



TÜRKİYE CUMHURİYET  
MERKEZ BANKASI

# INFLATION OUTLOOK IN TÜRKİYE

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Governor

Bank of America - Türkiye: Economic and Monetary Outlook

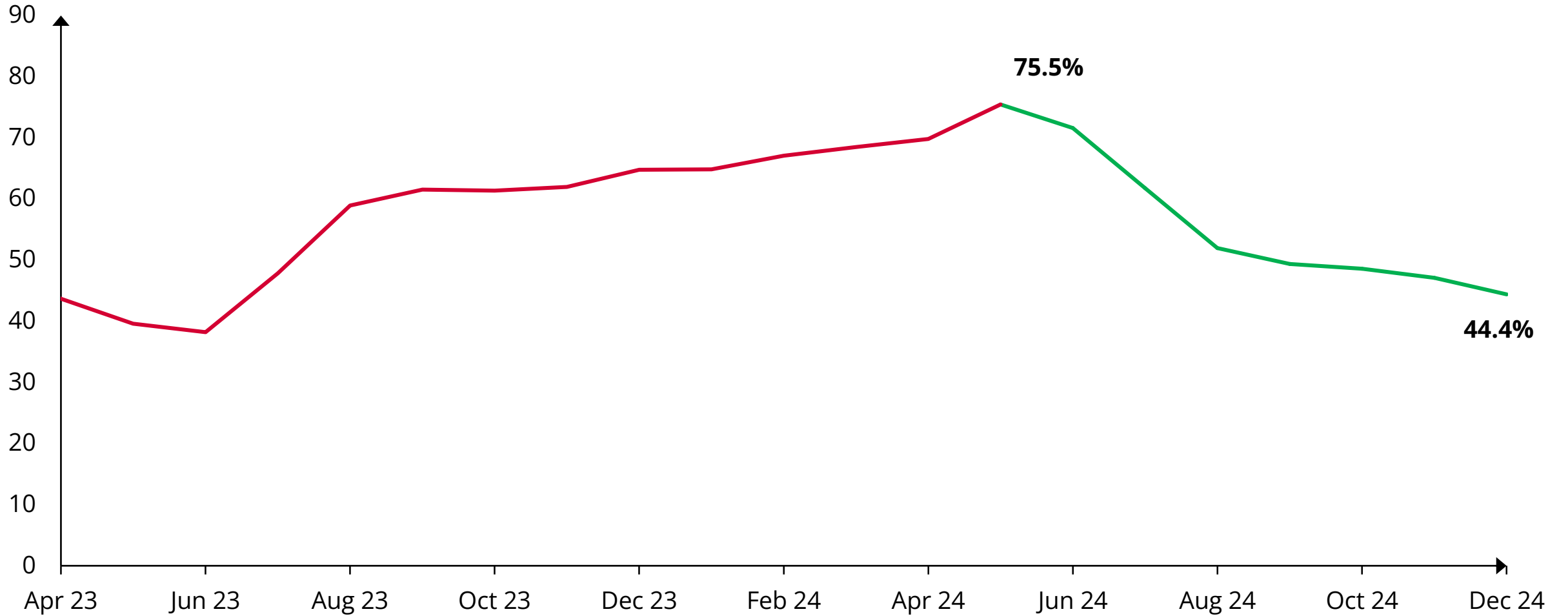
JANUARY 15, 2025

LONDON



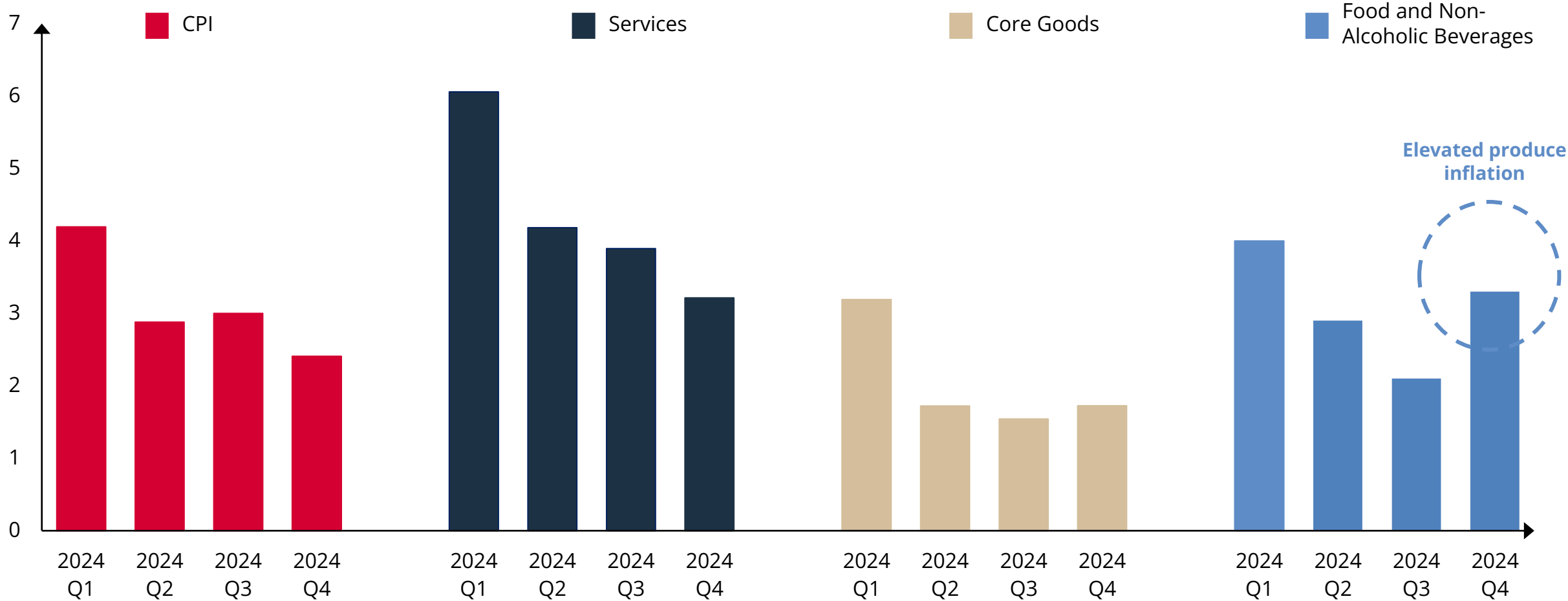
# Inflation is coming down.

Consumer Inflation (Annual % Change)



