REAL EFFECTIVE EXCHANGE RATE DEVELOPMENTS

DATA GOVERNANCE AND STATISTICS DEPARTMENT
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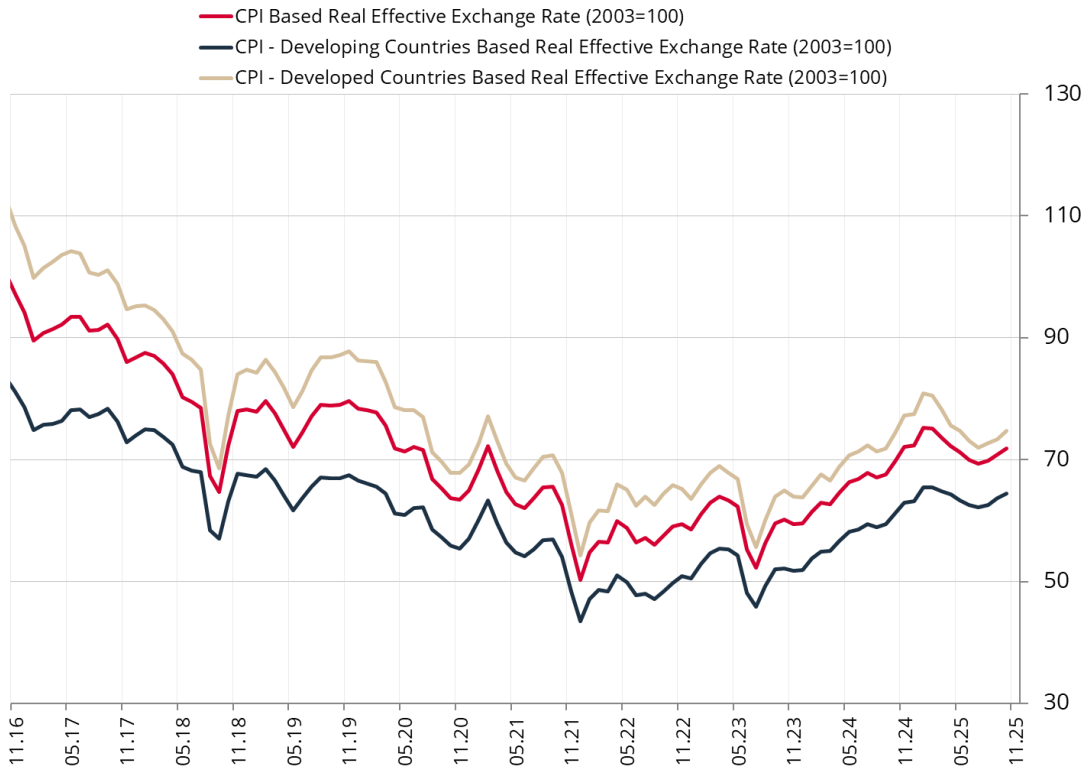
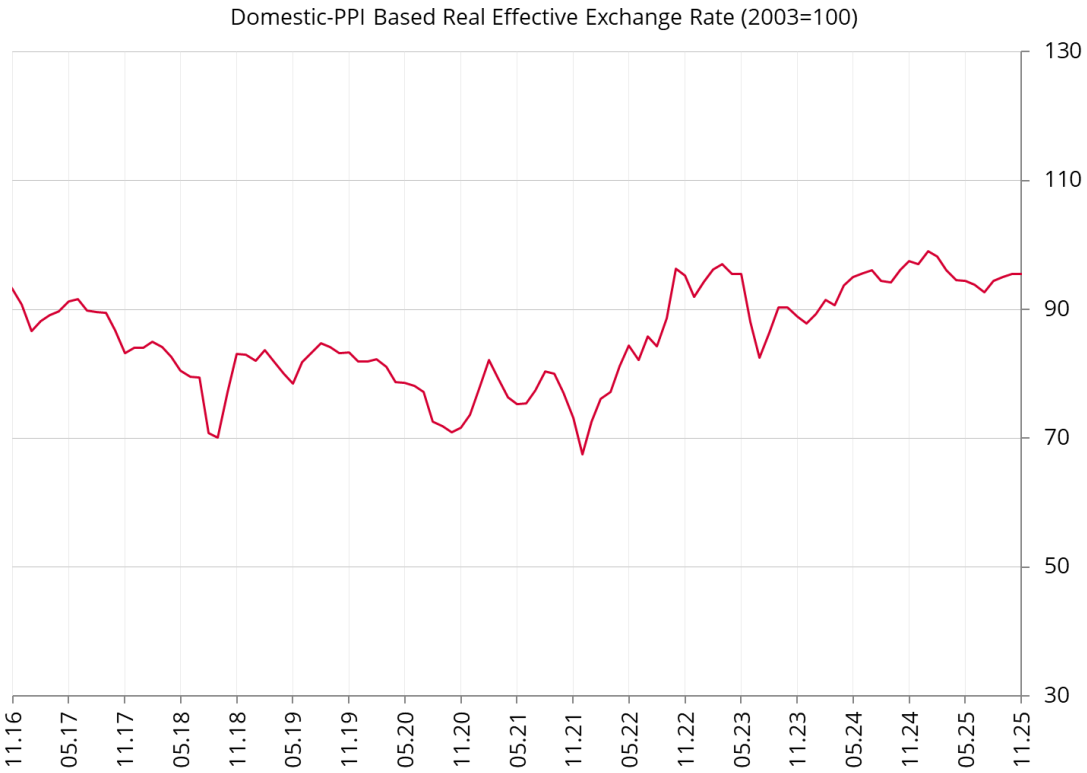
Consumer Price Index (CPI) based Real Effective Exchange Rate (REER) index recorded 71.79 in October, decreasing by 0.07 points over the previous month (Graph 1). Domestic Producer Price Index (Domestic-PPI) based Real Effective Exchange Rate (REER) index was 95.47 in October, decreasing by 0.05 points over the previous month (Graph 2).

