

	27-Dec	2-Jan	Change		27-Dec	2-Jan	Change
BIST-100 Index	10.025	9.961	-0,6 % ▼	EUR/USD	1,0427	1,0265	-1,6 % ▼
TRY 2 Year Benchmark Rate	40,60 %	40,01 %	-59 bp ▼	USD/TRY	35,0702	35,3476	0,8 % ▲
Türkiye 5-Year CDS Premium	259	259	-0 bp ●	EUR/TRY	36,5651	36,2966	-0,7 % ▼
MSCI EM Equity Index	1.083	1.077	-0,6 % ▼	Gold (USD/ounce)	2.620	2.657	1,4 % ▲
US 10-Year Bond Rate	4,62 %	4,58 %	-4 bp ▼	Brent Oil (USD/barrel)	74,2	75,9	2,4 % ▲

bp: basis point

In 2024, annual CPI inflation in Türkiye was realized as 44.38% while D-PPI inflation was recorded as 28.52%. In December, while ICI Türkiye manufacturing PMI came in at 49.1, economic confidence index reached the highest level of the last 8 months. Final manufacturing PMI data released in leading economies confirmed that operating conditions remained weak in December. Data released in the US pointed to an increase in demand in the housing market. During the week global risk appetite remained low, stock markets declined while the US dollar strengthened. Next week, industrial production index and unemployment rate data will be released in Türkiye. On the global side, labor market data in the US and inflation data in the Euro Area and China stand out.

In 2024, annual CPI inflation in Türkiye was realized at 44.38% year-on-year.

In December, CPI increased by 1.03% mom, below the expectations. Thus, annual CPI inflation in 2024 was realized as 44.38%, while domestic PPI inflation was recorded as 28.52% ([Our Inflation Report](#)).

ICI Türkiye manufacturing PMI was realized as 49.1 in December.

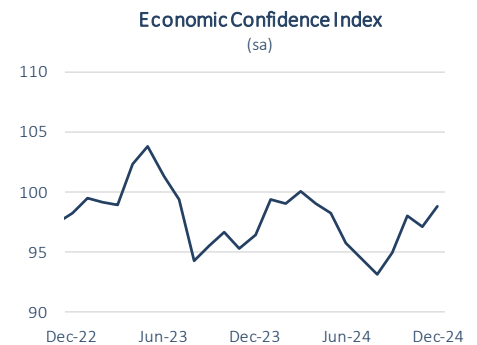
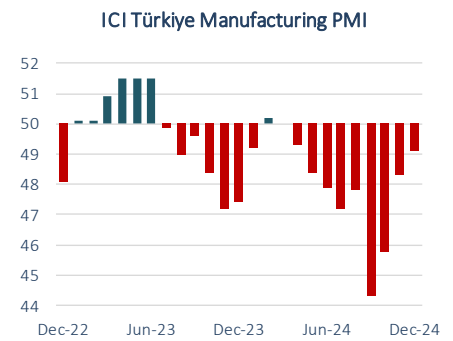
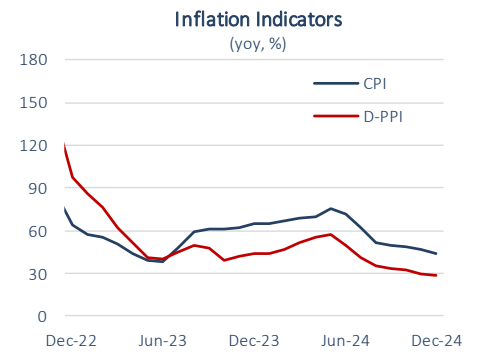
Türkiye manufacturing PMI announced by Istanbul Chamber of Industry (ICI) increased by 0.8 points to 49.1 in December. The index, which reached its highest value since May 2024, pointed out that the contraction in the sector continued at a more moderate level. In this period, the slowdown in the declines in the sub-indices for production, new orders, purchasing activities and inventories drew attention. On the other hand, the employment sub-index, which presented a positive outlook in November, fell below the threshold value again in December. Food products, which was the only sub-index above the threshold in November, was accompanied by the chemicals, plastics and rubber products sub-index, which moved into positive territory in December.

Economic confidence index reached its highest level in 8 months in December.

In December, economic confidence index increased by 1.8% mom to 98.8, the highest level in the last 8 months. In this period, consumer confidence index and sectoral confidence indices, which were among the sub-indices announced last week, supported the economic confidence to increase, while the decline in real sector confidence index limited the improvement in economic confidence.

Foreign trade deficit was realized as 82.2 billion USD in 2024.

According to the preliminary data released by the Ministry of Trade, exports increased by 2.2% yoy in December, while imports recorded the fastest annual increase of the year with 11.1%. Thus, foreign trade deficit widened by 44.7% yoy to 8.8 billion USD in this period. In 2024, exports increased by 2.5% yoy while imports contracted by 4.9% yoy. Thus, foreign trade deficit contracted by 22.7% yoy to 82.2 billion USD in 2024.



Source: Datastream

PMI data released in leading economies were monitored this week.

Final manufacturing PMI data for December released in leading economies remained below the threshold, indicating that the weak outlook in the sector continued on a global scale. In this period, final manufacturing PMI in the US was revised upwards by 1.1 points, but remained below the November data and the threshold with 49.4. In the Euro Area, final manufacturing PMI remained below the November figure with 45.1, confirming that the contraction in the sector continued for the 18 consecutive months. According to the data released in China, Caixin manufacturing PMI, which represents economic activities in export-oriented private sector companies, came in at 50.5, while NBS manufacturing PMI, the official PMI data that provides information on the activities of large-scale enterprises and SOEs, came in at 50.1. Although these indices were realized above the threshold, the monthly decline in these indices pointed to some loss of momentum in operating conditions. On the other hand, NBS services PMI in China rose by 2.2 points to 52.2, providing a favorable outlook for operating conditions in the services sector.

