

	25-Oct	31-Oct	Change		25-Oct	31-Oct	Change
BIST-100 Index	8,908	8,864	-0.5 % ▼	EUR/USD	1.0793	1.0883	0.8 % ▲
TRY 2 Year Benchmark Rate	42.98 %	42.95 %	-3 bp ▼	USD/TRY	34.2827	34.2540	-0.1 % ▼
Turkey 5-Year CDS Premium	271	266	-5 bp ▼	EUR/TRY	36.8924	37.2799	1.1 % ▲
MSCI EM Equity Index	1,135	1,120	-1.4 % ▼	Gold (USD/ounce)	2,748	2,744	-0.1 % ▼
US 10-Year Bond Rate	4.23 %	4.28 %	5 bp ▲	Brent Oil (USD/barrel)	76.1	73.2	-3.8 % ▼

bp: basis point

US economy grew at a 2.8% annual rate in the third quarter of 2024, while personal consumption expenditures price index rose in line with expectations on a monthly basis in September. Non-farm payrolls growth in the US came in well below expectations in October. Euro Area economy grew above expectations by 0.9% yoy in the third quarter, while CPI inflation was realized slightly above expectations on both monthly and annual basis in October. In Türkiye, sectoral inflation expectations declined in October. ICI Türkiye Manufacturing PMI rose by 1.5 points mom in the same month. Next week, inflation data for Türkiye, the CBRT's Inflation Report, US election results and the Fed meeting will be high on the agenda.

US economy continued to present a resilient outlook in the third quarter of the year.

According to preliminary data, US economy expanded at a 2.8% annual rate in the third quarter of the year. Although the growth was slightly below market expectations, it signaled that the country's economy was resilient and eased recession concerns. Analyzing the composition of growth, consumption expenditures made the largest contribution to growth in the last 1.5 years.

The personal consumption expenditures (PCE) price index, which is closely monitored by the Fed as an inflation indicator, increased by 0.2% mom in September, in line with expectations, while it recorded its lowest increase since February 2021 with 2.1% yoy. Core PCE also increased by 0.3% mom.

Non-farm payrolls in the US came in well below expectations in October.

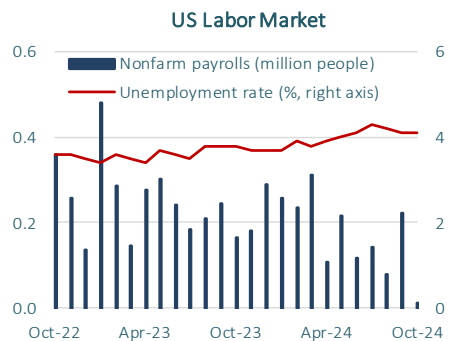
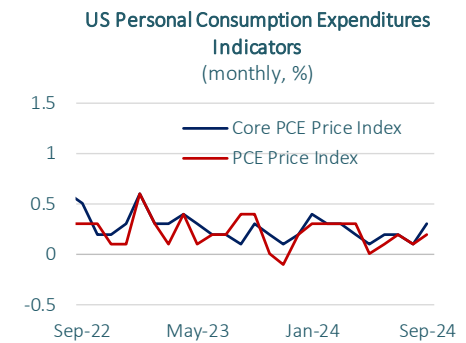
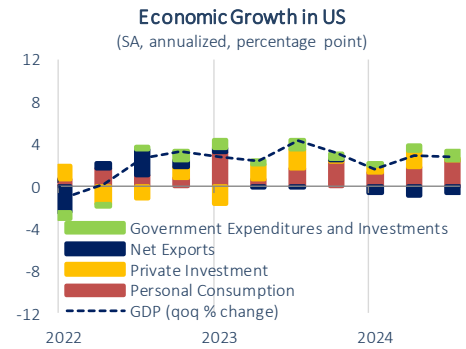
Non-farm payrolls in the US increased 12 thousand in October, well below the market expectations of 113 thousand. Strikes and seasonality were effective in this development. In the same period, unemployment rate in the country was realized as 4.1%.

Euro Area economy grew above expectations in the third quarter.

According to the preliminary data released in the Euro Area, the region's economy grew by 0.4% qoq in the third quarter of the year, 0.2 points above the expectations and recorded its fastest growth since the second quarter of 2022. On an annual basis, the regional economy grew by 0.9%, the fastest growth in the last 1.5 years.

CPI inflation in Euro Area came in above expectations on a monthly basis.

According to preliminary data, consumer price index in Euro Area rose by 0.3% mom and 2.0% yoy in October, 0.1 percentage point above the expectations. Analyzing the subcategories of inflation, it was noteworthy that services prices, which rose by 3.9% yoy in October, remained unchanged compared to the previous month. Energy prices, on the other hand, decreased by 4.6% yoy. ECB President Lagarde stated that they do not see any signs of recession for the region's economy this year, 2025 or 2026. Lagarde



Source: Datastream

also said that interest rates were raised at the fastest pace ever and that they managed to bring inflation down significantly in a short period of time.

12-month-ahead inflation expectations in Türkiye declined in October.

According to data released by CBRT, sectoral inflation expectations declined in October. In this period, 12-month-ahead inflation expectations decreased by 4.4 points for households, 1.6 points for real sector and 0.1 points for market participants to 67.2%, 49.5% and 27.4%, respectively. The proportion of households expecting a fall in inflation in the next 12 months decreased by 0.7 points to 28.3%. In the same period, economic confidence index rose to 98 in October, the highest level in the last five months.

ICI Türkiye Manufacturing PMI rose by 1.5 points mom in October.

