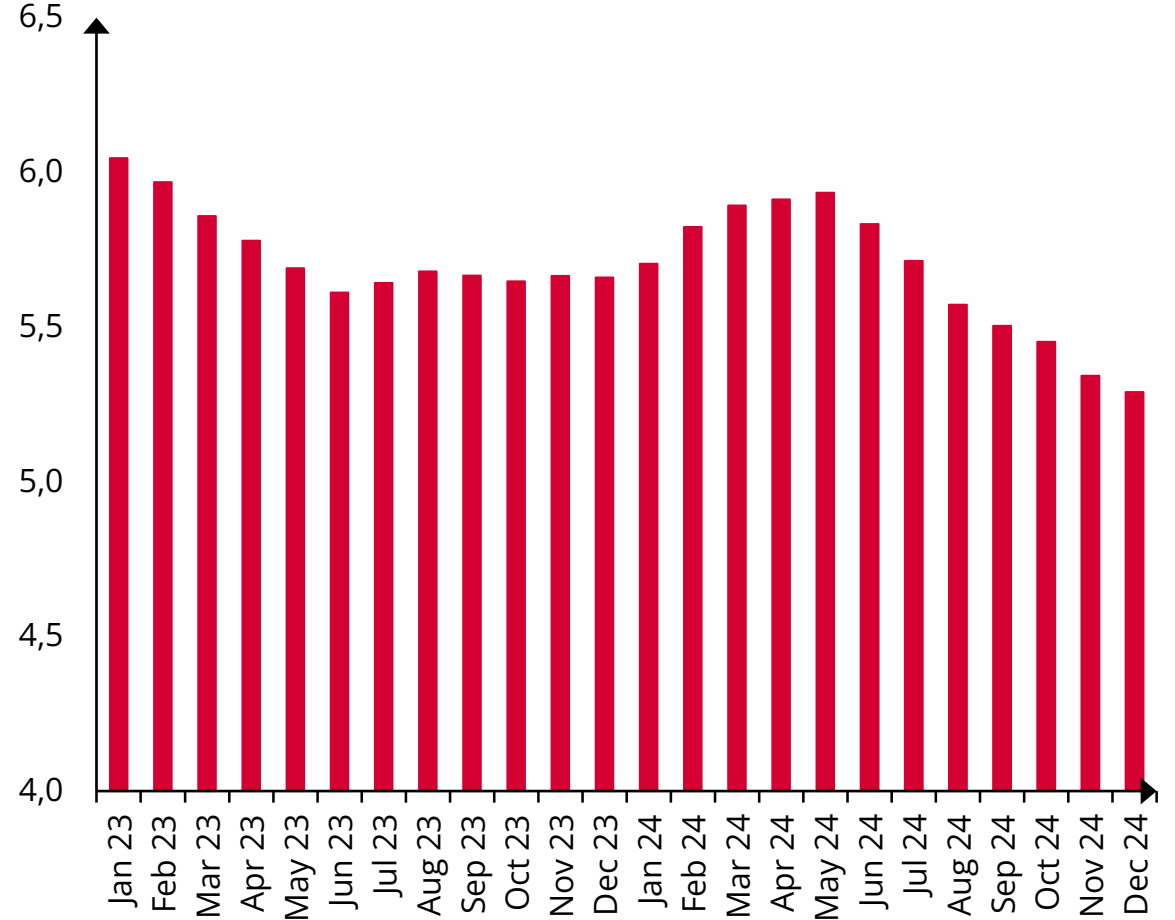
* SATRIM (Seasonal adjusted trimmed mean inflation) and Median have the best forecasting performance.

Pricing behavior of firms in the industrial sector is improving.

Firms' Domestic Sales Price Expectations (% , SA, 3-Month Average)



