

	8-Nov	14-Nov	Change		8-Nov	14-Nov	Change
BIST-100 Index	9,185	9,420	2.6 % ▲	EUR/USD	1.0718	1.0530	-1.8 % ▼
TRY 2 Year Benchmark Rate	42.87 %	42.75 %	-12 bp ▼	USD/TRY	34.0367	34.3182	0.8 % ▲
Türkiye 5-Year CDS Premium	253	255	1 bp ▲	EUR/TRY	36.8258	36.1809	-1.8 % ▼
MSCI EM Equity Index	1,136	1,084	-4.5 % ▼	Gold (USD/ounce)	2,684	2,566	-4.4 % ▼
US 10-Year Bond Rate	4.31 %	4.42 %	11 bp ▲	Brent Oil (USD/barrel)	73.9	72.6	-1.8 % ▼

bp: basis point

This week, a busy data agenda was followed in Türkiye. While the unemployment rate remained flat in September, industrial production and retail sales data indicated that economic activity remained robust. House sales were recorded at the highest level of the last 22 months in October. Current account recorded a surplus of 3 billion USD in September. Budget deficit continued to expand in October. According to the November survey, the deterioration in the year-end inflation expectations of the market continued. In the US, the inflation indicators for October were in line with expectations. US dollar strengthened while global equity markets and precious metals sold off. Next week, CBRT's interest rate decision and leading economies' initial PMI data will be high on the agenda.

Unemployment rate remained unchanged in September.

According to seasonally adjusted labor market indicators, unemployment rate was realized as 8.6% in September, remaining flat compared to August. In this period, employment increased by 95 thousand people, pushing the employment rate up to 49.7%, the highest level of the last 4 months. The labour underutilization rate, which is considered a broad-defined unemployment indicator, declined to 25.6% in September, the lowest level since May, which stood out as a positive development in labor indicators.

Supply and demand indicators accelerated slightly in September.

In September, seasonally and calendar adjusted industrial production increased by 1.6% mom, the most favorable monthly outlook since May. Moreover, the annual decline in industrial production lost momentum, realized at 2.4% as of September. On the other hand, trade sales volume index expanded by 3.2% mom in September, extending its upward trend for the second month in a row. Also, retail sales index continued to increase for the fourth consecutive month with %2.3 in September. Analyzing the sub-items of retail sales volume, it was seen that the monthly increases were widespread except for automotive fuel. In this period, annual increases in sales indices reached 12.7% and 15.9% for trade and retail indices, respectively. Thus, supply and demand indicators for September pointed to a significant recovery in economic activity.

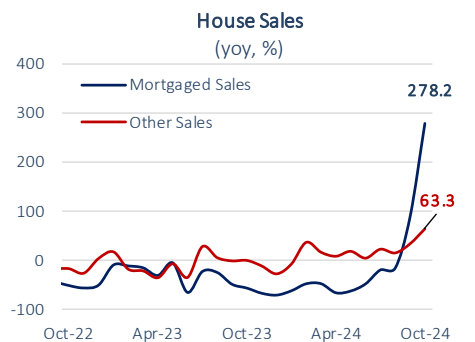
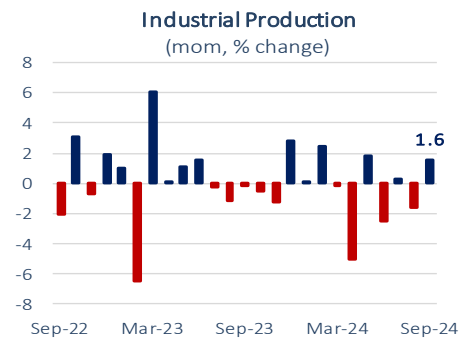
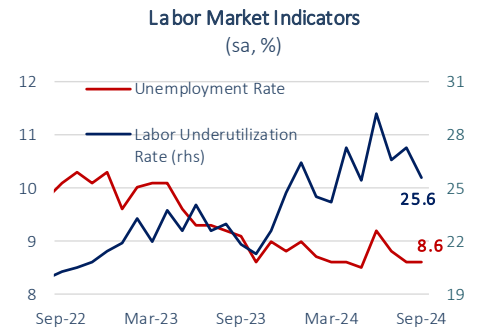
House sales were recorded at the highest level in the last 22 months.

