



### Consumer prices rose below expectations in December.

In December, CPI increased by 1.03% mom, below market expectations. According to the Reuters survey, consumer prices were expected to rise by 1.61% in this period. Thus, annual CPI inflation continued its downward trend for the seventh month in a row and fell to 44.38%, the lowest level since June 2023. In December, domestic PPI increased by 0.40% mom, while annual D-PPI inflation came in at 28.52%, the lowest level since February 2021.

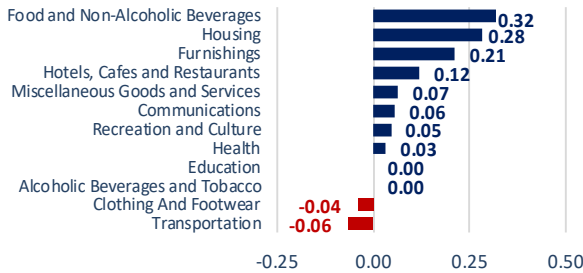
December (change %)	CPI		D-PPI	
	2023	2024	2023	2024
Monthly	2.93	1.03	1.14	0.40
Annual	64.77	44.38	44.22	28.52
Annual Average	53.86	58.51	49.93	41.10

### Furnishing and household equipment prices displayed the fastest rise in December.

Prices decreased in alcoholic beverages & tobacco (-0.02%), clothing & footwear (-0.67%) and transportation (-0.42%) groups in December. On a monthly basis, the highest price increase was recorded in the furnishing and household equipment group with 2.78%. This group was followed by communication group (1.82%) and housing group (1.71%). Food and non-alcoholic beverages group, where prices rose by 1.29% mom, continued to increase CPI the most by 0.32 points due to its weight in the expenditure basket. On the other hand, price increases in health (0.88%) and education (0.07%) were relatively moderate.

In 2024, education group displayed the fastest year-on-year price increase with 91.64%. Price increases in housing (69.03%); hotels, cafes and restaurants (57.13%) and health (47.63%) were above the headline inflation as well. In 2024, price increases in transportation (25.88%) and clothing and footwear (32.32%) were relatively limited. Analyzed by contributions, food & non-alcoholic beverages and housing groups pushed annual inflation up by 10.89 and 9.80 points, respectively.

### Contributions to the Monthly CPI Inflation (% points)



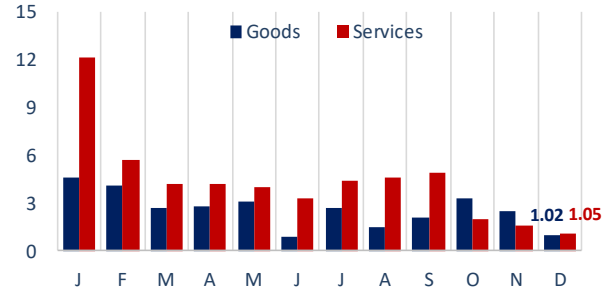
### Seasonal products limited inflation in December.

In December, the monthly price increase excluding seasonal products was realized as 1.32%, above the headline inflation, indicating that seasonal products limited the monthly CPI inflation. In this period, monthly increases in B index (CPI

excluding unprocessed food, energy, alcoholic beverages, tobacco products and gold) and C index (CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco products and gold) were realized as 1.17% and 1.06%, respectively, presenting the most positive outlook since August 2021. Moreover, B and C indices recorded the most moderate annual increases since the beginning of 2022 with 43.94% and 45.34%, respectively.

In December, services inflation continued to lose momentum. Among the services, where prices increased by 1.05% mom, rental prices recorded the most moderate rise since February 2023 with 2.89%, while transportation services' prices decreased by 3.02%. Annual inflation in goods and services was realized as 36.14% and 65.73%, respectively.

### Monthly CPI (2024, %)



### Food products stood out in D-PPI inflation.

After November, food products continued to be the group that increased monthly D-PPI inflation the most with a contribution of 0.27 points in December. In this period, beverages group, which displayed the fastest monthly price increase with 4.71%, pushed the monthly D-PPI inflation up by 0.05 points. On the other hand, prices in electricity, gas production and distribution group decreased by 5.84% mom and limited monthly D-PPI inflation down by 0.49 pp.

In 2024, prices in the beverages group recorded the fastest increase with 61.18%. Food products, where prices rose by 37.96% in this period, was the sub-item that increased the annual D-PPI inflation the most with 6.93 points. On the other hand, prices in coke and refined petroleum products and electricity, gas production and distribution groups recorded relatively moderate annual increases of 5.77% and 11.21%, respectively.

### Expectations...

In December, CPI inflation recorded a relatively moderate increase, while the slowdown in core inflation indicators continued to support positive expectations for the disinflation process. With the start of the new year, we expect CPI inflation to rise faster on a monthly basis in January compared to the remaining months of the year due to the increases in minimum wages and salaries as well as the revisions in administered prices.

		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
	October	2.88	39.77	48.58	62.02	1.29	27.17	32.24	43.93
	November	2.24	42.91	47.09	60.45	0.66	28.01	29.47	42.60
	December	1.03	44.38	44.38	58.51	0.40	28.52	28.52	41.10

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