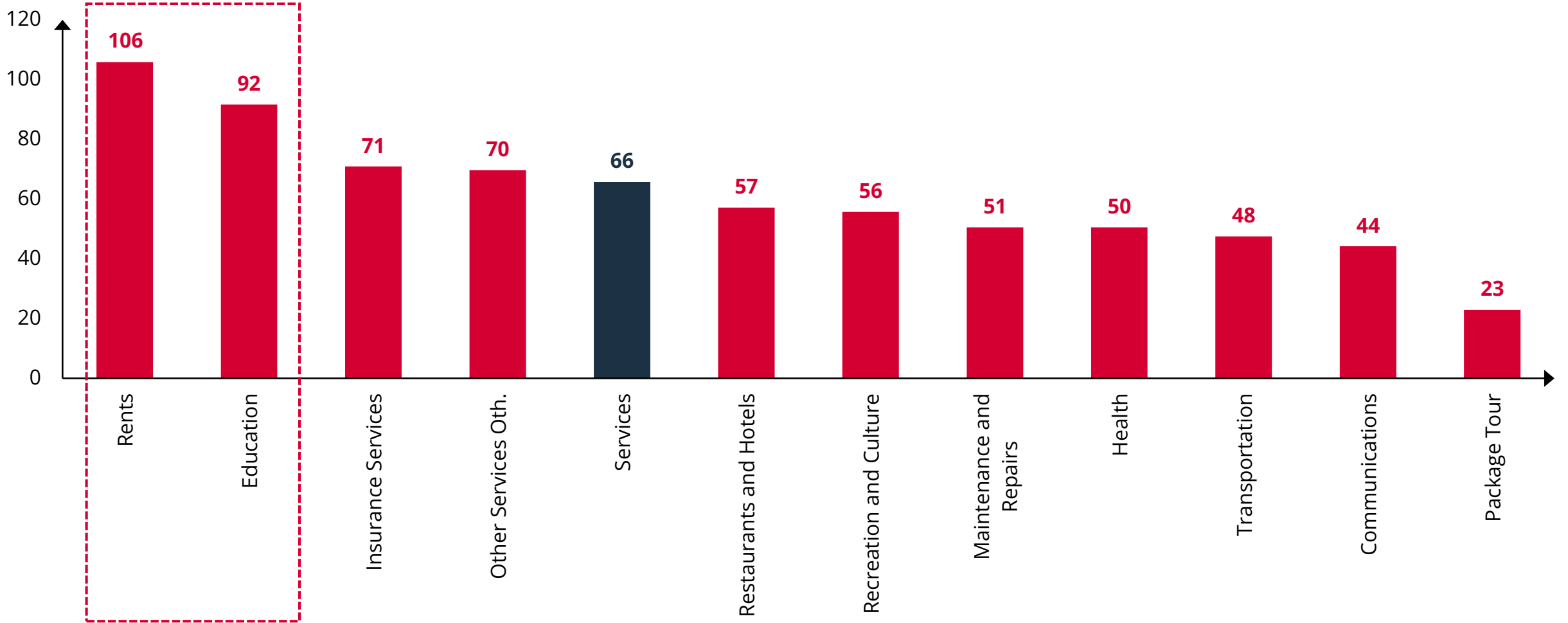
# Services inflation is easing.

Monthly Inflation (% , SA, Quarterly Average)



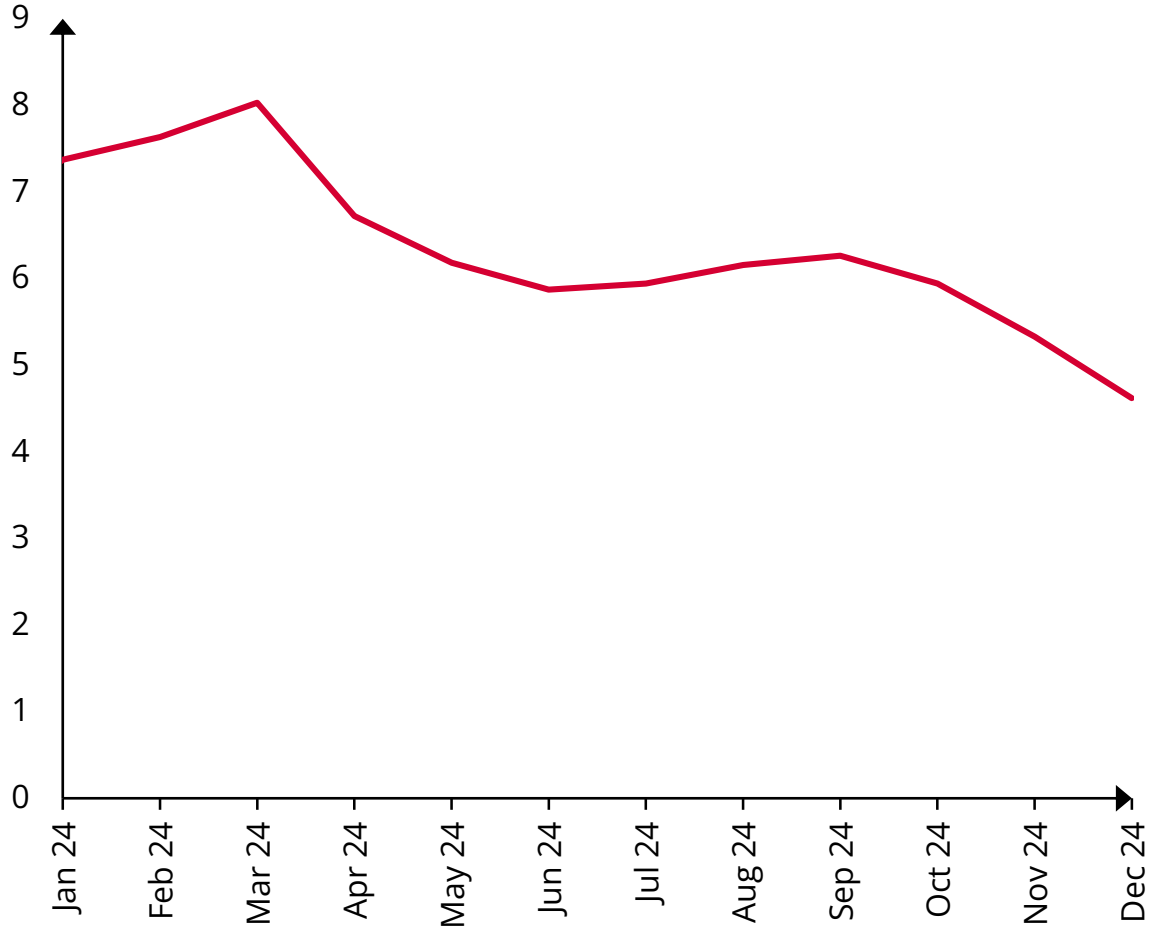
# Items with backward indexation keep services inflation elevated.

Services Prices (Annual % Change, December)