Number of Price Changes Over Last 12 Months

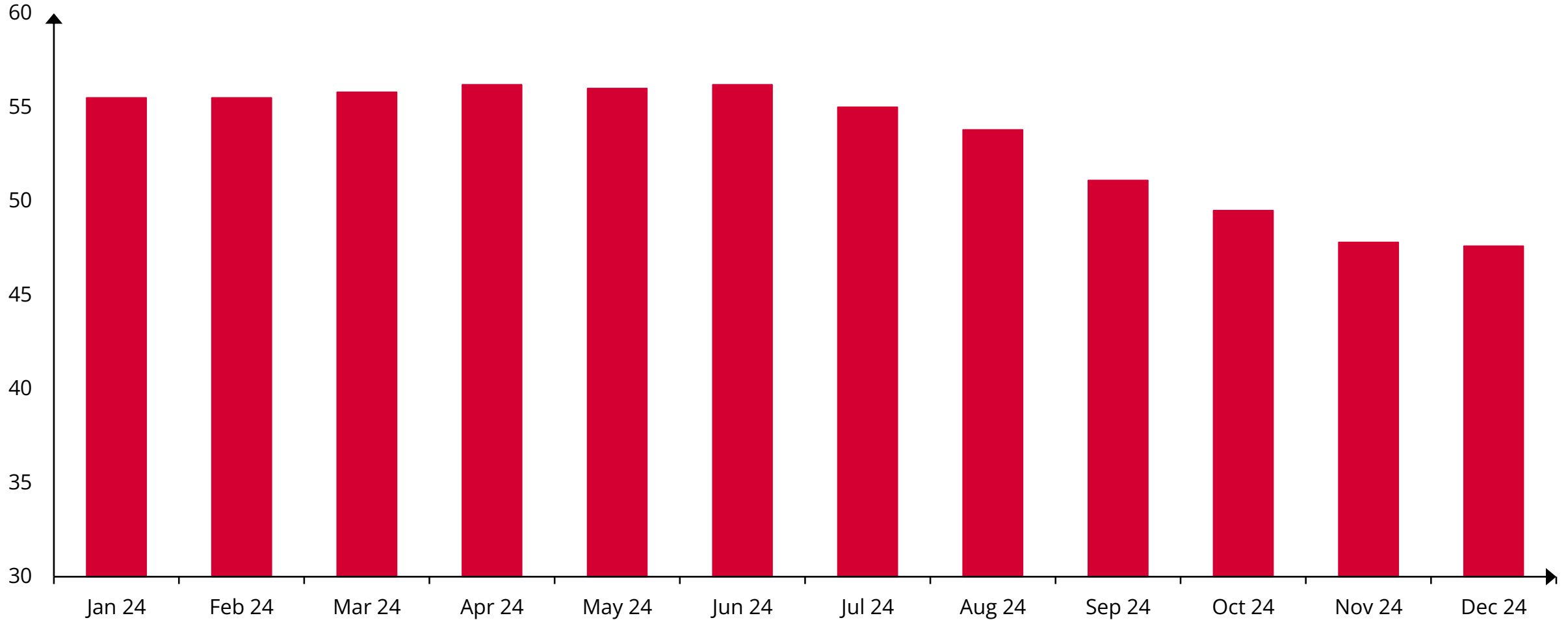


* The share of firms that expect price increase within the sample that observe only cost increases but no demand increases.

** The share of firms that expect price increase within the sample that expect only demand increases but no cost increases.

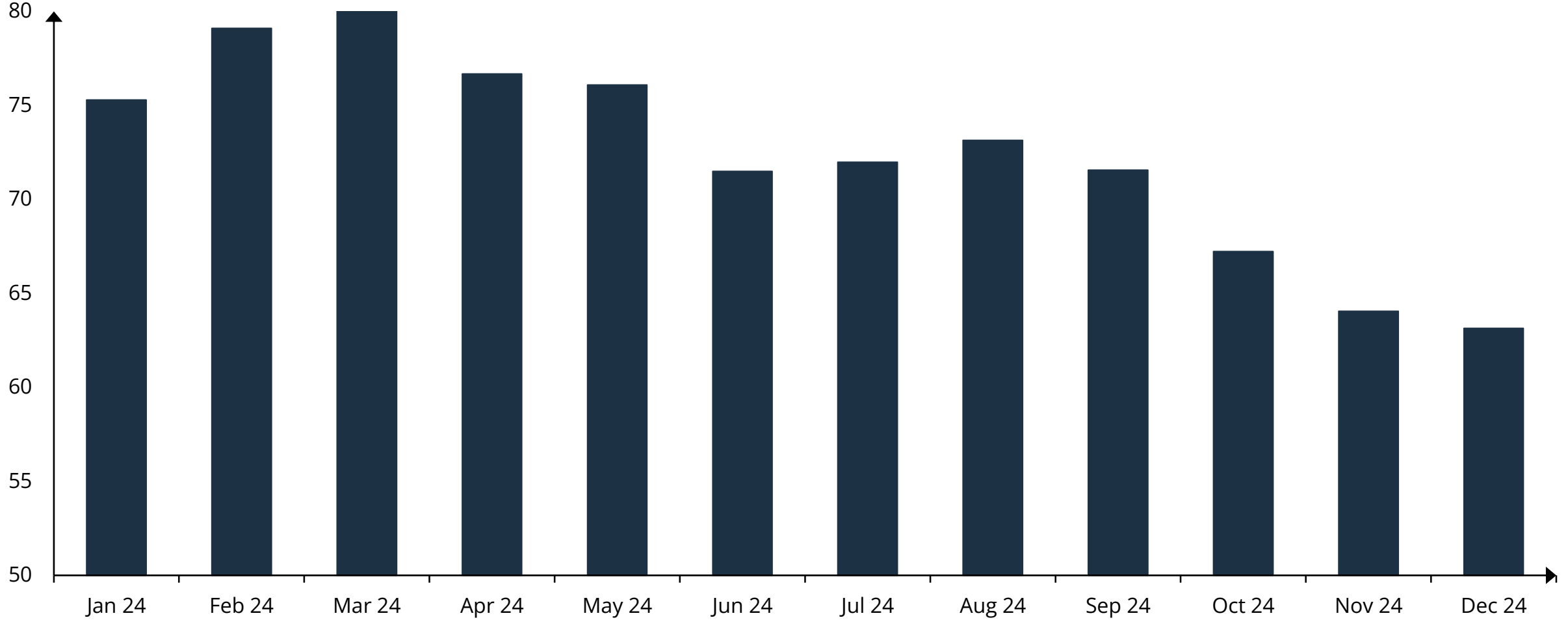
Corporate inflation expectations are improving.

