



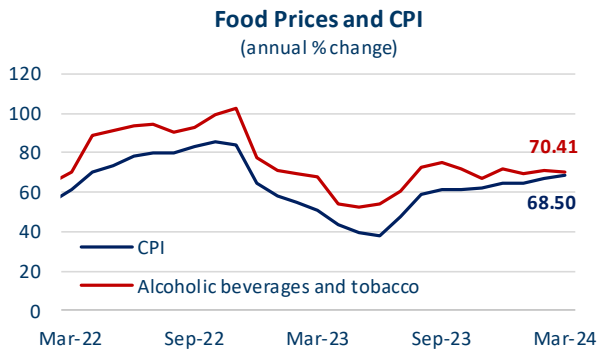
CPI increased below expectations in March.

In March, monthly CPI inflation came in at 3.16%, below market expectations and the lowest level since the beginning of the year. According to the Reuters survey, market expectation for monthly CPI inflation was 3.50% in March. Thus, annual CPI inflation rose to 68.50%. In March, domestic producer price index (D-PPI) also recorded the most moderate monthly increase of the last 3 months with 3.29% and thereby annual PPI inflation came in at 51.47%.

March (change %)	CPI		D-PPI	
	2023	2024	2023	2024
Monthly	2.29	3.16	0.44	3.29
Year-to-Date	12.52	15.06	6.25	11.59
Annual	50.51	68.50	62.45	51.47
Annual Average	70.20	57.50	113.73	45.28

Education prices rose by 13.08% mom.

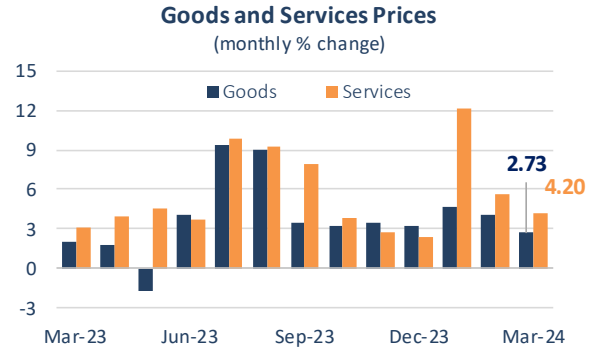
Prices increased in 11 out of 12 main expenditure groups in March. Education (13.08%) remained the spending category with the highest price increase in March following February. Communication group, where prices increased by 5.65%, followed education group in this period. On the other hand, food and non-alcoholic beverages group pushed monthly inflation up the most by 0.87 points due to its high weight in the consumption basket. This group was followed by housing, where prices increased by 3.42% from February, contributing 0.48 points. Alcoholic beverages and tobacco group was the only expenditure item to record a price decline (-0.02%) in March.



Services prices rose by 4.20% mom.

In March, core CPI excluding seasonal products rose by 3.34% mom and 69.20% yoy, respectively, above the headline inflation. In March, 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 3.14% and 3.52% mom, respectively.



In March, the rise in services prices continued to exceed the rise in goods prices. In this period, the goods index rose by 2.73% compared to February, while the monthly increase in the services index was 4.20%. In the goods group, the 5.57% rise in unprocessed food prices stood out. In the services group, the monthly increase in communication services prices reached the highest level of the last 11 months with 6.63%. The rapid rise in rent prices continued in March, and the fall in transportation services prices (-0.17%) was remarkable.

Food prices continued to be influential on domestic PPI inflation.

In the domestic PPI index, the fastest monthly price increase of March was observed in metal ores. On the other hand, food products also pushed monthly PPI inflation up the most by 0.83 points in this period. Prices of coke and refined petroleum products, which had risen rapidly in February, fell by 1.02% in March. Thereby, coke and refined oil prices limited the monthly PPI inflation by 0.04 points. Prices in coal and lignite group decreased by 0.25%.

Expectations...

After exceeding expectations in January and February, a loss of momentum in monthly inflation gave a positive sign for the course of inflation. In the upcoming period, the impact of the tightening steps on domestic demand as well as the course of exchange rates will continue to be closely monitored. Moreover, the lasting upward trend in oil prices due to supply-side pressures stemming from geopolitical risks is crucial for the course of inflation.

		Inflation (%)							
		CPI (2003=100)				D-PPI (2003=100)			
		Monthly	Year to Date	Annual	Annual Average	Monthly	Year to Date	Annual	Annual Average
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
	November	3.28	60.09	61.98	53.40	2.81	42.59	42.25	53.15
	December	2.93	64.77	64.77	53.86	1.14	44.22	44.22	49.93
2024	January	6.70	6.70	64.86	54.72	4.14	4.14	44.20	47.35
	February	4.53	11.54	67.07	55.91	3.74	8.03	47.29	45.71
	March	3.16	15.06	68.50	57.50	3.29	11.59	51.47	45.28

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