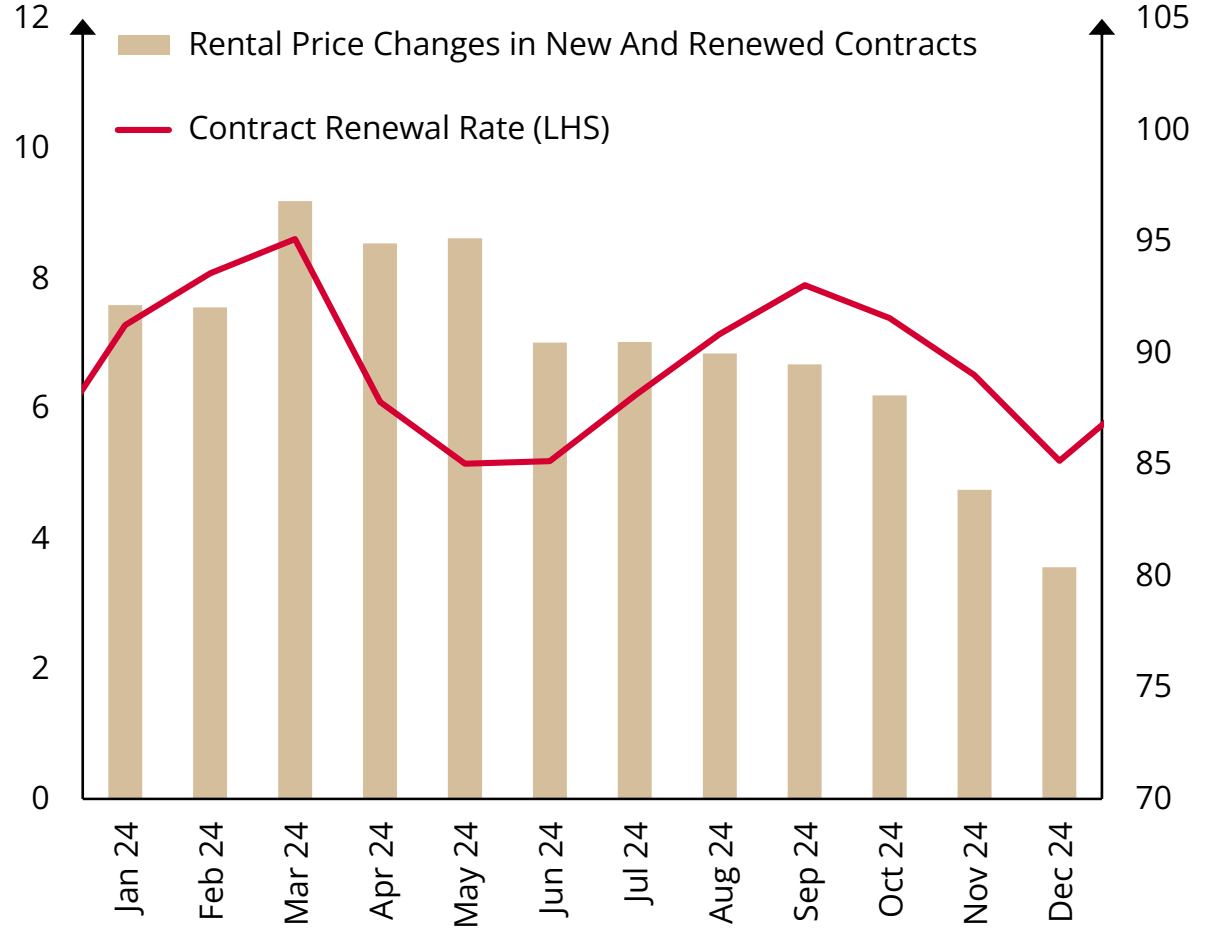


# Rent inflation is on a downward trend.

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

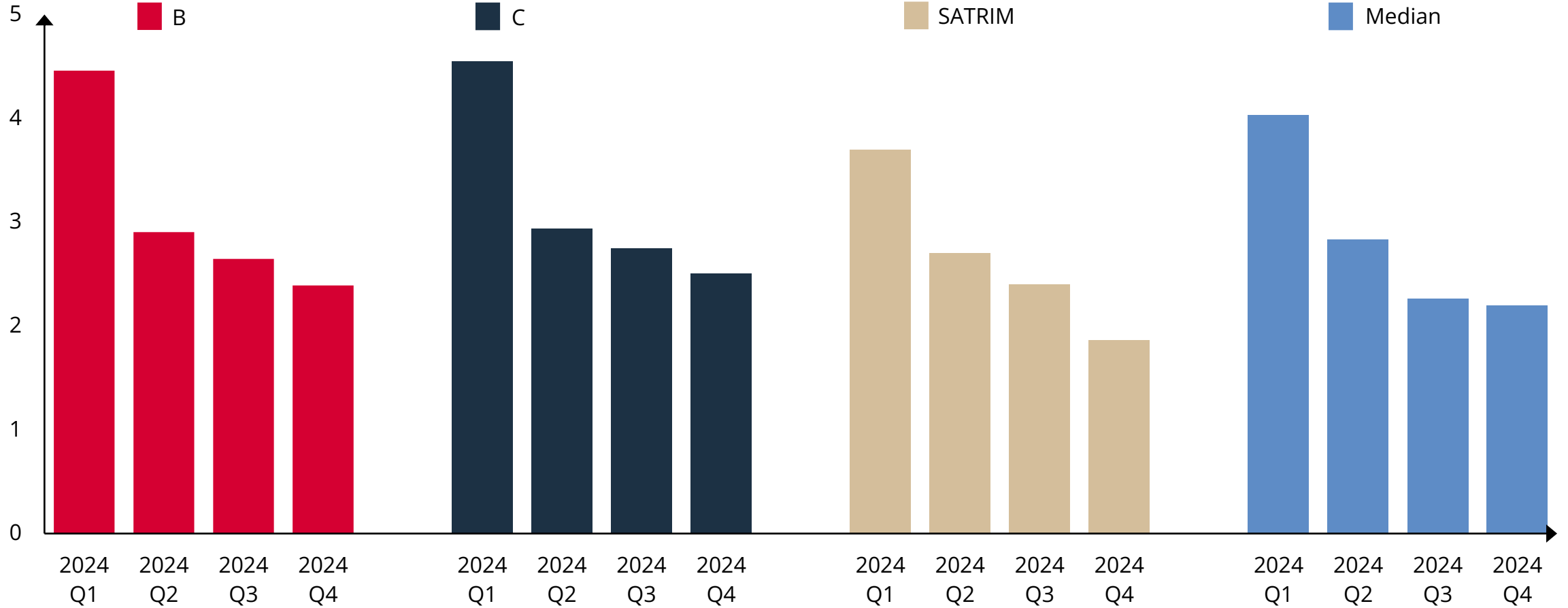


Contract Renewal Rate & Rental Price Changes in Contracts\* (% , 3-Month Average)