Corporate Inflation Expectations (% ,12-Month Ahead)



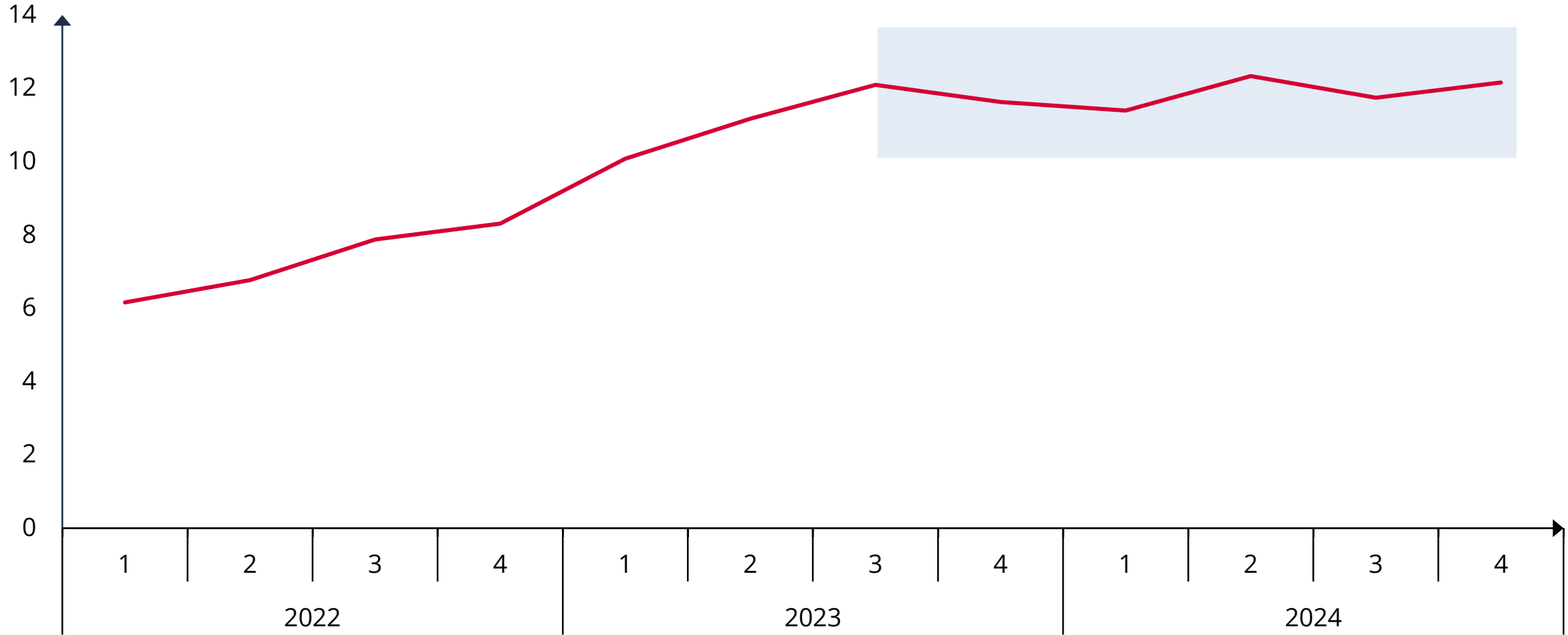
Household inflation expectations started to improve as well.