Manufacturing PMI data released by Istanbul Chamber of Industry rose by 1.5 points mom to 45.8 in October. The tightness in market conditions and the weak outlook in domestic and foreign demand were influential in the index, which remained below the 50 threshold for the seventh month. Analyzing sectoral PMI data, it was noteworthy that the food products manufacturing sector realized above the 50 threshold value again after three months. Other sectors, on the other hand, remained in contraction zone.

Tourism revenues increased by 3.9% yoy in the third quarter of the year.

According to Turkstat data, tourism revenues rose by 3.9% yoy to 23.2 billion USD in the third quarter of 2024, while the number of visitors increased by 3.5% yoy to 23.2 million. In this period, average expenditure per night of visitors increased by 3.8% yoy to 95 USD.

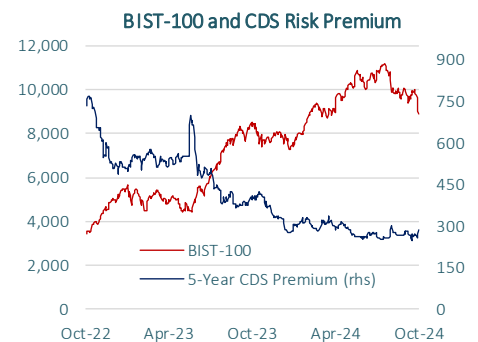
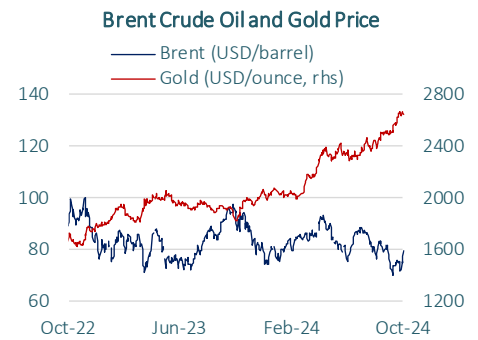
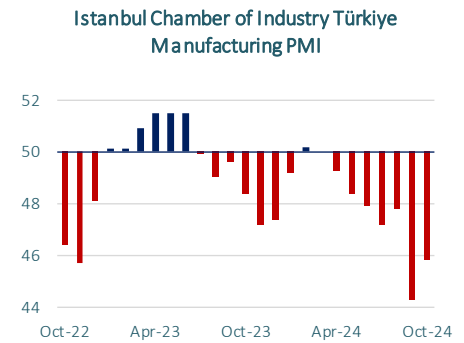
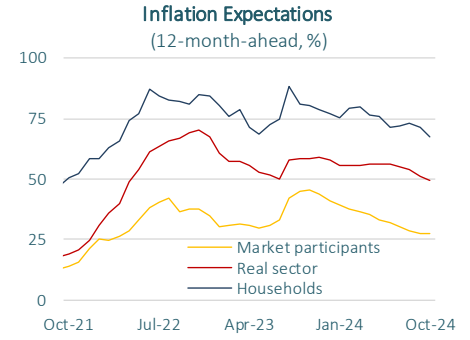
Financial markets...

In the global markets, US companies' earnings for the third quarter and pricings ahead of US election was closely monitored. US 10-year Treasury bond yield increased by 5 basis points to 4.28% on a weekly basis. Investor appetite, which was cautious ahead of the US elections, remained weak globally, while US stock markets witnessed a selloff led by technology stocks. Nasdaq, S&P 500 and Dow Jones indices declined by 2.3%, 1.8% and 0.8% on a weekly basis, respectively. Brent crude oil prices fell by 3.8% to 73.2 USD per barrel thanks to easing concerns over geopolitical tensions in the Middle East. In its Commodity Markets Outlook Report published this week, the World Bank stated that oil prices will follow a weak course in the next three years due to the oil supply outpacing demand. The ounce price of gold also followed a flat course this week.

BIST-100 index declined by 0.5% on a weekly basis in line with the course in global markets, while the weak outlook in foreign investor interest continued. Turkey's 5-year CDS risk premium fell by 5 basis points to 266. USD/TRY was realized at 34, while EUR/TRY increased by 1.1%. Today, S&P's rating assessment for Türkiye will be closely monitored.

Next week's agenda...

Next week, markets will focus on the US elections and the Fed's November meeting. Besides, inflation data for Türkiye and CBRT's last Inflation Report of the year on Friday will be closely monitored.



Source: CBRT, TURKSTAT, Datastream, Reuters

Data Releases

		Period	Consensus	Prior
4 November	TR CPI Inflation, mom	October	2.61%	2.97%
	TR D-PPI Inflation, mom	October	-	1.37%
	USA Factory Orders, mom	September	-	-0.2%
	Euro Area HCOB Manufacturing PMI, final	October		45.9
	Euro Area Sentix Index	November	-12.7	-13.8
5 November	TR CPI Based Real Effective Exchange Rate	October	-	62.78
	USA Services PMI, final	October	-	55.3
	US N-Mfg PMI	October	53.3	54.9
	China Caixin Services PMI	October		50.3
6 November	Euro Area PPI Inflation, mom	September	-0.7%	0.6%
	Euro Area HCOB Services PMI, final	October	51.2	51.2
7 November	TR Treasury Cash Balance	October	-	-201 billion TRY
	Fed Meeting	November	4.5%-4.75%	4.75%-5.0%
	Euro Area Retail Sales, mom	September	0.6%	0.2%
	China Trade Balance	October	-	81.7 billion USD
8 November	TR CBRT Inflation Report	2024 -IV	-	-
	USA Michigan Consumer Confidence, prelim	November	70.0	70.5

Economic Research Division

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

Esra Mine Gngr
Asst. Economist
mine.gungor2@isbank.com.tr

H. Erhan Gl
Unit Manager
erhan.gul@isbank.com.tr



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

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