In October, house sales, which were realized as 165,138 units, were recorded at the highest level since December 2022. While the increase in total sales compared to the same month of the previous year was 76.1%, it is noteworthy that mortgaged sales increased approximately 3.8 times in the same period. In October, the share of sales to foreigners in total sales decreased to 1.3%, the lowest level since July 2020. Thus, total house sales in the January-October period increased by 11.9% yoy.

Current account posted a surplus for the 4th consecutive month.

While the current account surplus was realized as 3 billion USD in September, in line with market expectations, the current account recorded a surplus for the 4th consecutive month. In this period, 12-month cumulative current account deficit narrowed to 9.7 billion USD, the lowest level since December 2021 (Our Balance of Payments report).

In October, central government budget deficit increased by 95.1% yoy and was realized as 186.3 billion TRY. In this period, budget revenues increased by 62.4% yoy to 769.2 billion TRY, while budget expenditures rose by 67.9% yoy to 955.5 billion TRY ([Our Budget Balance report](#)).



Source: CBRT, TURKSTAT, Ministry of Treasury and Finance

Market participants' inflation expectations continued to deteriorate.

According to CBRT's Survey of Market Participants conducted in November, CPI inflation expectations for 2024 and 2025 rose to 44.81% and 26.22%, respectively. On the other hand, participants' USD/TRY exchange rate expectations for the end of 2024 decreased to 35.72, while growth expectations for the current year remained unchanged at 3.1%. Participants' growth expectations for 2025 declined to 3.2% from 3.3% in October.

Inflation data in the US was in line with expectations.

US inflation indicators for October were in line with market expectations. While the monthly rate of increase in headline CPI remained unchanged at 0.2% in October, shelter was the item that pushed the monthly CPI inflation up the most. As of October, annual CPI inflation rose to 2.6%. In this period, core CPI increased by 0.3% mom and 3.3% yoy, in line with market expectations. In October, PPI increased by 0.2% mom, slightly accelerating compared to previous month, while annual PPI inflation reached 2.4%. Fed Chairman Powell's statement that they would not be in a hurry to cut interest rate as well as initial jobless claims being at the lowest level for nearly 6 months at the week ending with November 9 put pressure on the expectations for a rate cut at the December meeting.

GDP growth accelerated in the Euro Area.

GDP growth in the Euro Area came in at 0.4% qoq in the third quarter according to the second estimation, the highest level in more than two years. Annual growth was 0.9% in this period.

In China, retail sales rose by 4.8% yoy in October, above the expectations with the highest increase in the last 8 months and provided a positive outlook for domestic demand. In the same period, industrial production increased by 5.3% yoy. On the other hand, in line with the sluggish housing market, house prices fell by 5.9% yoy in the same period, the sharpest decline in the last 9 years.

Financial Markets...

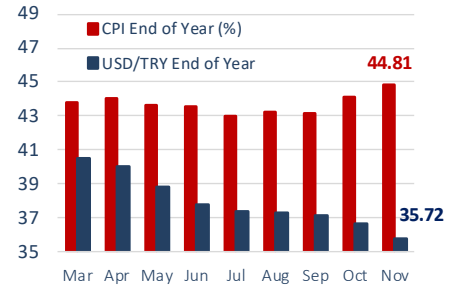
Last week, the repercussions of the US Presidential elections continued to be influential in global markets. With the US dollar strengthening, the DXY index reached 106.7 during the week, the highest level in more than a year. In parallel, EUR/USD parity fell to 1.0531 while precious metal and industrial metal prices declined. In this context, ounce gold price fell to 2,566 USD, the lowest level in the last 2 months. On the other hand, the rise in 10-year bond yields continued as the perception that Trump's economic policies may be inflationary strengthened. In the week when interest in cryptocurrency markets heightened, the strengthening of expectations that trade protectionism may increase on a global scale put selling pressure on global stock markets.