Inflation Expectations of Households (% ,12-Month Ahead)



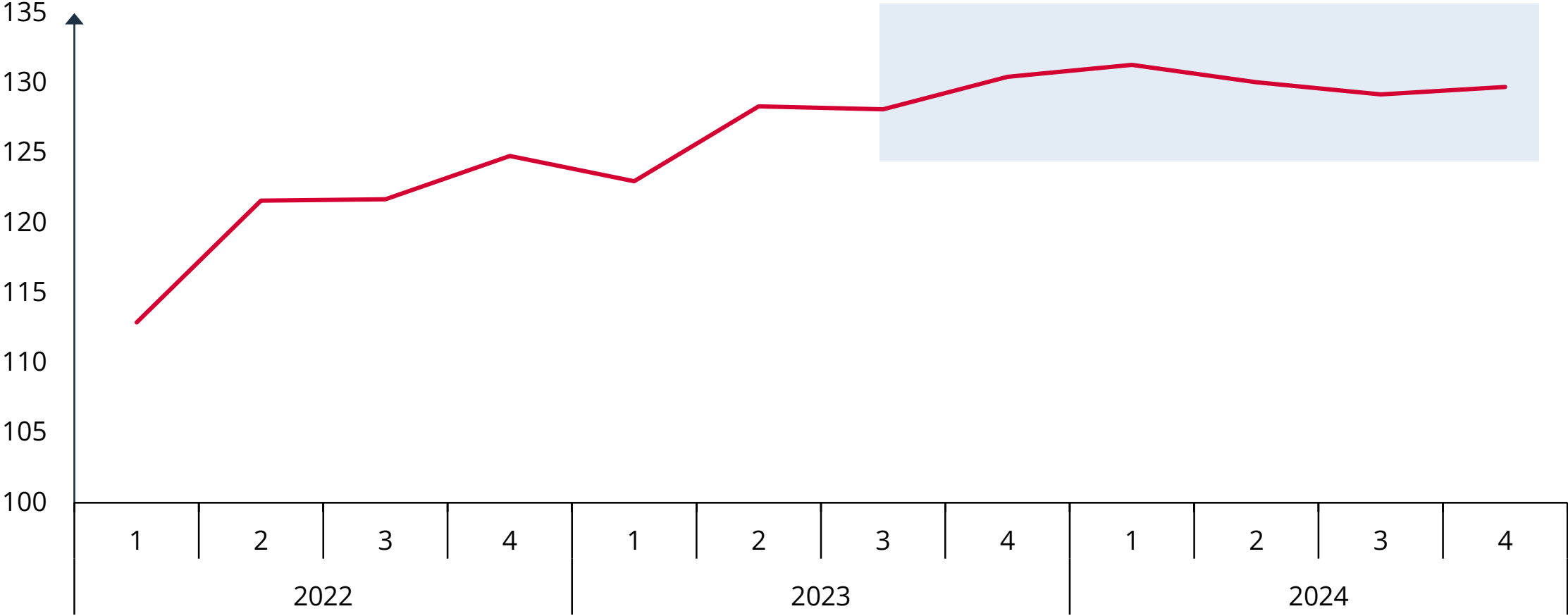
Imports of consumer goods, excluding jewelry, remain moderate.

Imports of Consumption Goods (Excl. Jewelry, SA, Billion USD)



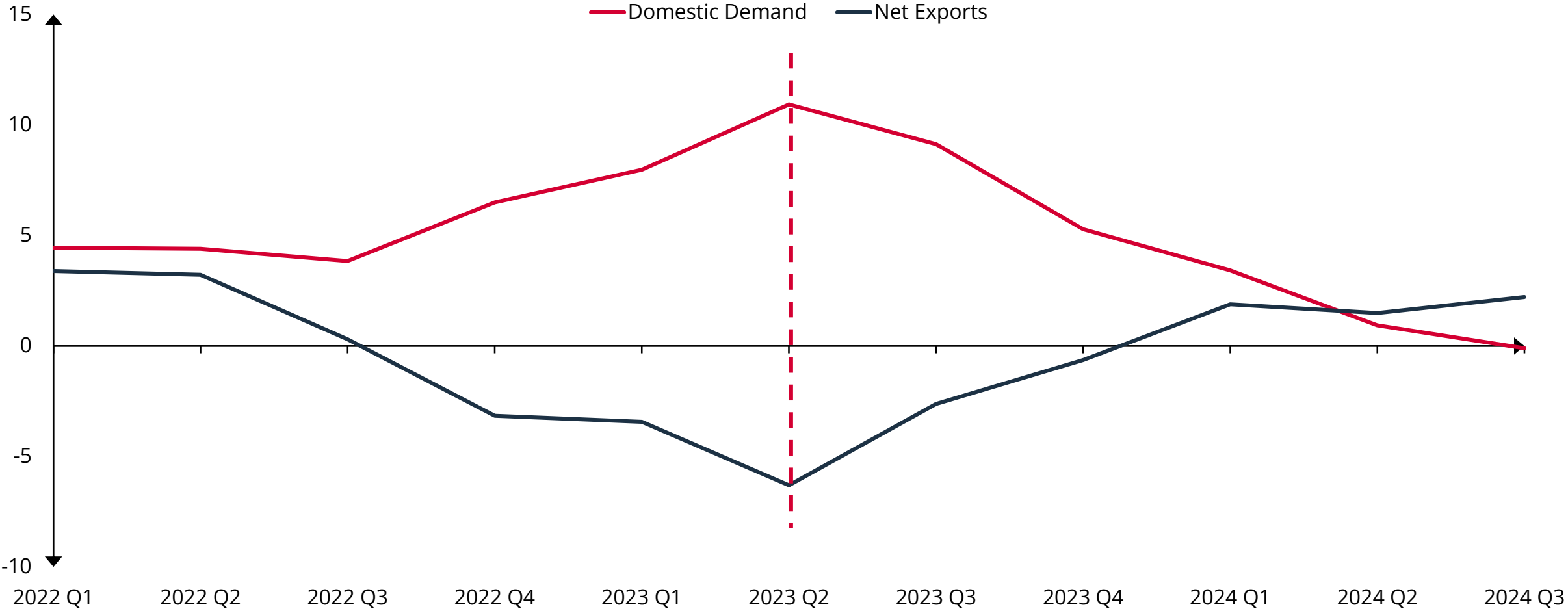
Services output continues at a moderate pace.

