

	15-Apr	22-Apr	Change		15-Apr	22-Apr	Change
BIST-100 Index	2,494	2,473	-0.9 % ▼	EUR/USD	1.0806	1.0794	-0.1 % ▼
TRY 2 Year Benchmark Rate	22.26 %	22.24 %	-2 bp ▼	USD/TRY	14.6280	14.7339	0.7 % ▲
Turkey 5-Year CDS Premium	582	588	6 bp ▲	EUR/TRY	15.8203	15.9118	0.6 % ▲
MSCI EM Equity Index	1,113	1,076	-3.4 % ▼	Gold (USD/ounce)	1,975	1,930	-2.3 % ▼
US 10-Year Bond Rate	%2,83*	2.90 %	8 bp ▲	Brent Oil (USD/barrel)	111,7*	106.7	-4.5 % ▼

bp: basis point
(*) As of 14 April

Last week, the IMF and World Bank revised down their global growth forecasts for 2022 to 3.6% and 3.2%, respectively. With the effect of Fed officials' statements indicating that the monetary policy tightening may gain momentum, US 10-year Treasury bond yield reached its highest level of the last 3.5 years. In the US and the Euro Area, preliminary PMI data pointed to the divergence of growth in the manufacturing and services sectors. In Turkey, confidence indices displayed a mixed outlook. The CBRT made new regulations on required reserves. This week, GDP growth data for the first quarter of 2022 will be released in the US and the Euro Area. In Turkey, as well as the CBRT's second Inflation Report of the year, foreign trade and tourism statistics will be followed.

“War” effect in global growth forecast revisions...

Leading organizations continue to revise their global growth forecasts, taking into account the effects of the war between Russia and Ukraine. The IMF reduced its global growth forecast for 2022 from 4.4% to 3.6% in its World Economic Outlook report for April. The IMF forecasts that the Russian economy will contract by 8.5% and the Ukrainian economy by 35% yoy in 2022. The organization also reduced its 2022 and 2023 growth forecasts for Turkey to 2.7% and 3%, respectively. In addition, it raised its 2022 year-end CPI inflation forecast for Turkey to 52.4% and its current account deficit/GDP ratio forecast to 5.7%.

In his speech last week, World Bank President David Malpass announced that the Bank cut its global economic growth forecast for 2022 from 4.1% to 3.2%. Malpass also announced that, in order to support the financing conditions of countries, they are planning to announce a 170 billion USD package in total for the period until June 2023 and 50 billion USD of that amount would be released in the next three months. The World Bank provided more than 157 billion USD support during the pandemic period.

The statements of Fed officials were followed closely in global markets.

Last week, the Fed officials' statements on the policy rate were followed closely in global markets. Pointing out that interest rate hikes can be accelerated if deemed necessary in order to control inflation, Fed Chairman Jerome Powell gave signals that the Fed may increase the policy rate by 50 bps at its May meeting.

According to preliminary data in the US, manufacturing PMI came in at 59.7 in April, above market expectations of 58.2. On the other hand, services PMI decreased by 3.3 points mom to 54.7, as the rising inflation increased consumers' tendency to save.

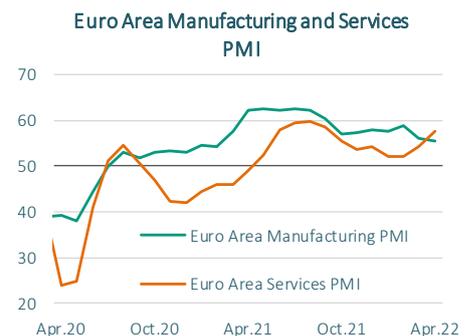
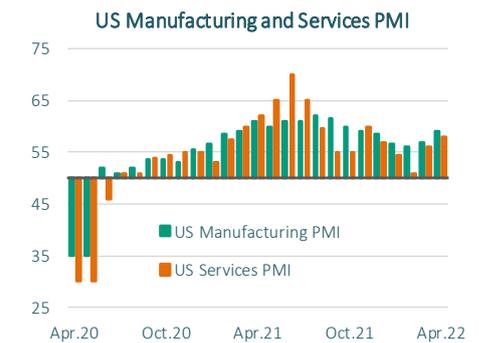
Services PMI rose in the Euro Area.

Preliminary PMI data for April in the Euro Area pointed to divergence of

IMF Projections

	April Forecasts (%)		Difference from January Forecasts (%)	
	2022	2023	2022	2023
GDP Growth				
World	3.6	3.6	-0.8	-0.2
US	3.7	2.3	-0.3	-0.3
Euro Area	2.8	2.3	-1.1	-0.2
Germany	2.1	2.7	-1.7	0.2
Japan	2.4	2.3	-0.9	0.5
UK	3.7	1.2	-1.0	-1.1
China	4.4	5.1	-0.4	-0.1
Russia	-8.5	-2.3	-11.3	-4.4
Ukraine	-35.0	-	-38.5*	-
Turkey	2.7	3.0	-0.6	-0.3

(*) Difference from October 2021 forecasts



Source: Datastream, IMF

growth between the services and manufacturing sectors in the Area. Since the ongoing war between Russia and Ukraine and the quarantine measures implemented in China has negatively affecting supply chains, the manufacturing PMI in the Euro Area was at the lowest level of the last 16 months with 55.3. On the other hand, increasing by 2.1 points on a monthly basis to 57.7 in the same period services PMI displayed its best performance in the last 8 months.