# Underlying trend is declining.

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

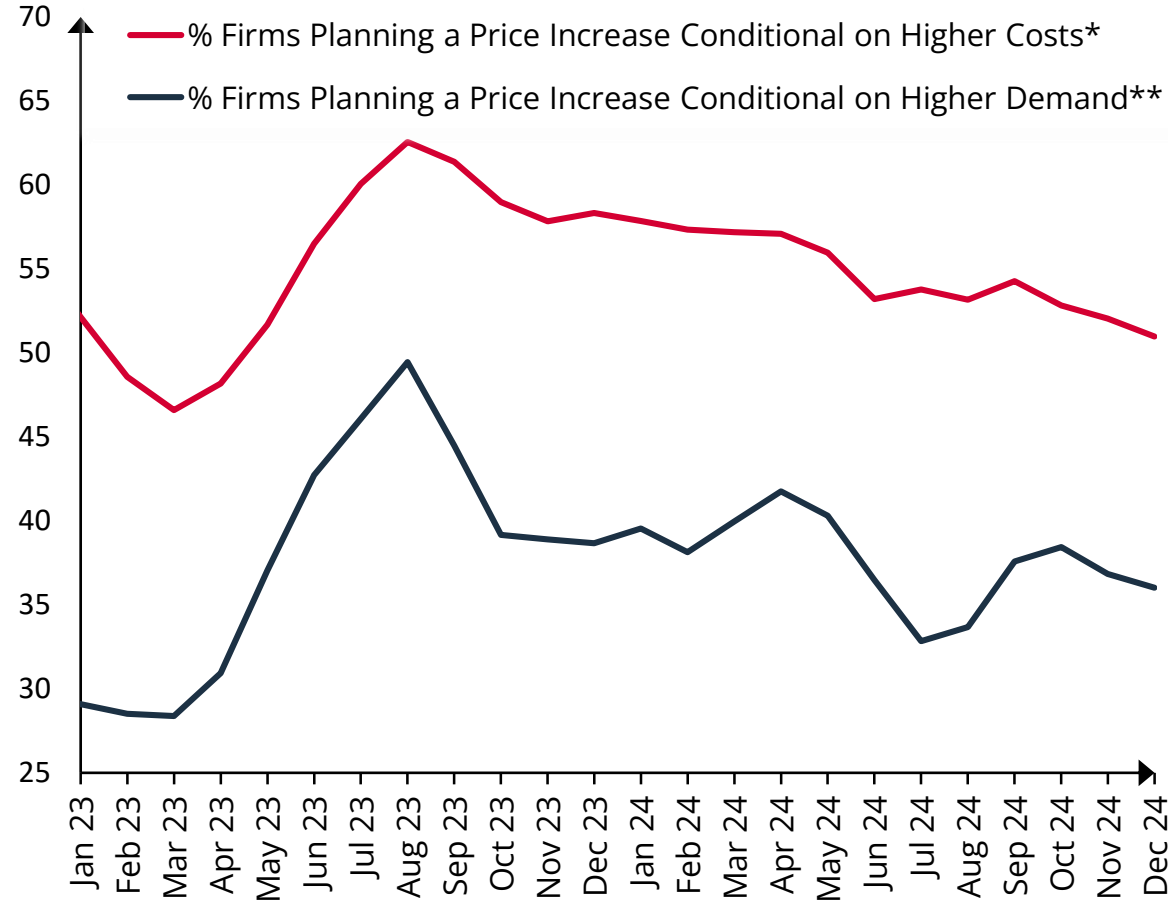


Source: CBRT, TURKSTAT.

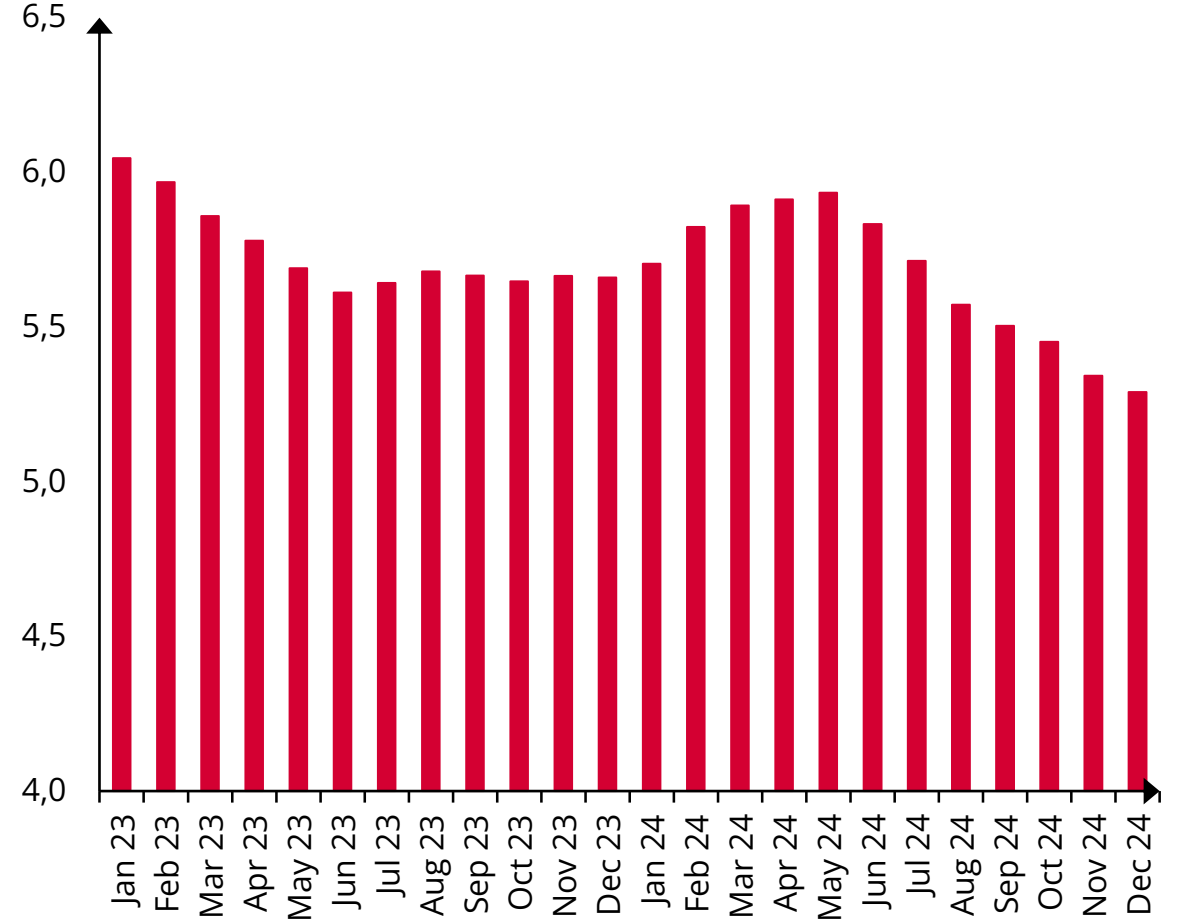
\* SATRIM (Seasonal adjusted trimmed mean inflation) and Median have the best forecasting performance.

# 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

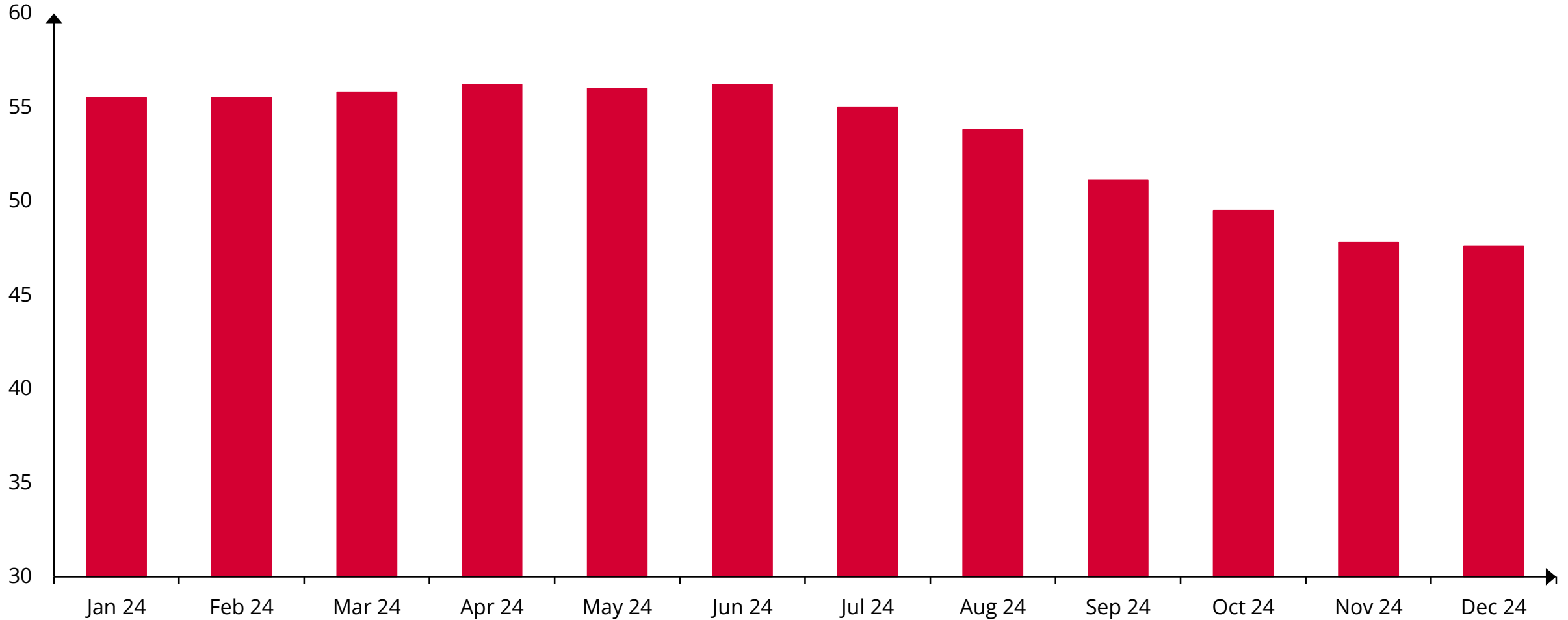


\* The share of firms that expect price increase within the sample that observe only cost increases but no demand increases.

