



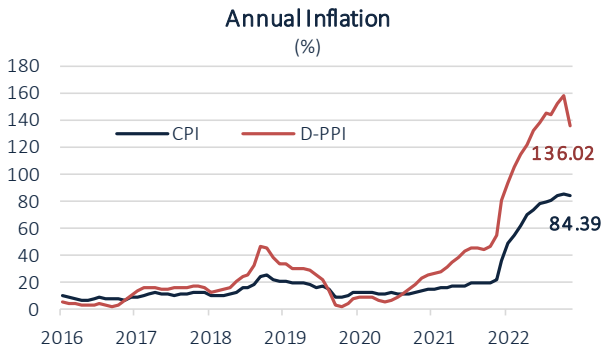
In November, CPI inflation became 2.88%.

In November, CPI rose by 2.88% compared to the previous month and recorded the lowest increase in the last three months. In this period, monthly domestic PPI (D-PPI) inflation was 0.74%, the lowest level since June 2020.

November (change %)	CPI		D-PPI	
	2021	2022	2021	2022
Monthly	3.51	2.88	9.99	0.74
Year-to-Date	19.82	62.35	51.06	98.20
Annual	21.31	84.39	54.62	136.02
Annual Average	17.71	70.36	38.94	128.94

Annual inflation indicators declined.

The annual CPI inflation, which has been on an upward trend since June 2021, decreased slightly in November to 84.39%. Thus, the annual CPI increase peaked in October. Annual D-PPI inflation, which was 157.69% in October, declined to 136.02% in November, the lowest level of the last 6 months, thanks to the base effect.



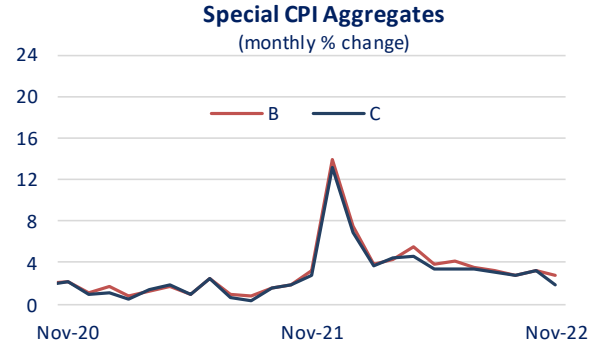
Food group made the highest contribution to monthly CPI inflation.

In November, prices in 11 of 12 main spending groups rose on a monthly basis. The food and non-alcoholic beverages group, which has the highest share among the expenditure groups, pushed the monthly CPI inflation the most by 152 basis points in this period. Due to the relatively flat course of fuel prices, price increases in the transportation group were below the headline inflation. The clothing and footwear group, where prices decreased by 1.42% mom, was the only group in which prices declined on a monthly basis.

Core inflation indicators...

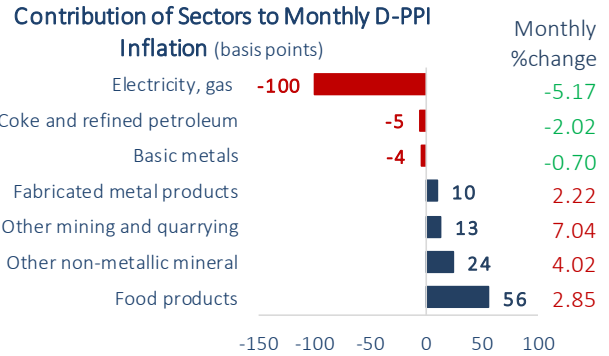
In November, monthly rise in CPI inflation excluding seasonal products remained below the headline inflation, with 2.81%. The B core indicator (CPI excluding unprocessed food products, energy, alcoholic beverages and tobacco and gold) went up by 2.73% on a monthly basis. In this period, the C

core indicator (CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages and tobacco and gold) rose by 1.88% on a monthly basis, displaying its most moderate increase since October 2021. Annual increases in B and C indices came in at 76.18% and 68.91%, respectively.