Graph 1: CPI Based REER Index, November 2025 (2003=100)



Graph 2: Domestic-PPI Based REER Index, November 2025 (2003=100)

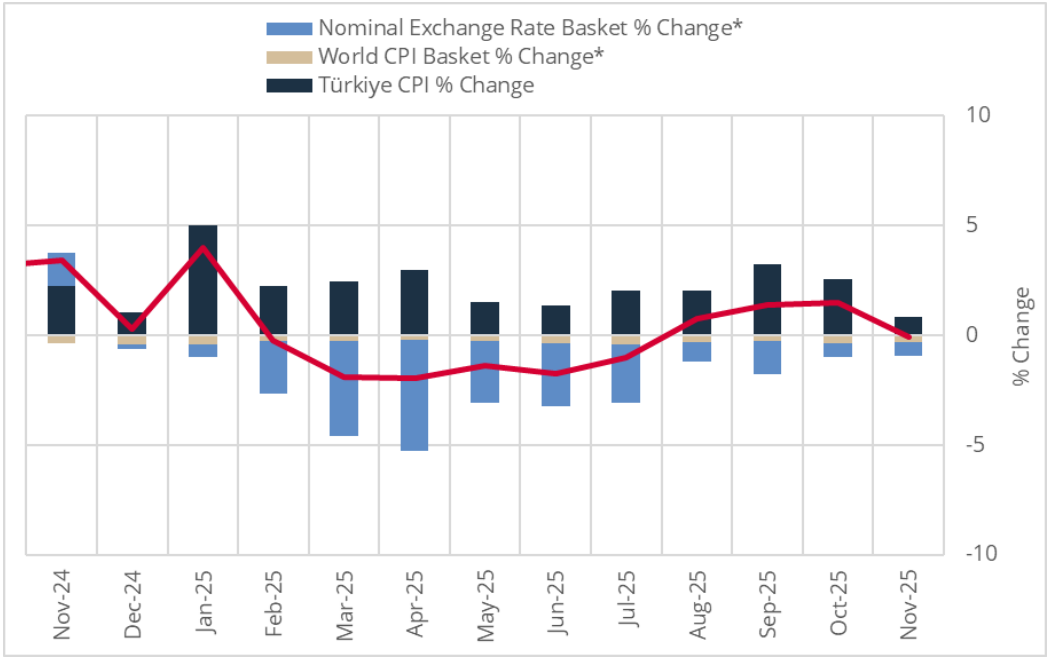


The decrease in the REER index was due to rise in the nominal exchange rate being more dominant despite CPI increase. According to the components affecting the CPI based REER index, the US dollar appreciated by an average of 1.08% compared to the previous month and the euro appreciated by 0.30%. Additionally, the CPI rose by 0.87% compared to the previous month, and the Domestic-PPI increased by 0.84%.

$$\textbf{\textit{Real Effective Exchange Rate (REER)}} = \frac{\textbf{\textit{CPI Türkiye}}}{\textbf{\textit{CPI World}} * \textbf{\textit{Nominal Exchange Rate Basket}}}$$

As a result, changes in Türkiye's CPI contributed to the increase in the index, while changes in the World CPI basket and the Nominal Exchange Rate basket had a downward impact on the index (Graph 3).

Graph 3: Components Affecting the Change in the CPI-Based REER Index (% Change)



(*) Changes are multiplied by minus.