\*\* 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.

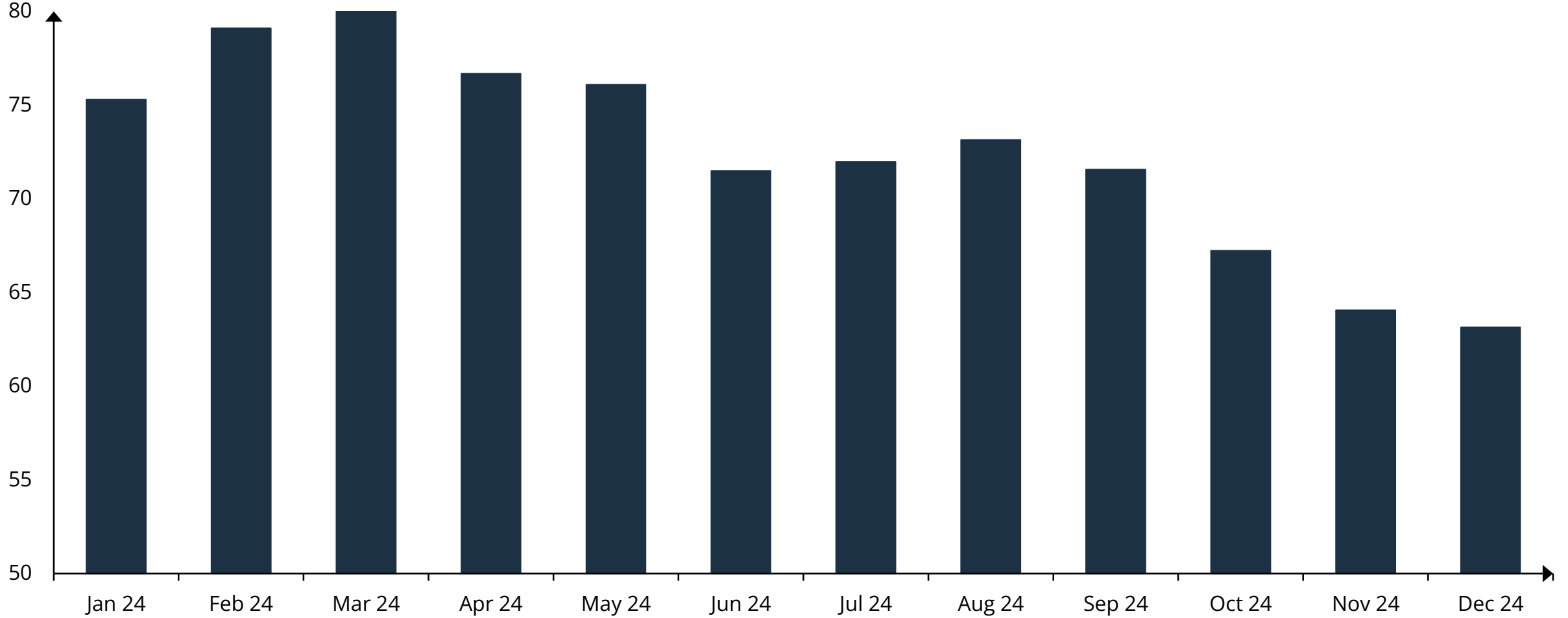
Corporate Inflation Expectations (% ,12-Month Ahead)





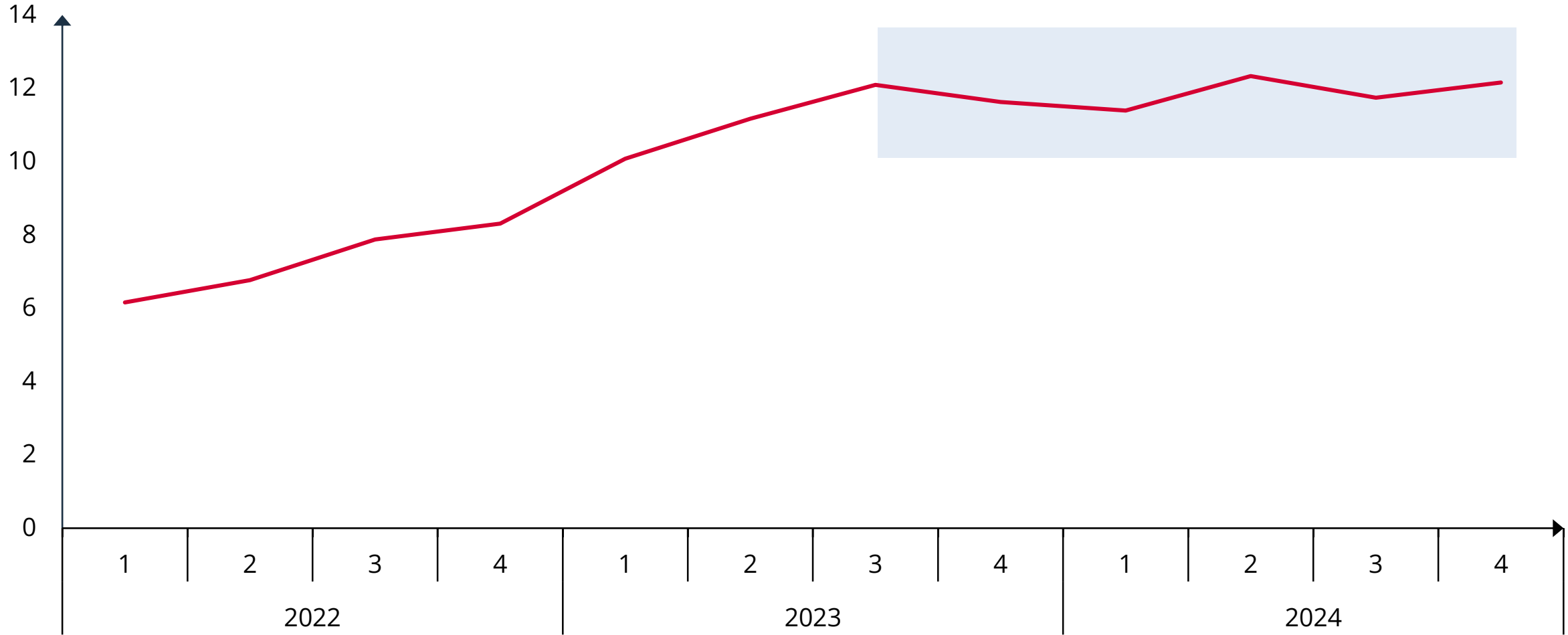
# Household inflation expectations started to improve as well.