Services Production (SA, 2021=100)



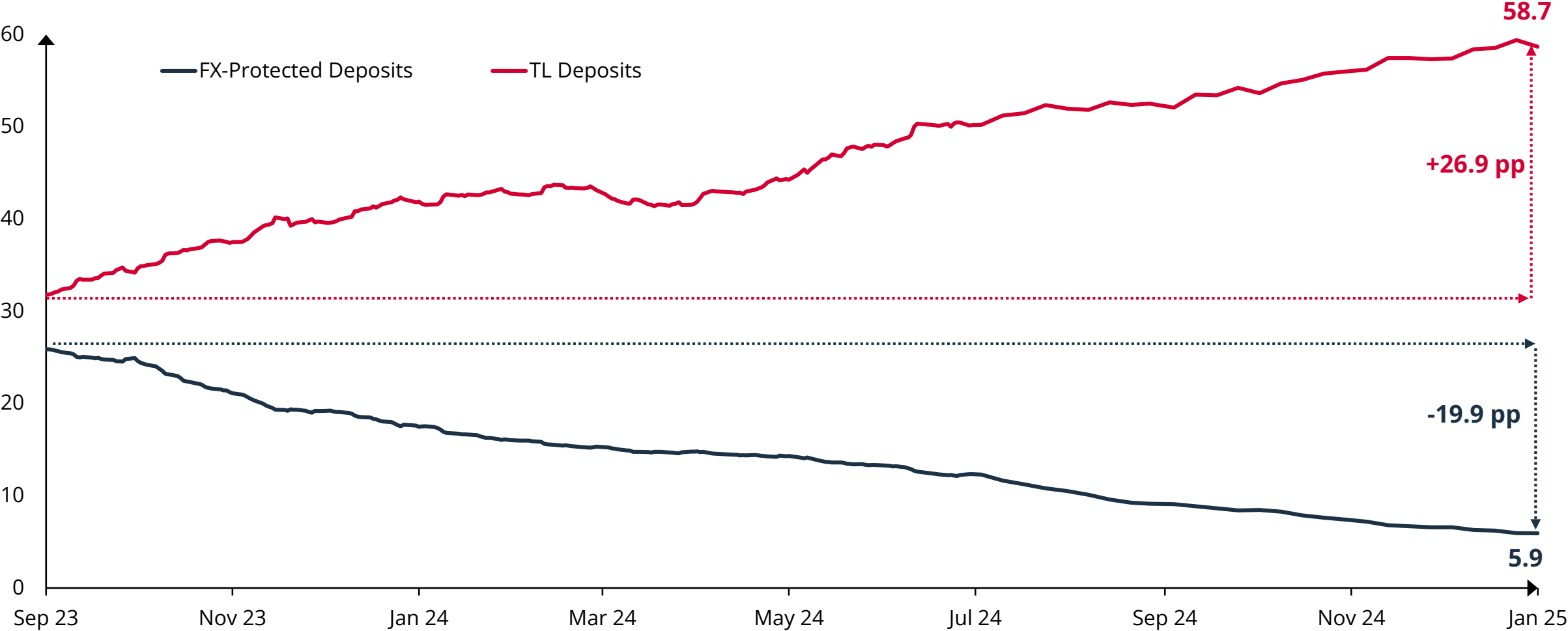
Composition of growth is shifting towards net exports.