BIST-100 index accelerated with the end of the balance sheet period and diverged positively from global markets. The index, which reached 9,420 as of Thursday's close, up 2.6% from the previous week, is set to close the week above 9,400. Last week, Turkish lira depreciated slightly against USD and appreciated against euro in line with global developments. 5-year CDS risk premium remained flat.

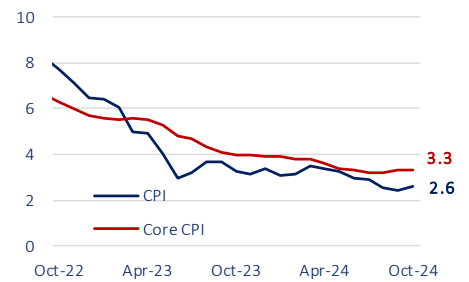
Next week's agenda...

Next week, flash PMI data for November in the US and Euro Area as well as the monetary policy meeting of the People's Bank of China will be high on the global agenda. In Türkiye, October house price index and November consumer confidence index will be announced. CBRT's Monetary Policy Committee meeting will also be closely monitored.

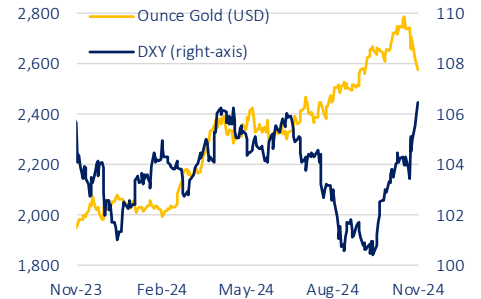
CBRT Survey of Market Participants
(%, 2024)



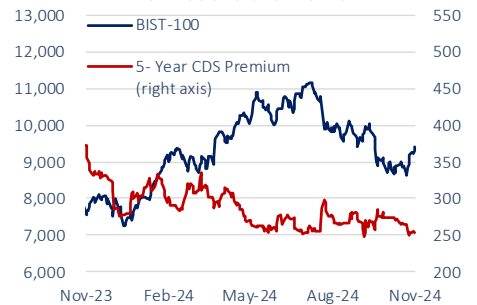
US CPI Inflation
(annual, %)



DXY Index and Gold Price



BIST-100 and CDS Premium



Source: Datastream, CBRT, Ministry of Trade

Data Releases

		Period	Consensus	Prior
18 November	TR Housing Price Index, yoy	October	-	27.4%
	TR Services Production, mom	September	-	-0.2%
	TR Labor Force Statistics	2024 Q3	-	-
19 November	US Housing Starts, units	October	1.34 million	1.35 million
	Euro Area CPI Inflation, final, yoy	October	0.2%	2.0%
20 November	TR Central Government Gross Debt Stock	October	-	8.6 trillion TRY
	TR Agricultural Products PPI, yoy	September	-	33.3%
	China Central Bank Meeting	November	-	3.60%
	Germany PPI Inflation, yoy	October	-	-1.4%
21 November	UK CPI Inflation, yoy	October	-	1.7%
	CBRT Monetary Policy Meeting	November	-	50.00%
	TR Consumer Confidence Index	November	-	80.6
	US Existing Home Sales, units	October	3.9 million	3.8 million
	US Philadelphia Fed Manufacturing Index	November	-	10.3
22 November	Euro Area Consumer Confidence, flash	November	-	-12.5
	TR Foreign Visitors, yoy	October	-	4.6%
	US Manufacturing PMI, flash	November	-	48.5
	US Services PMI, flash	November	-	55.0
	Euro Area Manufacturing PMI, flash	November	46.0	46.0
	Euro Area Services PMI, flash	November	51.8	51.6
	Germany GDP Growth, final, yoy	2024 Q3	-	0.2%
Japan CPI Inflation, yoy	October	-	2.5%	

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