



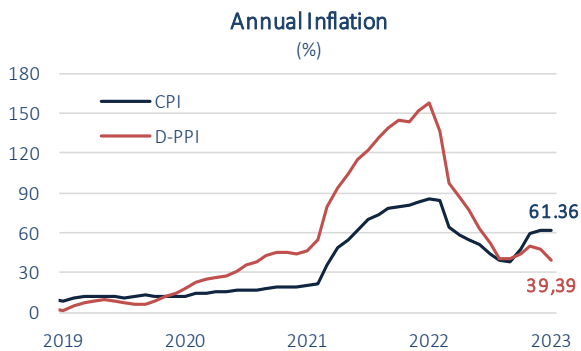
Monthly CPI inflation was 3.43% in October.

In October, CPI increased by 3.43% mom, below market expectations. Thus, annual CPI inflation fell to 61.36%, while the increase in the first 10 months of the year was realized as 55.0%. D-PPI inflation was realized as 1.94% in October, the lowest level in the last 5 months. In this period, D-PPI inflation fell to 39.39% yoy.

October (change %)	CPI		D-PPI	
	2022	2023	2022	2023
Monthly	3.54	3.43	7.83	1.94
Year-to-Date	57.80	55.00	96.74	38.70
Annual	85.51	61.36	157.69	39.39
Annual Average	65.26	54.26	122.93	58.46

Prices in the clothing and footwear group increased by 13.73% mom.

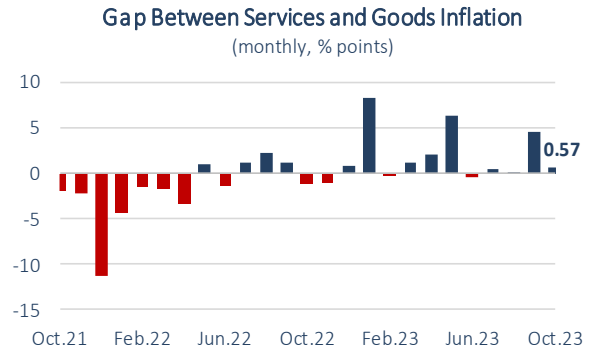
In October, prices increased in all main expenditure groups except transportation, where prices decreased by 0.18% mom. Clothing and footwear group, in which prices increased by 13.73% mom due to seasonal factors in October, contributed 0.74 points to monthly inflation. In the same period, housing prices rose by 7.54% mom, pushing monthly inflation up by 0.93 points. In the restaurants and hotels group, where prices rose by 3.51% mom, the annual price increase was realized as 94.12%. This item remained its position as the main group where prices increased the most yoy.



Seasonal products were also effective in the rise in CPI.

In October, CPI excluding seasonal products rose by 2.98% mom, below the headline inflation. In this period, B index (CPI excluding unprocessed food, energy, alcoholic beverages, tobacco and gold) and C index

(CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco and gold) increased by 3.48% and 3.72% mom, respectively. Annual increases in B and C indices were realized as 67.61% and 69.76%, respectively. In October, prices of goods and services increased by 3.26% and 3.83% mom, respectively.



Food prices continue to be influential in the increase in domestic PPI in October.

In October, food products group, where prices rose by 4.20% mom, was the main driver of the monthly D-PPI inflation with 0.75 points. Coke and refined petroleum products, where prices decreased by 3.20% mom, and electricity, gas production and distribution, where prices decreased by 4.38% mom, limited the monthly D-PPI inflation by 0.20 and 0.29, respectively.

Expectations...

In the last Inflation Report of the year published on November 2, CBRT raised its inflation forecast to 65% for end-2023 and from 33% to 36% for end-2024, widening the forecast range. With the onset of winter, the increase in natural gas consumption is expected to increase the pressure on CPI in November. The course of domestic demand and the impact of geopolitical developments on energy prices will continue to be determinant for inflation.

Inflation (%)

	CPI (2003=100)				D-PPI (2003=100)				
	Monthly	Year to	Annual	Annual	Monthly	Year to	Annual	Annual	
		Date				Date			Average
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
	December	1.18	64.27	64.27	72.31	-0.24	97.72	97.72	128.47
2023	January	6.65	6.65	57.68	72.45	4.15	4.15	86.46	125.53
	February	3.15	10.00	55.18	71.83	1.56	5.78	76.61	120.72
	March	2.29	12.52	50.51	70.20	0.44	6.25	62.45	113.73
	April	2.39	15.21	43.68	67.20	0.81	7.11	52.11	105.50
	May	0.04	15.26	39.59	63.72	0.65	7.81	40.76	95.80
	June	3.92	19.77	38.21	59.95	6.50	14.82	40.42	86.59
	July	9.49	31.14	47.83	57.45	8.23	24.27	44.50	78.51
	August	9.03	43.06	58.94	56.28	5.89	31.59	49.41	71.97
	September	4.75	49.86	61.53	55.30	3.40	36.06	47.44	65.55
	October	3.43	55.00	61.36	54.26	1.94	38.70	39.39	58.46

Source: Turkstat, Datastream

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