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



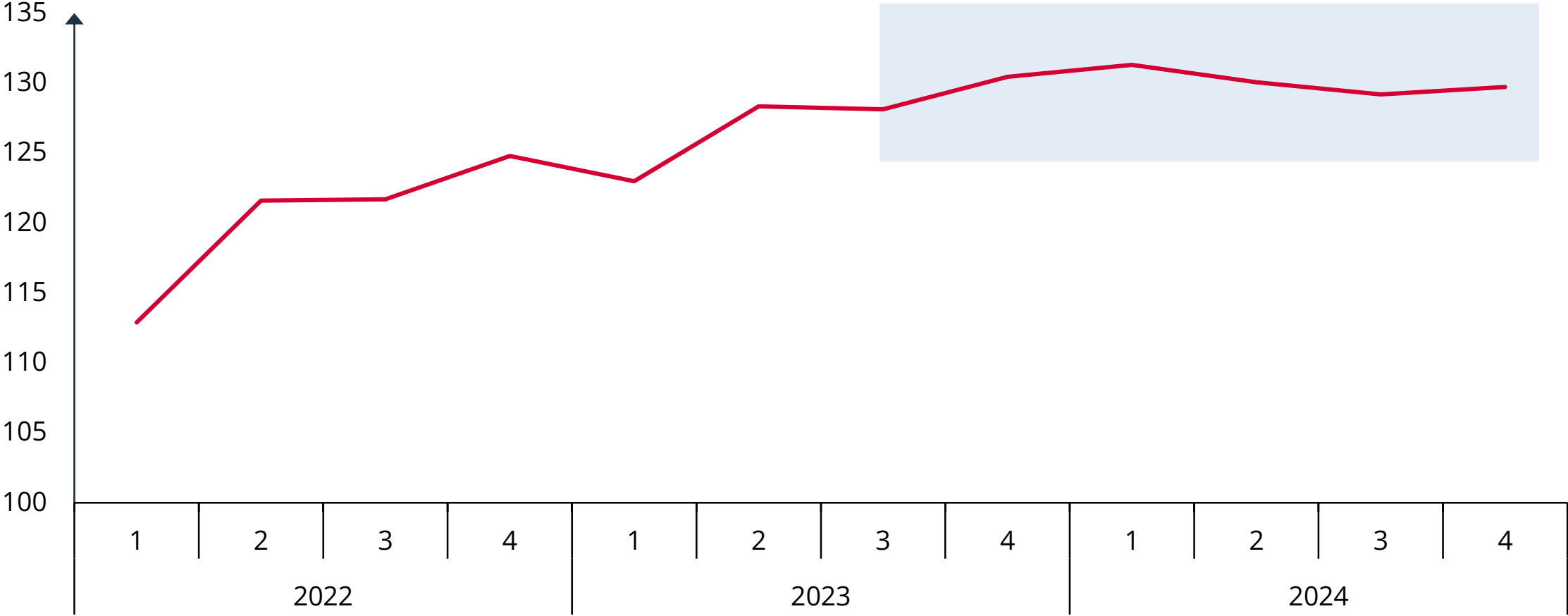
# Imports of consumer goods, excluding jewelry, remain moderate.

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



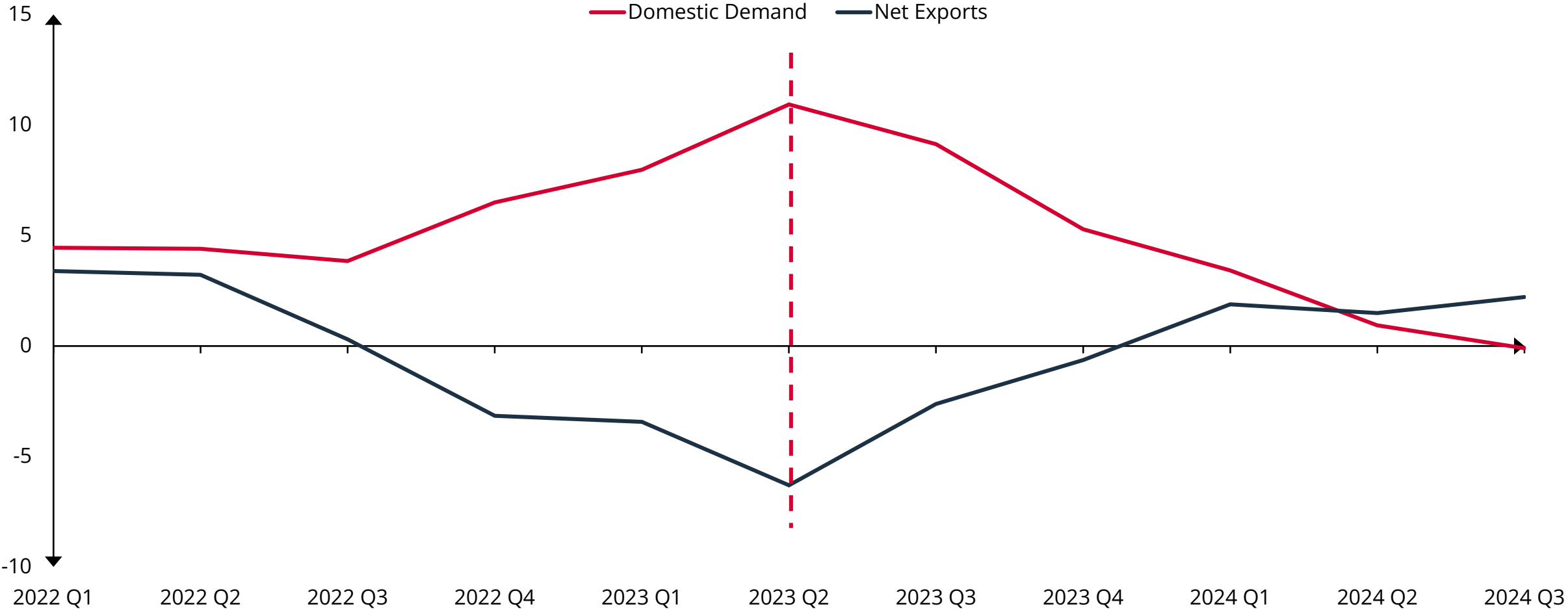
# Services output continues at a moderate pace.

Services Production (SA, 2021=100)



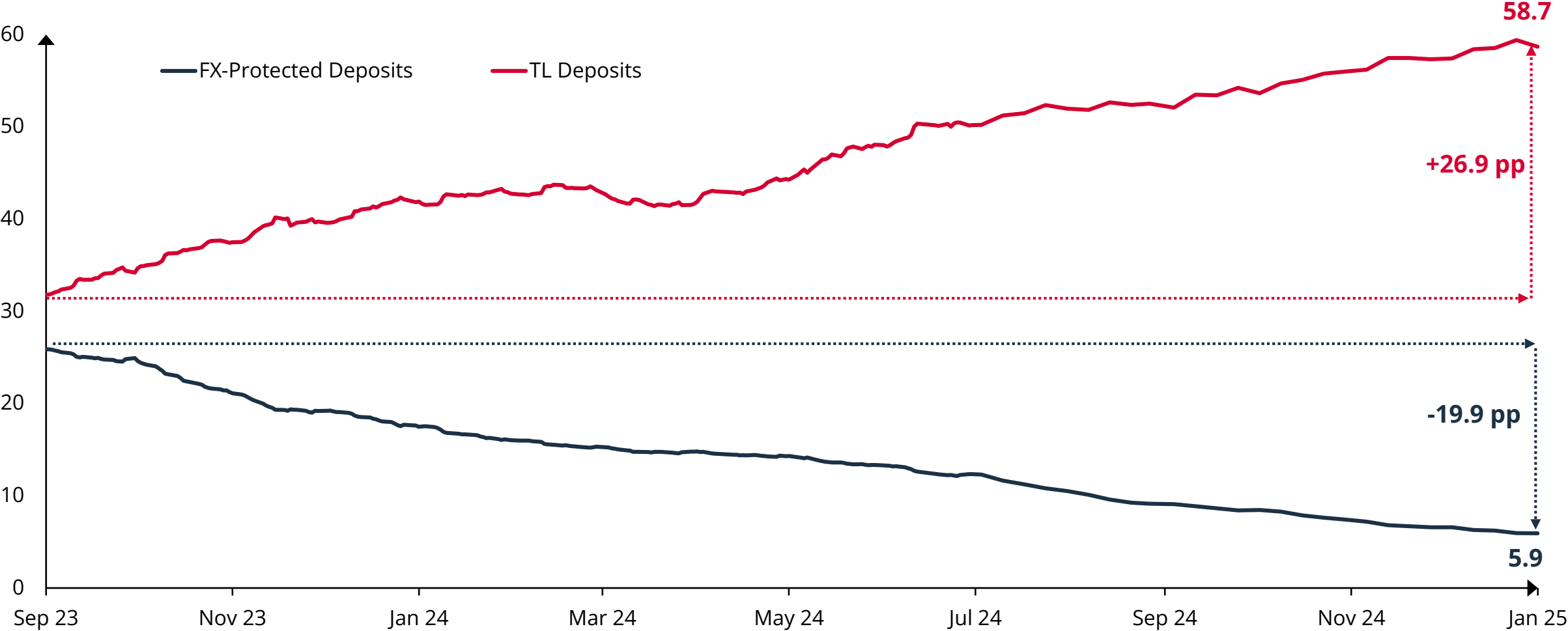
# Composition of growth is shifting towards net exports.