Data released in the US signaled an increase in demand in the housing market.

Data releases in the US this week signaled that the demand in the housing market has increased. Case-Shiller house price index rose by 0.3% mom in October, exceeding the expectations, while pending home sales index outperformed forecasts in November, rising by 2.2% mom and 6.9% yoy, reaching its highest level in the last 21 months.

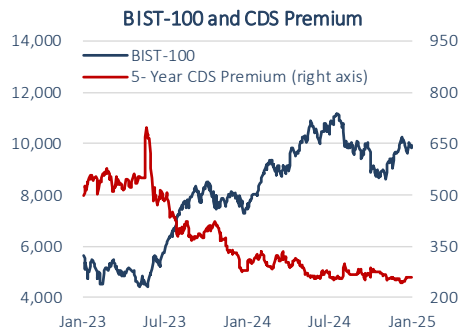
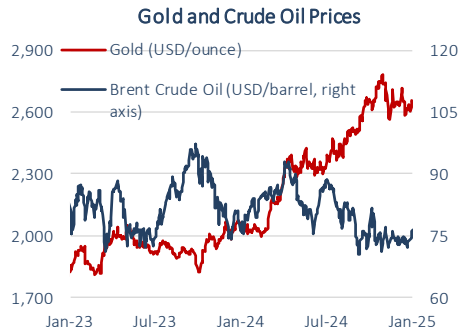
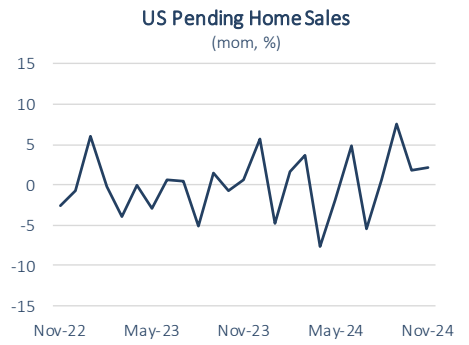
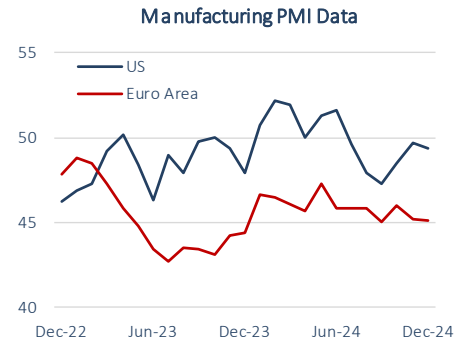
Financial markets...

This week, risk appetite in global markets remained relatively low due to the New Year holidays. US equity markets closed lower on Thursday compared to Friday's close. Selling pressure was also seen in other global equity markets this week. In the week when the US dollar continued to appreciate, the DXY index rose by 1.3% to its highest level in more than 2 years. As of Thursday's close, the ounce price of gold rose by 1.4% to 2,657 USD, while the price per barrel of Brent crude oil rose by 2.4% to 75.9 USD in the same period due to demand-side support.

BIST-100 index, which followed a bullish course last week ahead of the CBRT meeting, fell by 0.6% to 9,961 as of Thursday's close compared to Friday's close. Türkiye's 5-year CDS premium remained flat at 259 basis points this week.

Next week's agenda...

On next week's domestic data agenda, industrial production index, unemployment rate and CPI-based real effective exchange rate data stand out. In the US, unemployment rate, non-farm payrolls and ADP national employment data will be announced. Furthermore, inflation data to be announced in the Euro Area and China will be closely monitored in the markets.



Source: Datastream

Data Releases

		Period	Consensus	Prior
6 January	TR CPI Based Real Effective Exchange Rate	December	-	67.03
	US Services PMI, final	December	-	58.5
	US Factory Orders, mom	November	-0.3%	0.2%
	Euro Area Services PMI, final	December	51.4	51.4
	Euro Area Sentix Index	January	-17.5	-17.5
	China Caixin Services PMI	December	-	51.5
7 January	US Trade Balance	November	-77.5b USD	-73.8b USD
	US ISM Services PMI	December	53.5	52.1
	Euro Area CPI Inflation, flash, yoy	December	2.4%	2.2%
	Euro Area Unemployment Rate	November	6.3%	6.3%
8 January	TR Treasury Cash Balance	December	-	-62.2b TRY
	US ADP Employment Report	December	140k	146k
	Euro Area PPI Inflation, yoy	November	-1.2%	-3.2%
	Euro Area Consumer Confidence, final	December	-	-14.5
	Euro Area Consumer Confidence, flash	January	-	-
9 January	Euro Area Retail Sales, mom	November	0.5%	-0.5%
	China CPI Inflation, yoy	December	0.2%	0.2%
	China PPI Inflation, yoy	December	-2.4%	-2.5%
10 January	TR Industrial Production, yoy	November	-	-3.1%
	TR Unemployment Rate	November	-	8.8%
	US Nonfarm Payrolls	December	150k	227k
	US Unemployment Rate	December	4.2%	4.2%
	US Michigan Consumer Confidence, prelim	January	74.5	74.0

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