



CPI increased by 2.97% mom in September.

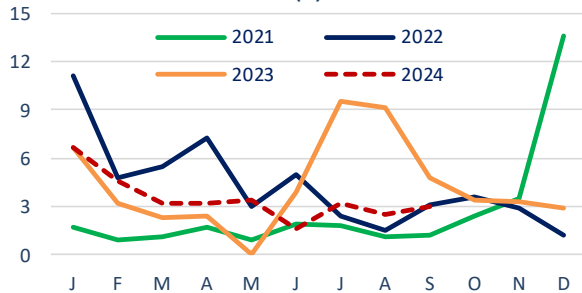
In September, CPI increased by 2.97% mom, above market expectations. According to CBRT Market Participants and Reuters surveys, consumer prices were expected to rise by 2.2% mom. However, due to the high base effect, annual CPI inflation continued its downward trend for the fourth month in a row, falling to 49.38%, the lowest level since July 2023. The D-PPI experienced a 1.37% increase in September, resulting in an annual D-PPI inflation of 33.09%, the lowest since March 2021.

September (change %)	CPI		D-PPI	
	2023	2024	2023	2024
Monthly	4.75	2.97	3.40	1.37
Year-to-Date	49.86	35.86	36.06	25.55
Annual	61.53	49.38	47.44	33.09
Annual Average	55.30	63.47	65.55	44.81

Prices in the education group rose by 14.21% mom.

All expenditure groups, except communication, recorded price increases in September. The education group experienced the highest monthly price increase of 14.21% during this time period, owing to an increase in tertiary education fees. The housing sector, where prices rose rapidly by 3.86% in September, remained the largest contributor to monthly CPI inflation (0.63 points). In the same period, the food and non-alcoholic beverages (2.48%) and transportation (2.44%) groups had prices rise below the monthly headline inflation, pushing the monthly CPI up by 0.99 points in total. Prices for alcoholic beverages and tobacco products increased by 4.16% in September as a result of tobacco product price increases. The price increases for furnishings, household equipment, routine house maintenance (1.98%), and health (1.51%) were relatively moderate.

Monthly CPI
(%)



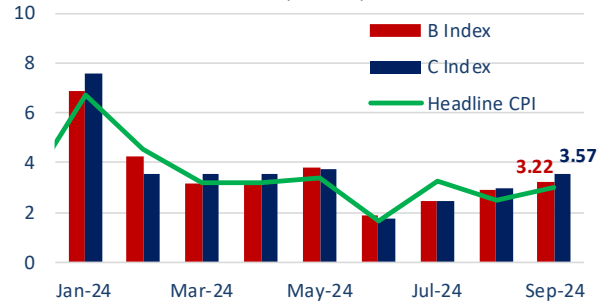
B and C indices rose above headline inflation.

In September, the CPI index excluding seasonal products rose 2.92%, in line with headline inflation. During this time, other core indicators rose above headline inflation and sent negative signals about the inflation outlook. In this context, monthly increases of 3.22% in the B index (CPI excluding unprocessed

food, energy, alcoholic beverages, tobacco products, and gold) and 3.57% in the C index (CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco products, and gold) were the highest in the previous four months.

In September, goods prices rose by 2.06%, with unprocessed food and alcoholic beverages, tobacco, and gold subgroups leading the way. During the same period, monthly service inflation reached a seven-month high of 4.90%. Rent and transportation services were the items that drove service inflation the most in September, with price increases in other services reaching 5.47%, the highest since February.

Headline CPI and Core CPI Indices
(%, mom)



Impact of food products on D-PPI...

Food products was the group that pushed domestic PPI up the most on a monthly basis in September by 0.33 points. Moreover, the electricity, gas production, and distribution group continued to make a high contribution to monthly inflation by 0.21 points in this period. The fastest price increases in September were recorded in tobacco products (8.30%), coal and lignite (4.90%), and metal ores (3.76%). In this period, the group with the highest monthly price decline was coke and refined petroleum products (5.51%).

Expectations...

Although annual CPI inflation continued to decline in September, falling below 50% for the first time since July 2023, monthly CPI inflation and core indicators indicated that the underlying inflation trend has yet to fully recover. In this context, the September data increased the importance of the course of inflation in October and November. In the coming months, the extent to which the CBRT's projected improvement in high service inflation will materialize in the fourth quarter of the year, as well as the impact of the recent increase in geopolitical risks on oil prices, will be closely monitored.

		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
	April	3.18	18.72	69.80	59.64	3.60	15.61	55.66	45.83
	May	3.37	22.72	75.45	62.51	1.96	17.87	57.68	47.24
	June	1.64	24.73	71.60	65.07	1.38	19.49	50.09	47.97
	July	3.23	28.76	61.78	65.93	1.94	21.81	41.37	47.55
	August	2.47	31.94	51.97	64.91	1.68	23.86	35.75	46.23
	September	2.97	35.86	49.38	63.47	1.37	25.55	33.09	44.81

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