Contributions to Annual GDP Growth (Points)

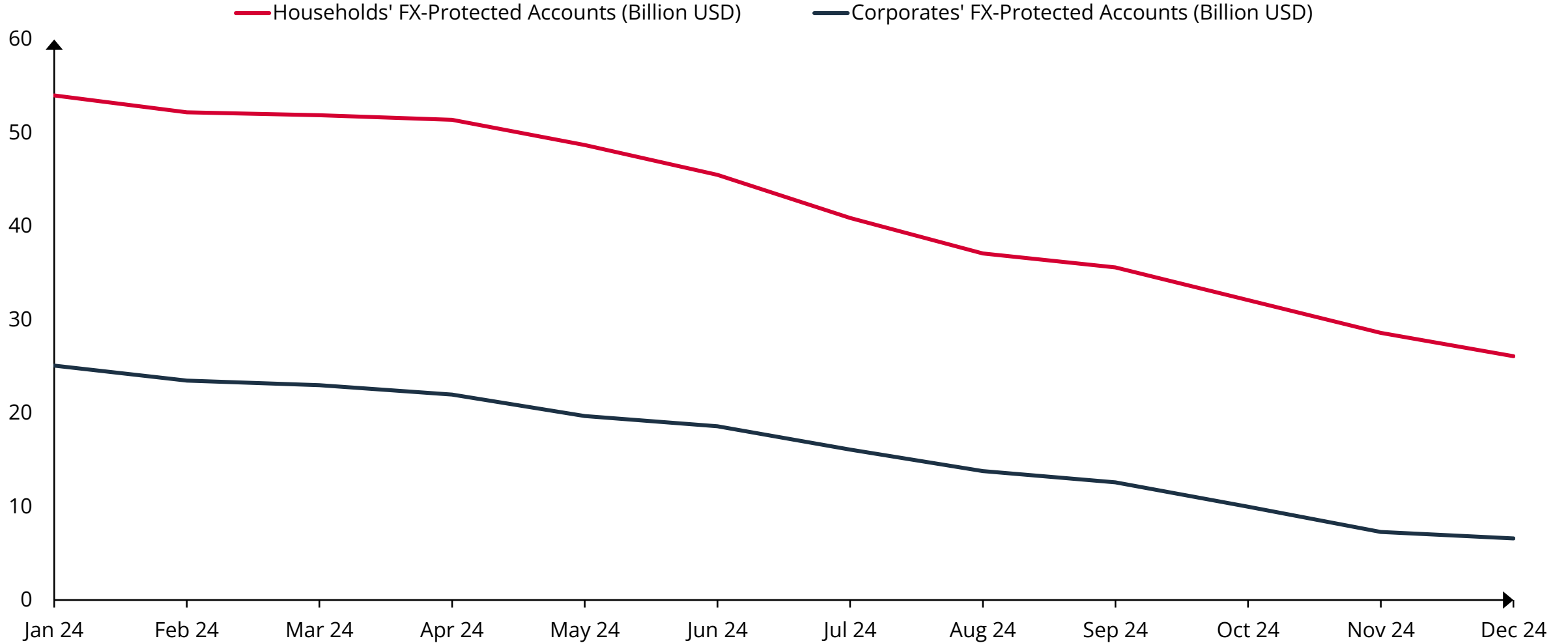


# The share of Turkish lira deposits continues to increase.

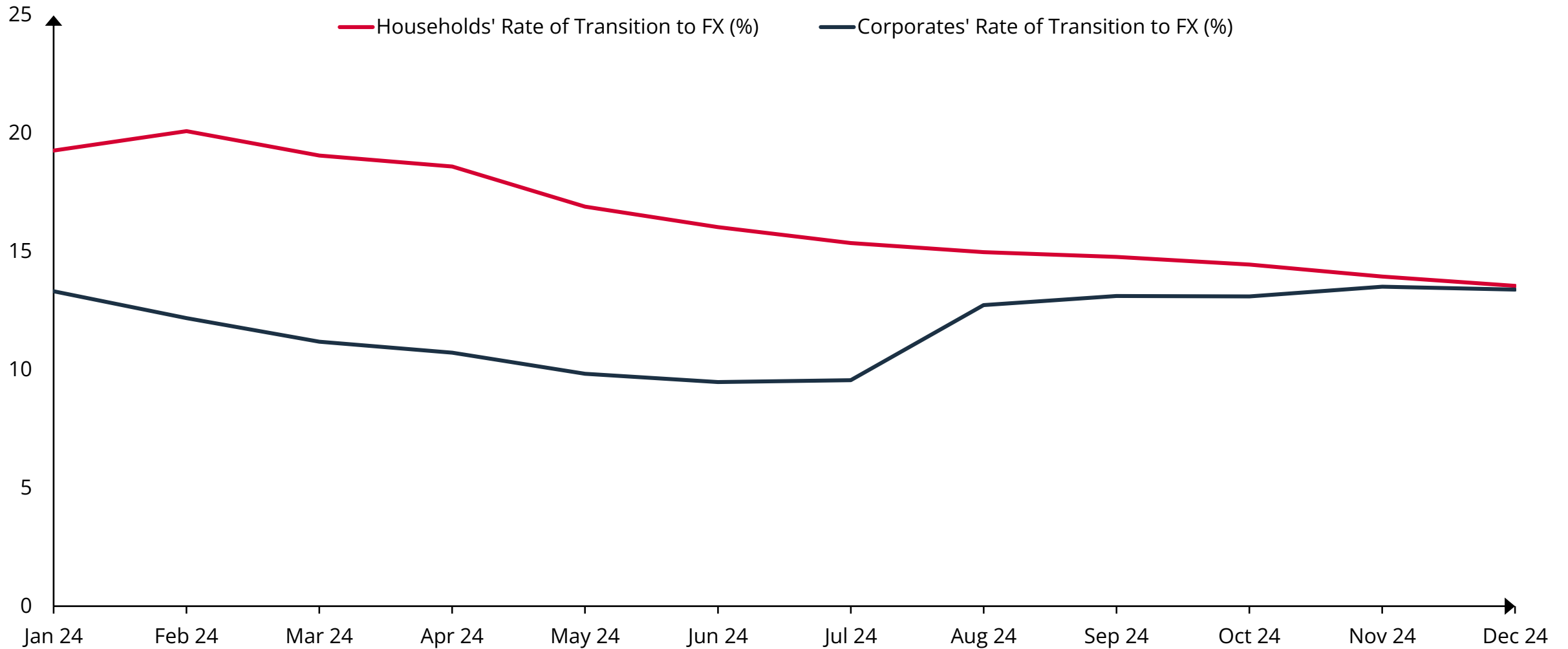
Share in Total Deposits (%)