Contributions to Annual GDP Growth (Points)

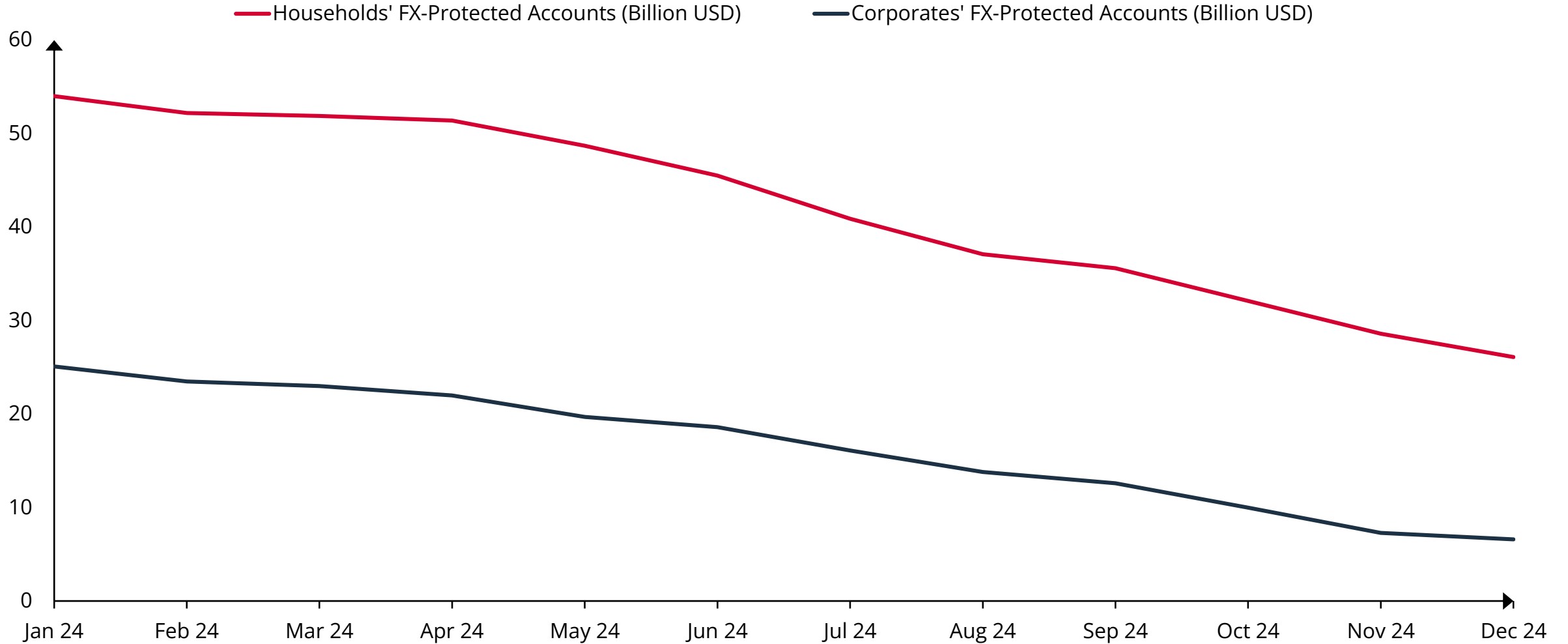


The share of Turkish lira deposits continues to increase.