The decline in energy prices limited the monthly rise in D-PPI.

In November, relatively flat course of exchange rates as well as the decline in global energy and metal prices led monthly D-PPI to increase at a moderate level. Electricity, gas production and distribution sector, where prices decreased by 5.17% on a monthly basis, limited the monthly D-PPI increase by one point. On the other hand, food sector made the highest contribution to monthly D-PPI inflation with 56 basis points.



Expectations...

The relatively flat course of Turkish lira, loss of momentum in domestic demand and downward trend in commodity prices, especially energy prices, because of weakening in global economic activity reduce the upward pressure on domestic prices. Annual inflation is expected to continue to decline in December due to the base effect.

Inflation (%)

	CPI (2003=100)				D-PPI (2003=100)				
	Monthly	Year to		Annual Average	Monthly	Year to		Annual Average	
		Date	Annual			Date	Annual		
2020	January	1.35	1.35	12.15	14.52	1.84	1.84	8.84	15.71
	February	0.35	1.71	12.37	13.94	0.48	2.33	9.26	14.18
	March	0.57	2.29	11.86	13.33	0.87	3.22	8.50	12.61
	April	0.85	3.16	10.94	12.66	1.28	4.54	6.71	10.87
	May	1.36	4.57	11.39	12.10	1.54	6.15	5.53	9.14
	June	1.13	5.75	12.62	11.88	0.69	6.89	6.17	7.74
	July	0.58	6.37	11.76	11.51	1.02	7.98	8.33	6.81
	August	0.86	7.29	11.77	11.27	2.35	10.52	11.53	6.71
	September	0.97	8.33	11.75	11.47	2.65	13.44	14.33	7.71
	October	2.13	10.64	11.89	11.74	3.55	17.48	18.20	9.11
	November	2.30	13.19	14.03	12.04	4.08	22.26	23.11	10.69
	December	1.25	14.60	14.60	12.28	2.36	25.15	25.15	12.18
2021	January	1.68	1.68	14.97	12.53	2.66	2.66	26.16	13.64
	February	0.91	2.60	15.61	12.81	1.22	3.92	27.09	15.14
	March	1.08	3.71	16.19	13.18	4.13	8.21	31.20	17.04
	April	1.68	5.45	17.14	13.70	4.34	12.91	35.17	19.44
	May	0.89	6.39	16.59	14.13	3.92	17.34	38.33	22.24
	June	1.94	8.45	17.53	14.55	4.01	22.04	42.89	25.38
	July	1.80	10.41	18.95	15.15	2.46	25.05	44.92	28.47
	August	1.12	11.65	19.25	15.78	2.77	28.51	45.52	31.34
	September	1.25	13.04	19.58	16.42	1.55	30.50	43.96	33.83
	October	2.39	15.75	19.89	17.09	5.24	37.34	46.31	36.20
	November	3.51	19.82	21.31	17.71	9.99	51.06	54.62	38.94
	December	13.58	36.08	36.08	19.60	19.08	79.89	79.89	43.86
2022	January	11.10	11.10	48.69	22.58	10.45	10.45	93.53	49.93
	February	4.81	16.45	54.44	25.98	7.22	18.43	105.01	56.83
	March	5.46	22.81	61.14	29.88	9.19	29.31	114.97	64.30
	April	7.25	31.71	69.97	34.46	7.67	39.23	121.82	72.03
	May	2.98	35.64	73.50	39.33	8.76	51.43	132.16	80.38
	June	4.95	42.35	78.62	44.54	6.77	61.68	138.31	88.77
	July	2.37	45.72	79.60	49.65	5.17	70.04	144.61	97.30
	August	1.46	47.85	80.21	54.69	2.41	74.13	143.75	105.39
	September	3.08	52.40	83.45	59.91	4.78	82.45	151.50	114.02
	October	3.54	57.80	85.51	65.26	7.83	96.74	157.69	122.93
	November	2.88	62.35	84.39	70.36	0.74	98.20	136.02	128.94

Source: Turkstat, Datastream

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