# FX-protected accounts continue to decline.

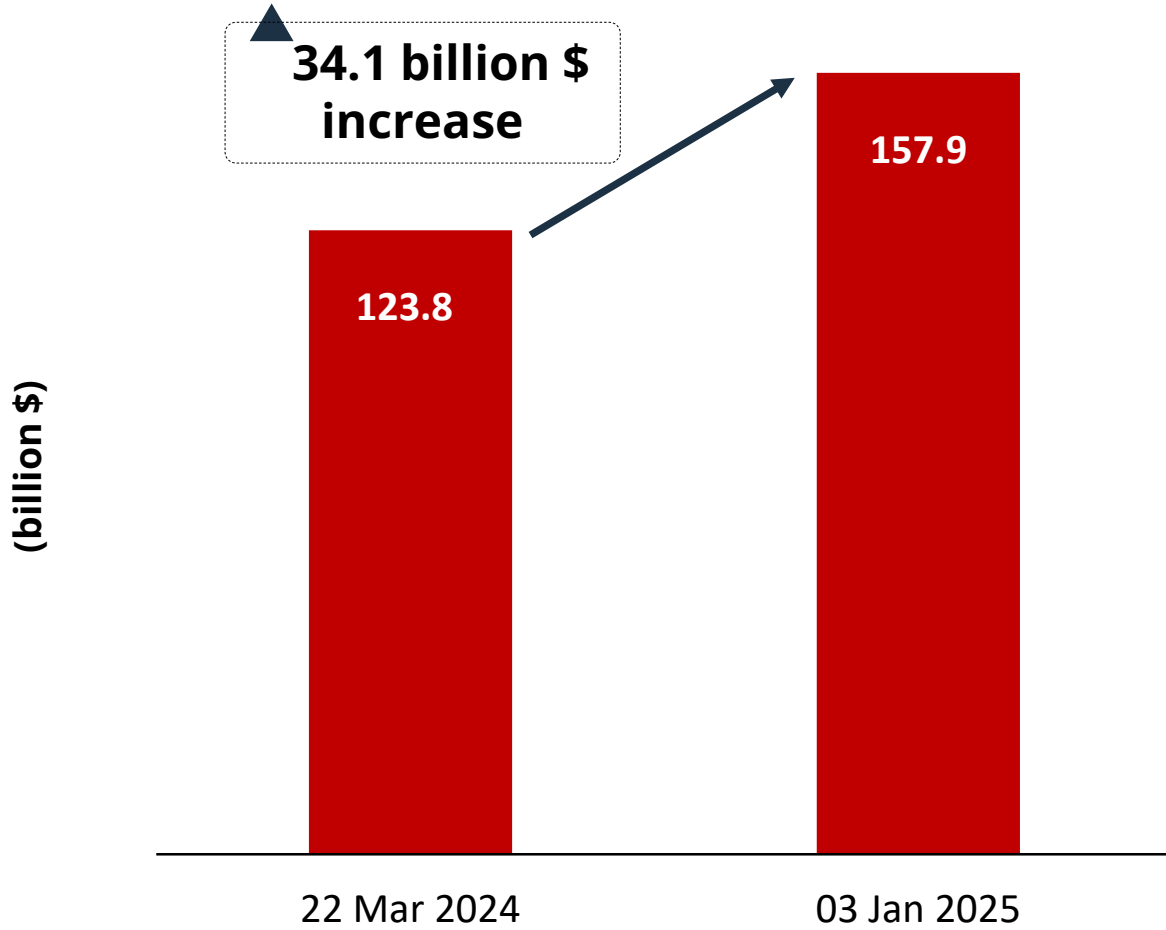


## A limited share of FX-protected accounts switched to FX.

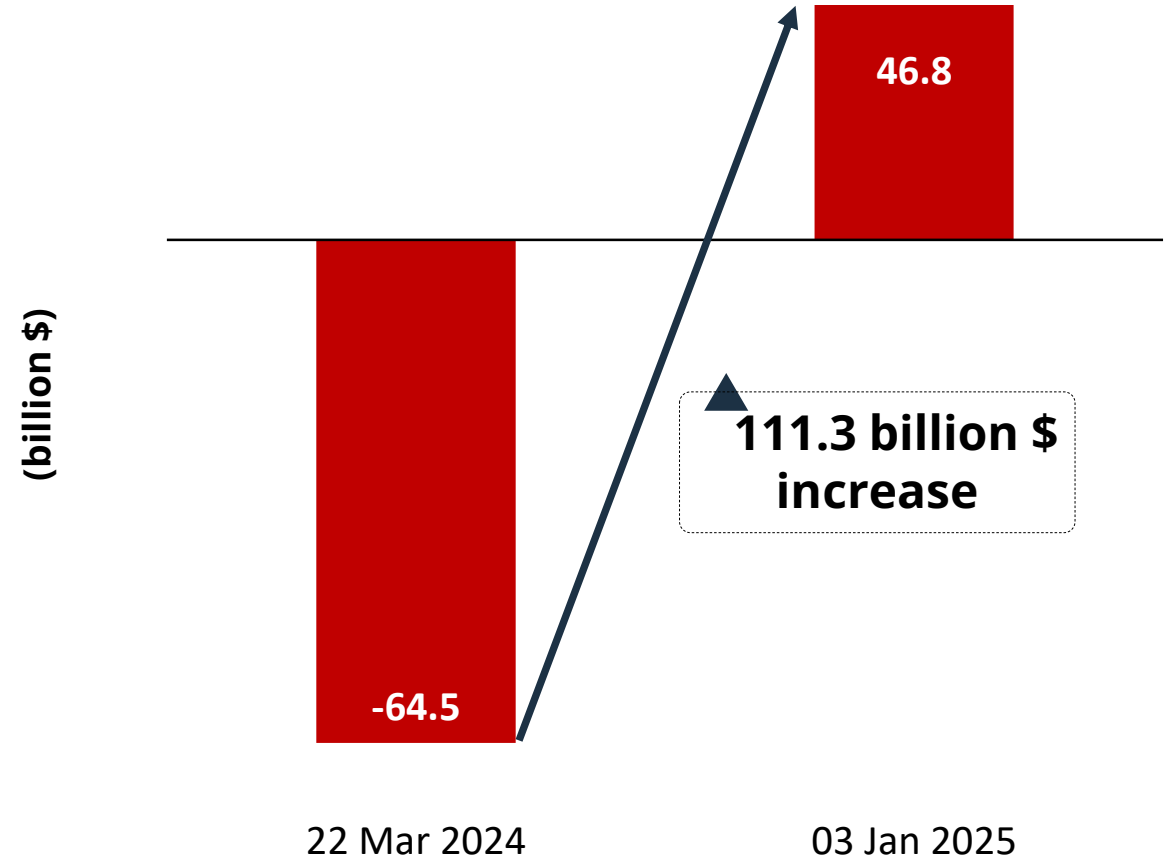


# Reserve adequacy has considerably improved.

### Gross Reserves



### Net Reserves exc. Swaps







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