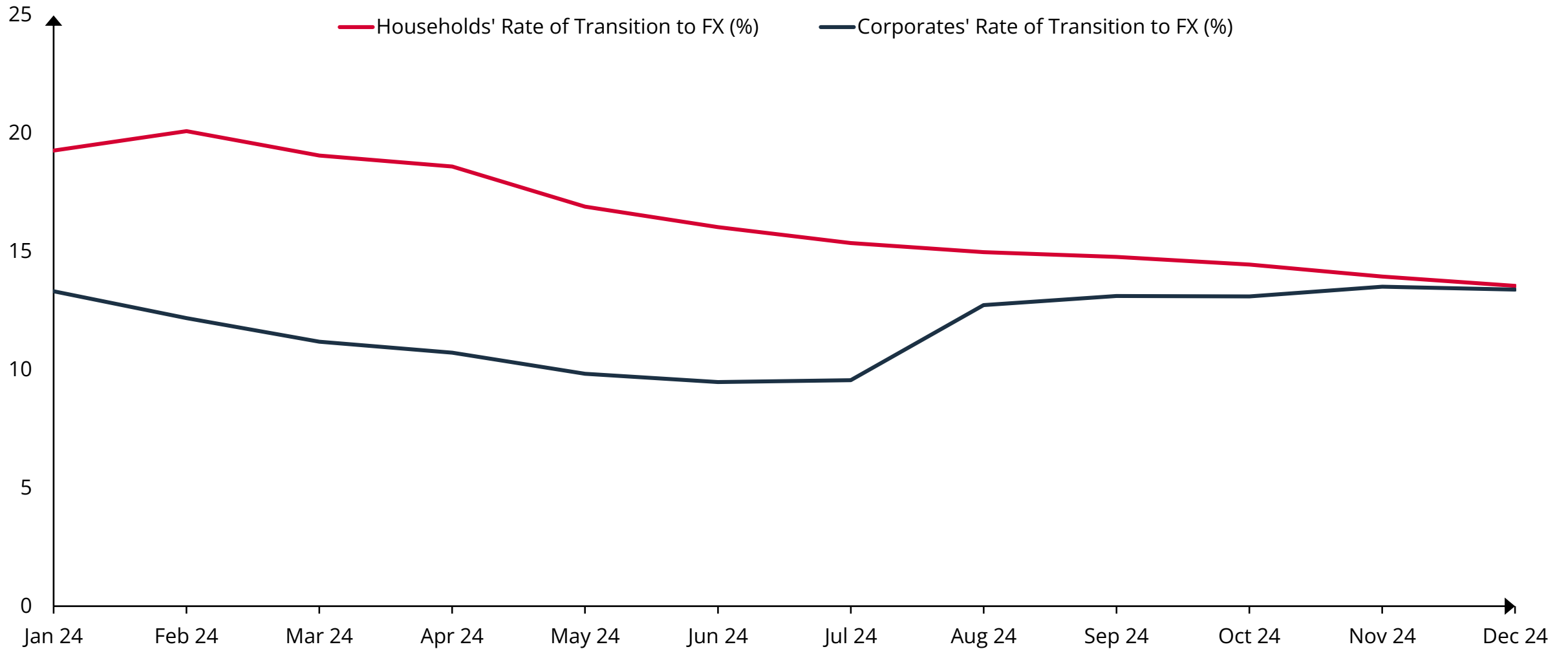
Share in Total Deposits (%)



FX-protected accounts continue to decline.