President of the European Central Bank Lagarde confirmed plans to end the asset purchase program at the early part of the third quarter of 2022 and said that there is strong likelihood that interest rates will be hiked before the end of year, while underlining the amount and frequency of the rate hike will depend on the data.

In Turkey, new regulations were followed closely.

With the decision published in the Official Gazette on April 19, the fulfillment and acceptance of the contract price and other payment obligations arising from foreign currency or foreign currency indexed securities sales contracts other than vehicle sales between Turkish residents have to be done in TRY. According to the regulation published on April 23, it was announced that, TRY denominated commercial cash loans shall be subject to reserve requirements, excluding SME loans, tradesmen loans, export and investment loans and agricultural loans. According to the decision, reserve requirement ratios on FX deposit/participation funds will be differentiated between the banks according to their conversion rate of real person's FX accounts to TRY accounts.

In Turkey, confidence indices displayed a mixed outlook.

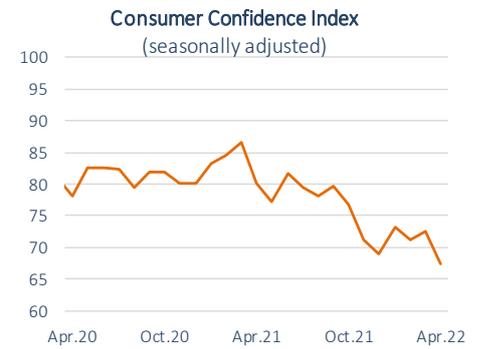
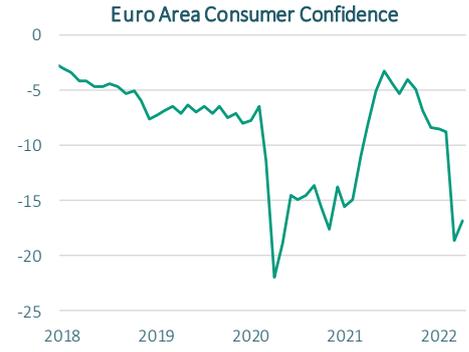
Seasonally adjusted consumer confidence index decreased by 7.3% mom to a historically low level of 67.3 in April, while the real sector confidence index fell by 0.5 points mom to 107.7. On the other hand, sectoral confidence indices followed an upward trend. Positive expectations for the next 3 months were behind this development. Confidence indices for services, retail trade and construction sectors increased by 3%, 2.9% and 3%, respectively, on a monthly basis.

Global markets followed a volatile course.

Last week, US 10-year Treasury bond yield reached its highest level since December 2018 with 2.98% due to Fed officials' statements on the policy rate. On the other hand, in addition to the statements of Fed officials, the increasing number of cases in China and the concerns that the measures taken would negatively affect global economic growth, put global stock markets under pressure.

BIST-100 index, which tested its historical high level with 2,557 during last week, closed the week with a 0.9% decline in line with the global markets. Turkey's 5-year CDS premium remained high, while the interest rate of the 2-year benchmark bond decreased by 100 basis points wow to 21.86%.

This week, the economic growth data for the first quarter of 2022, which will be announced in the US and Euro Area, come to the fore on the agenda of global markets. The CBRT's second Inflation Report of the year will be followed closely in Turkey, where foreign trade and tourism statistics for March will be released.



Source: Datastream, CBRT, Turkstat

Data Releases

		Period	Consensus	Prior
25 April	TR Capacity Utilization Rate	April	77.8% (A)	77.3%
	TR Real Sector Confidence Index	April	109.7 (A)	108.5
	Services, Retail Trade and Construction Confidence Indices	April	-	-
26 April	USA Consumer Confidence, flash	April	108.0	107.2
	USA Durable Goods Orders, mom	March	1.0%	-2.1%
	USA New Home Sales, mom	March	-	-2.0%
27 April	USA Pending Home Sales, mom	March	-1.5%	-4.1%
28 April	CBRT Inflation Report	2022 Q2	-	23.2%
	TR Economic Confidence	April	-	95.7
	USA GDP Growth, prelim, yoy	2022 Q1	1.1%	6.9%
29 April	Euro Area Consumer Confidence, final	April	-16.9	-16.9
	TR Trade Balance	March	-	-7.88 billion USD
	TR Foreign Visitors, yoy	March	-	186.5%
	USA Personal Consumption Expenditures, mom	March	0.6%	0.2%
	USA Michigan Consumer Confidence, final	April	65.7	65.7
	Euro Area GDP Growth, flash, yoy	2022 Q1	5.1%	4.6%
	Euro Area CPI Inflation, flash, yoy	April	7.4%	7.4%

(A) Actual

Economic Research Division

Alper Grler
Division Head
alper.gurler@isbank.com.tr

Ahmet Berat Ocak
Asst. Economist
berat.ocak@isbank.com.tr

Dilek Sarsın Kaya
Asst. Manager
dilek.kaya@isbank.com.tr

Our reports are available on our website <https://research.isbank.com.tr>

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