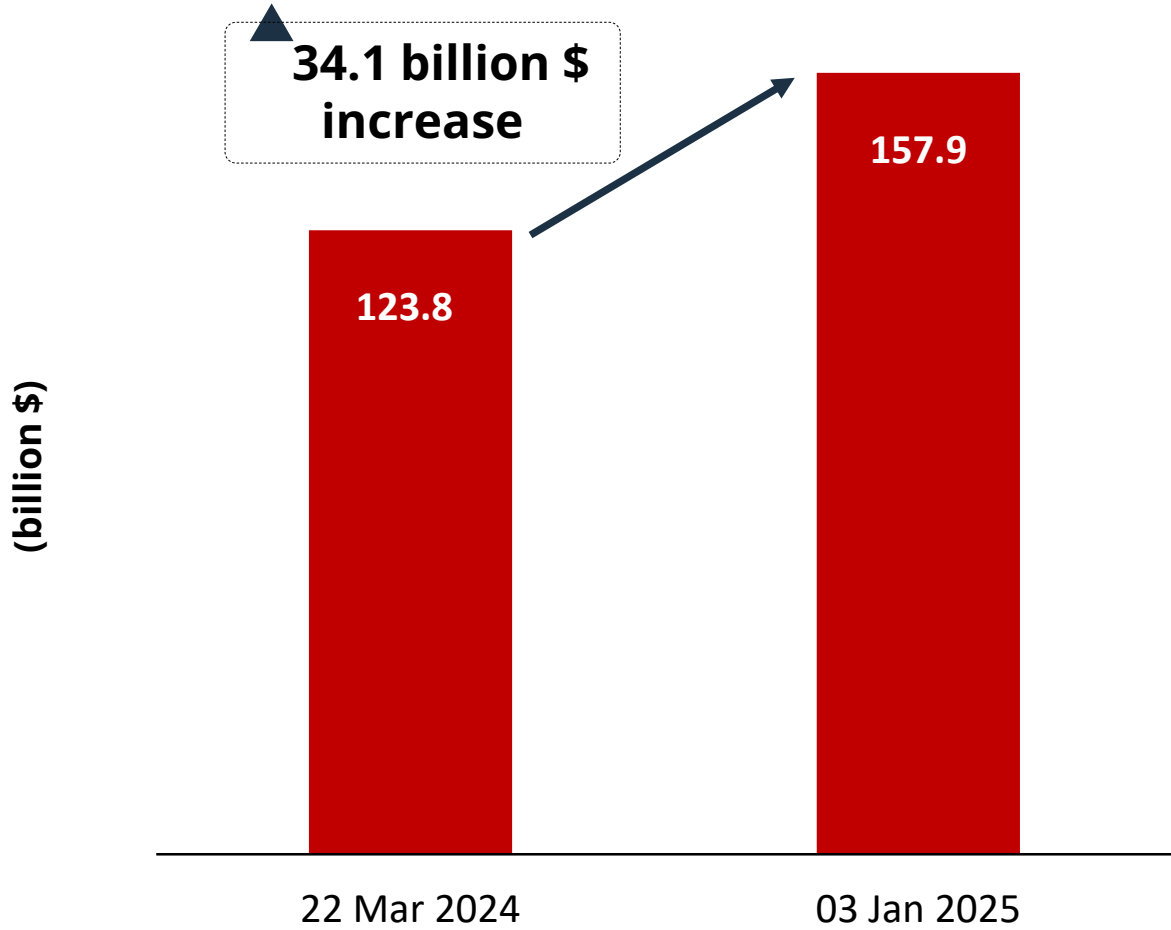


A limited share of FX-protected accounts switched to FX.

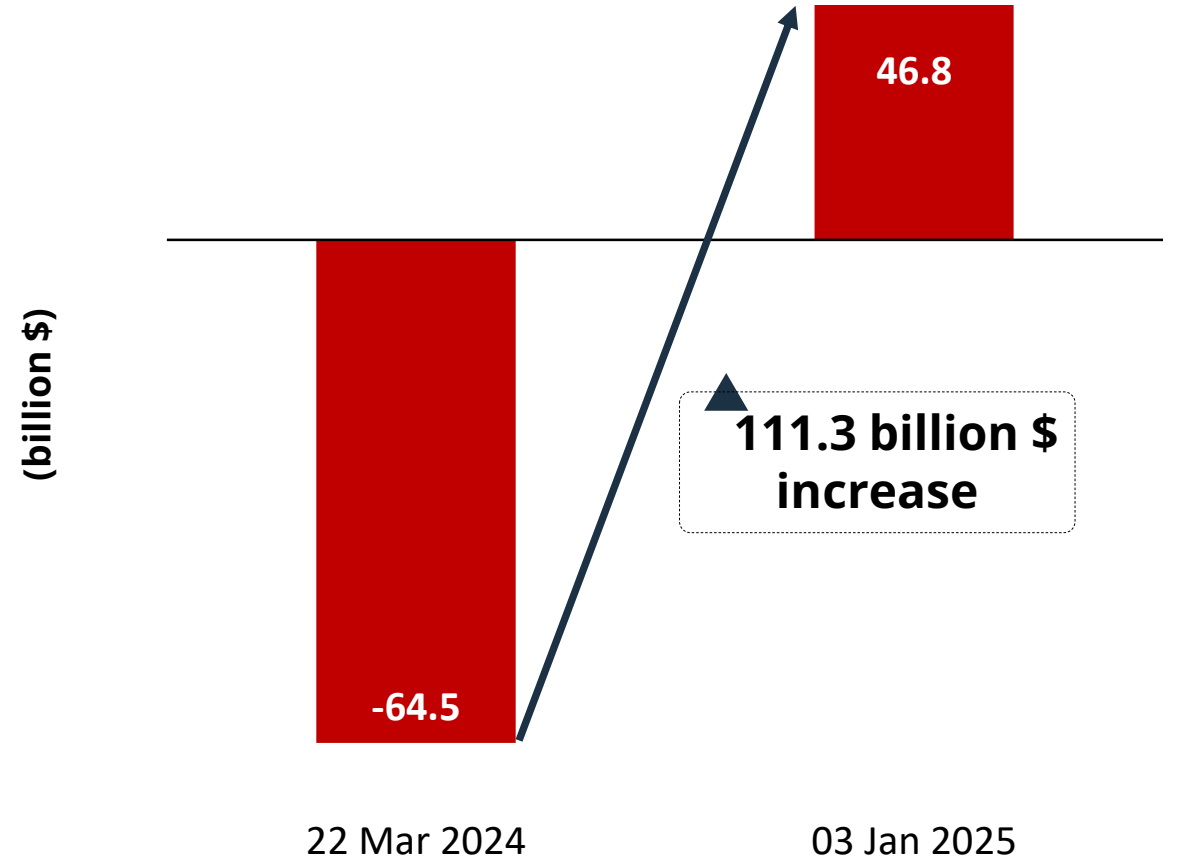


Reserve adequacy has considerably improved.

Gross Reserves



Net Reserves exc. Swaps





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